



## Section 4:

# OUR VALUE CREATION STORY

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# OUR VALUE CREATION MODEL

Cont'd

## VALUE TO STAKEHOLDERS

## TRADE-OFFS

### Outputs

### Outcome

#### Investing Strategically

- Gross Revenue: RM846 million (FY2023: RM724 million)
- Net Property Income: RM523 million (FY2023: RM459 million)
- Distribution per unit: 9.34 sen (FY2023: 9.01 sen)
- Distributable income: RM342 million (FY2023: RM307 million)

Read more on Section 5 – I: Investing Strategically

- Ranked 4<sup>th</sup> in the MREIT industry by Market Capitalisation: RM5.67 billion
- Property value: RM8.49 billion

Financial Capital is applied to enable Pavilion REIT to execute its growth strategy and in mitigating risks to sustain performance typically with positive impact on Manufactured, Intellectual and Social and Relationship Capitals. This, however, may impact Pavilion REIT's Manufactured Capital with reduced financial allocation towards capital expenditure.

#### Maintaining Good Governance

- Zero cases of non-compliance on anti-bribery and corruption ("ABC") since FY2020

Read more on Section 5 – M: Maintaining Good Governance

- Retail: 4.1 million sq.ft. NLA
- Office: 162,992 sq.ft. NLA

#### Occupancy Rate

##### Retail

- Pavilion Kuala Lumpur Mall: 97.1%
- Intermark Mall: 92.9%
- DA MEN Mall: 72.9%
- Elite Pavilion Mall: 97.8%
- Pavilion Bukit Jalil: 89.7%

##### Office

- Pavilion Tower: 72.5%

Investing in asset enhancement initiatives and reducing the environmental footprint will benefit Natural, Intellectual, Social and Relationship Capitals, but it comes with a cost to Financial Capital and positively impacted Manufactured Capital in the mid-term through improvements in valuation and brand equity in the long term.

#### Practicing Responsible Environment Stewardship

- Energy Intensity (kWh/m<sup>2</sup>/year): 301
- Water Intensity (m<sup>3</sup>/m<sup>2</sup>/year): 2.8
- 31% of electricity generated from renewable energy sources
- Waste diverted from disposal: 627.8 tonnes
- Diverted 6.5% of landfill waste

Read more on Section 5 – P: Practicing Responsible Environment Stewardship

- Lowered carbon footprint and efficient resource management
- Progressively achieving the goal of Net Zero Carbon Emissions by 2050

Investment in renewable energy and to minimise carbon footprint will impact Financial Capital at the outset but will certainly benefit Pavilion REIT's Natural, Social & Relationship and Manufactured Capitals over the mid and long term.

#### Acclaiming Trusted Brand Reputation

- Properly governed and balanced investment decision-making process
- Incorporated investment checklist into the screening of investment opportunities
- Optimise of debt/financing

Read more on Section 5 – A: Acclaiming Trusted Brand Reputation

- Achieved 58 accolades from both local and international councils or associations for Pavilion Kuala Lumpur Mall
- Strong governance structure

Investments in Intellectual Capital may reduce Pavilion REIT's Financial Capital over the short term; however, it is also likely to increase the value of Human, Financial and Social & Relationship Capitals over the mid and long term. This growth will stem from the benefits of improved wider coverage and recognition.

#### Caring for Local Community

- Total amount invested into communities: RM0.3 million
- Strong long-term relationships with business partners and stakeholders with integrity and fairness

Read more on Section 5 – C: Caring for Local Community

- Number of unitholders: 20,074
- Community enhancement and wellbeing

Cultivating strong relationships with its stakeholders while strictly adhering to corporate governance requirements will serve to improve all Capitals.

Contributions and support programmes that require Financial Capital will also serve to improve its Social & Relationship, Manufactured, Human and Intellectual Capitals over the longer term.

#### Transforming Talent Management

- Employee retention rate: 91.3%
- Total Training Hours: 419
- Zero cases of fatalities in 2024

Read more on Section 5 – T: Transforming Talent Management

- High talent attraction and retention
- Increased capability of employees
- Optimum shopper satisfaction achieved through excellence customer service delivered by skilled workforce

Investing Financial Capital in upskilling of its people broadens career prospects and empowers them with greater capabilities. Over the long term, this provides immense benefits to Human Capital and Intellectual Capital.

## OUR OPERATING LANDSCAPE

In FY2024, Malaysia's economy demonstrated resilience with steady growth, policy support, and a rebound in tourism, shaping a favorable operating landscape for Pavilion REIT. Increased consumer spending, stable borrowing costs, and higher international tourist arrivals created opportunities for sustained performance across Pavilion REIT's retail assets. Shifts in consumer behaviour, including a focus on experiential retail and digital engagement, aligns with Pavilion REIT's strategy to curate vibrant tenant mixes and enhance customer experiences. Simultaneously, sustainability regulations and rising environmental concerns resulted in Pavilion REIT embracing and integrating green practices, improve transparency in reporting, and adopting energy-efficient operations. In response to heightened cybersecurity threats, Pavilion REIT prioritised digital resilience, investing in robust IT systems, advanced security protocols, and proactive risk management.

As Malaysia prepares for 2025, Pavilion REIT remains strategically positioned to adapt to evolving economic conditions, consumer preferences, regulatory requirements, and technological advancements, ensuring sustainable growth and long-term value creation within a dynamic operating environment.

Below are the key trends that shape Pavilion REIT's operating landscape:

### Key Trend 1: Macroeconomy

What happened in FY2024	How it impacts Pavilion REIT	Actions/Strategies	FY2025 Outlook
<p>Malaysia's economy expanded by 5.3% in Q3 2024, driven by strong investment activity, improved exports and increased tourism spending. Investment activity was underpinned by strong spending on structures and machinery and equipment, while household spending sustained its expansion amid positive labour market conditions and policy support. For 2024, economic growth is projected to range between 4.8% and 5.3%.</p> <p>BNM maintained the OPR at 3.0% reflecting a positive economic outlook and steady inflation. Headline and core Inflation remained contained at 1.9% in Q3 2024, with higher cost for diesel and vehicle insurance, offset by moderation in food and beverages prices.</p> <p>As of the beginning of the year, a 10% sales tax has been imposed on imported low-value goods not exceeding RM500 that are sold online. Additionally, the service tax rate on many goods and services has been increased from 6% to 8%, effective since 1 March 2024.</p> <p>To address rising living costs and stimulate consumer spending, the government implemented measures such as restructuring the EPF and implementing a 13% salary increase for civil servants.</p> <p>In a bid to boost tourism and economic growth, Malaysia introduced visa exemption for nationals from China and India under Visa Liberalisation Plan allowing visa-free visit for up to 30 days.</p> <p>Amid global market volatility, influenced by events such as the U.S. election, BNM remained focused on ensuring financial stability to sustain an environment conducive to investment and economic resilience.</p>	<p>The positive economic growth, stable inflation and policy support are expected to benefit Pavilion REIT, primarily through increased consumer spending which would translate to higher tenant sales, benefiting Pavilion REIT's rental income.</p> <p>Additionally, the visa exemption for tourists from China and India is anticipated to boost international tourist arrivals, where Pavilion REIT stands to gain from increased tourist spending at its malls, particularly those located in high tourist areas.</p> <p>The unchanged OPR has provided a temporary respite to REIT sector after higher financing costs in 2023. Maintaining the current interest rates would ensure the borrowing costs remain stable.</p> <p>However, global market volatility remains a potential risk, and Pavilion REIT will need to remain agile to adapt to changing economic conditions while capitalising on opportunities arising from domestic economic resilience.</p>	<p>The Manager closely monitor developments in the domestic and global economy to assess potential risks and opportunities.</p> <p>Continuously monitor on any changes in interest rate policies and their potential implications for Pavilion REIT's borrowing costs and investment plans.</p> <p>Diversifying the tenant mix to mitigate risks associated with specific sectors.</p> <p>Implementing effective risk management strategies.</p>	<p>Malaysia's GDP is projected to expand by 4.9% in 2025, driven by domestic tailwinds and tempered by global economic uncertainties.</p> <p>Economists expects BNM to keep the OPR at 3.0% throughout 2025.</p> <p>Inflation is expected to remain manageable, with headline inflation projected to average between 2.0% - 3.5% in 2025, accounting for risks from domestic policy measures.</p> <p>The government announced an extension of the visa exemption for nationals of China and India until 31 December 2026, aligning with Malaysia's 2025 Asean chairmanship and preparations for Visit Malaysia Year 2026.</p> <p>The Manager will continue to evaluate properties that are strategic and ensure efficient capital management while maintaining proper risk management and strong governance.</p>

# OUR OPERATING LANDSCAPE

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## Key Trend 2: Evolving Consumer Behaviour

What happened in FY2024	How it impacts Pavilion REIT	Actions/Strategies	FY2025 Outlook
<p>Retail Group Malaysia ("RGM") reported a slowdown in retail sales growth to 0.6% in Q2 2024, followed by higher projections for Q3 2024. This optimism is bolstered by anticipated recovery across several sub-sectors, including department stores and supermarkets, which project a 7.3% growth, and the fashion sector, which expects a 7.4% increase. However, challenges remain.</p> <p>The lingering impact of geopolitical conflicts has adversely affected several international retail brands and F&amp;B franchises with perceived ties to the affected countries. Additionally, rising living costs, driven by increased service taxes and fluctuating diesel prices, continue to weigh heavily on consumers.</p> <p>Consumer preferences shifted towards more experiential retail, with increased demand for dining, entertainment, and lifestyle offerings in shopping malls.</p> <p>Additionally, sustainability emerged as a key consumer priority, with consumers willing to spend an average of 9.7% more on sustainably produced or sourced goods, even as cost-of-living and inflationary concerns weigh, according to PwC's 2024 Voice of the Consumer Survey, published on 15 May 2024.</p> <p>The adoption of digital transformation became essential for operational efficiency and customer engagement, with technology playing a pivotal role in driving mall performance and retail success.</p> <p>The planned introduction of a High-Value Goods Tax at rate between 5% to 10% on luxury goods, originally set for 1 May 2024, was postponed pending further consultation with the retail industry and tax experts.</p>	<p>Pavilion REIT may have experienced short-term fluctuations in tenant sales and rental income, but the anticipated annual growth of 3.6% provided optimism for sustained performance in key retail assets.</p> <p>The visa exemptions for Chinese and Indian tourists significantly increased international tourist arrivals, benefiting Pavilion REIT's malls located in prime tourist destinations.</p> <p>The increased demand for dining, entertainment, and lifestyle offerings aligns with Pavilion REIT's strategy to curate attractive tenant mixes and experiential spaces.</p> <p>The adoption of digital tools became crucial for enhancing operational efficiency and customer engagement. Failing to leverage digital platforms for marketing, customer engagement, and operational efficiency would mean missing out on valuable revenue streams and cost-saving opportunities.</p>	<p>Curate unique physical retail experiences to attract shoppers.</p> <p>Targeting the intended audience with targeted marketing campaign to help the malls attract shoppers and promote its tenant offerings.</p> <p>Invest in technology and digital marketing to communicate effectively with shoppers.</p> <p>Offer diverse dining and entertainment options.</p> <p>Host engaging events and activations.</p> <p>Embrace sustainable practices by pursuing green certifications, implementing energy-efficient operations, and adopting eco-friendly initiatives.</p>	<p>RGM has maintained its annual growth forecast at 3.6% for 2024, anticipating a 3.2% expansion in the retail sector during Q4 2024.</p> <p>This outlook was bolstered by increased consumer spending and the relaxation of visa regulations for key markets such as China and India, driving higher international footfall to retail spaces.</p> <p>Consumers are gravitating back to brick-and-mortar stores for tactile and immersive experiences that online platforms cannot provide. Retailers are blending technology with physical store offerings to create engaging omnichannel journeys, leveraging innovations like augmented reality and in-store digital displays.</p> <p>Pavilion REIT will continue to engage shoppers via festive and thematic campaign, international collaborations, first-in-Malaysia experiences, stronger tenant partnerships, celebrity appearances and rewards.</p>

# OUR OPERATING LANDSCAPE

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## Key Trend 3: Sustainability and Environmental Concerns

What happened in FY2024	How it impacts Pavilion REIT	Actions/Strategies	FY2025 Outlook
<p>Sustainability is defined as “meeting present needs without compromising future generations’ ability to meet theirs”</p> <p>In November 2024, the average global temperature reached 1.62°C above pre-industrial levels, according to the EU-funded Copernicus Climate Change Service, surpassing the symbolic 1.5°C level threshold set in the Paris Agreement. While this doesn’t breach the agreement, it highlights the urgent need for accelerated climate action.</p> <p>Malaysia has faced severe flooding caused by heavy rainfall from the Northeast Monsoon, resulting in significant damage to homes, livelihood and livestock in several states.</p> <p>In response, Malaysia’s Ministry of NRES updated the National Climate Change Policy 2.0, reiterating its commitment to achieving its NDCs while supporting the draft for Malaysia’s Climate Change Act (“Bill”), slated for early 2025.</p> <p>This Bill aimed at, amongst others, introducing legal frameworks designed to enforce climate action and includes critical mechanisms for companies such as:</p> <ul style="list-style-type: none"> <li>- Carbon pricing and emissions regulations, requiring companies to monitor and report their carbon footprint</li> <li>- Mandatory climate-related disclosures to ensure transparency; and</li> <li>- Incentives and penalties to drive corporate compliance with climate goals.</li> </ul> <p>On 23 December 2024, Bursa Malaysia mandated sustainability reporting in annual reports, align with IFRS’ Sustainability Disclosure Standards, for both Main Market and ACE Market listed companies.</p> <p>This also aligns with the National Sustainability Reporting Framework (NSRF), launched on 24 September 2024 by the Securities Commission Malaysia, enhancing the integration of sustainability and financial reporting while promoting long term value creation.</p>	<p>To build trust and demonstrate the impact of its sustainability initiatives, Pavilion REIT must effectively measure and report its progress. This requires developing robust frameworks for data collection, analysis, and reporting to meet stakeholder expectations and comply with emerging regulations, including the NSRF.</p> <p>As sustainability reporting becomes mandatory, Pavilion REIT will need to enhance its disclosure practices, ensuring transparent and accurate reporting in its annual reports. This shift will also require a stronger focus on long-term value creation through sustainability initiatives.</p> <p>Transitioning to sustainable practices may involve operational changes, including adjustments to tenant operations. Clear communication and collaboration will be essential to ensure smooth implementation and minimize disruptions.</p> <p>Additionally, implementing sustainability initiatives may require upfront investments in technology, infrastructure, and operational changes. While these investments can be significant, they often yield long-term cost savings by reducing energy and resource consumption.</p> <p>While Pavilion REIT’s properties are not located in flood-prone areas, extreme weather events still pose a broader risk. As climate-related risks increase, Pavilion REIT must adapt its risk management strategies and consider investments in climate-resilient infrastructure to ensure long-term sustainability.</p> <p>Pavilion REIT must also stay proactive in meeting climate and sustainability targets, leveraging available incentives and avoiding penalties for non-compliance.</p>	<p>Pavilion REIT has subscribed to TNB’s Green Tariff Scheme for Pavilion Kuala Lumpur Mall, Pavilion Tower and Intermark Mall, reinforcing its commitment to renewable energy sources.</p> <p>In FY2024, this commitment extended to measuring additional Scope 3 carbon emissions, including waste from operations, business travel and employee commuting, providing a more comprehensive view of its environmental impact.</p> <p>To further reduce its carbon footprint, Pavilion REIT offers EV charging ports at its properties and set targets to reduce water and energy consumption. Water-saving measures include rainwater harvesting and air-handling unit condensate recycling systems, have been implemented to support these goals.</p> <p>Complementing these efforts, Pavilion REIT launched a Food Compost Initiative, converting daily collected food waste into fertiliser, which is made available for shoppers at designated points in its malls.</p> <p>Recognising the role of tenant collaboration in sustainability, The Manager introduced Green Lease clauses to encourage tenants to adopt sustainable practices, implement energy-saving measures, and incorporate eco-friendly fit-outs, while collaborating on data sharing, target setting, and environmental certifications.</p> <p>Pavilion REIT’s dedication to sustainability is further validated by its inclusion in the FTSE4GOOD Bursa Malaysia Index and Pavilion Tower’s achievement of LEED Gold Certification from the U.S. Green Building Council.</p> <p>By organizing events and initiatives that promote sustainability awareness and education, Pavilion REIT fosters positive community relationships and attracts environmentally conscious consumers.</p>	<p>Sustainability is becoming a key differentiator for retailers, influencing consumer decisions. Pavilion REIT recognizes this trend and has integrated sustainability into its operations.</p> <p>Malaysia’s Budget 2025 emphasizes a commitment to a greener, more resilient economy, with measures to reduce carbon emissions, promote renewable energy, and support sustainable practices across key industries. This includes tax incentives and policy reforms to align sectors like energy, manufacturing, and palm oil with global sustainability goals.</p> <p>With tightening global sustainability disclosure requirements, companies face increased scrutiny and penalties for greenwashing. In response, Pavilion REIT is committed to transparent communication of its sustainability efforts through clear data and robust KPIs.</p> <p>As ESG investing grows, Pavilion REIT will explore sustainable finance opportunities and increase its reliance on renewable energy, expanding participation in TNB’s Green Tariff Scheme where applicable.</p> <p>The Manager is also enhancing its climate-related disclosures, aligning its reporting practices with IFRS Sustainability Disclosure Standards to ensure greater transparency and accountability for stakeholders.</p>



# OUR OPERATING LANDSCAPE

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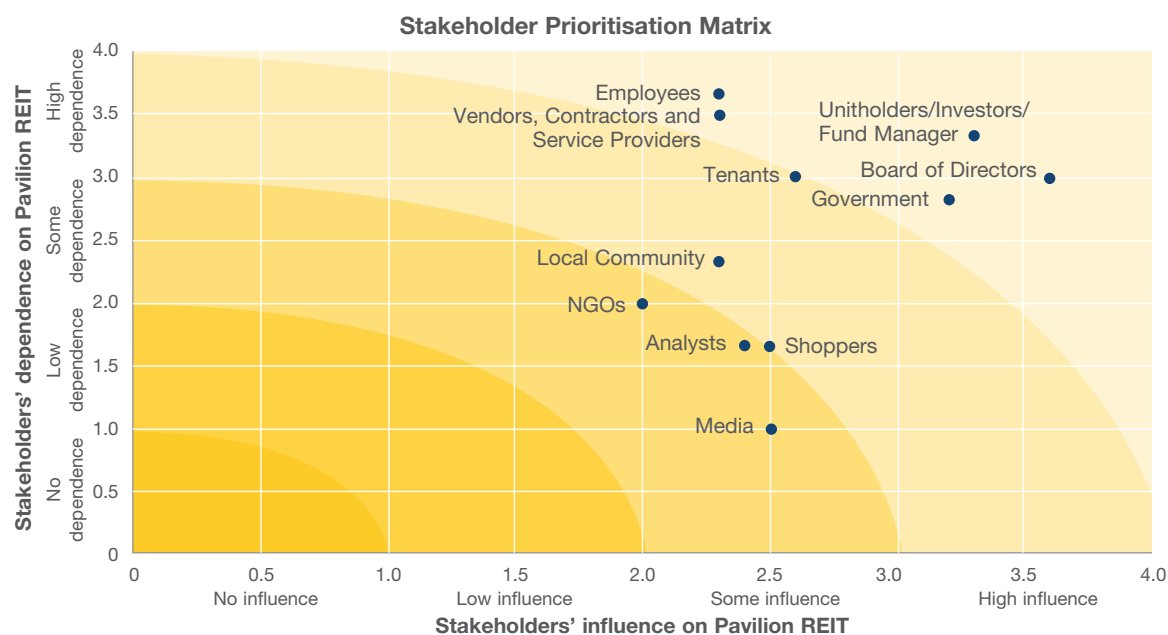
## Key Trend 4: Technology and Digital Transformation

What happened in FY2024	How it impacts Pavilion REIT	Actions/Strategies	FY2025 Outlook
<p>In FY2024, Malaysia experienced a significant rise in cyber threats, with 5,664 cyber incidents reported between January and November, according to the latest statistics from CyberSecurity Malaysia. This figure is nearly on par with the total incidents recorded for all of 2023 (5,917). The incidents, which included fraud, intrusions, content-related issues, and malicious code, highlighted a concerning spike in fraud and double extortion ransomware attacks.</p> <p>This surge emphasised the urgent need for a comprehensive cybersecurity strategy, one that includes a robust incident response framework, proactive cross-sector collaboration, and new legislation.</p> <p>The growing number of cyberattacks exposed vulnerabilities within many Malaysian organisations, with insufficient cybersecurity measures leaving them vulnerable to malware, ransomware, and phishing threats. Given the significant financial risks involved, cybersecurity has increasingly become a critical governance issue and a key indicator of management quality.</p> <p>Malaysia continues to face challenges such as a shortage of skilled cybersecurity professionals and the escalating sophistication of attacks. However, steps have been taken to strengthen the nation's defenses. Notably, the Cybersecurity Act 2024, effective from August 2024, mandates stringent compliance standards for critical information infrastructure entities. Additionally, the SC issued revised guidelines on technology risk management in August 2024, requiring capital market entities to assess and implement cybersecurity measures tailored to their specific operations and technology risk exposures.</p>	<p>The rise in cyber incidents heightened Pavilion REIT's vulnerability to fraud, ransomware attacks, and phishing schemes, posing significant operational risks.</p> <p>Such breaches could lead to financial losses, legal liabilities and damage to Pavilion REIT's reputation, impacting investor confidence and stakeholder trust.</p> <p>Furthermore, a cyberattack targeting tenant management systems or financial platforms could disrupt daily operations, causing delays and inefficiencies.</p> <p>To address these risks, the Manager had to ensure alignment with evolving regulatory requirements, including the Cybersecurity Act 2024 and revised SC guidelines.</p> <p>Addressing cybersecurity vulnerabilities required significant investment in technology upgrades, personnel training, and external consultancy services.</p> <p>At the same time, digital technologies presented opportunities for Pavilion REIT to enhance customer engagement by personalising experience through targeted offers, recommendations and loyalty programs.</p> <p>Additionally, Pavilion REIT leverages the growing digital commerce market to attract shoppers beyond its physical locations, utilizing tools such as mobile apps and social media marketing to extend its reach and drive growth.</p>	<p>Pavilion REIT ensure compliance with relevant policies and acts by strengthening internal controls and safeguarding critical infrastructure. To effectively address cybersecurity risks, the Manager established incident response plans designed to detect, contain, and mitigate cyber threats promptly.</p> <p>Proactive measures included phishing email assessment campaign, periodic vulnerability assessments, cybersecurity audits, and penetration testing to identify and resolve weaknesses efficiently.</p> <p>Additionally, regular cybersecurity awareness programs and training sessions were implemented to equip employees with the knowledge and skills needed to recognize and respond to potential threats.</p> <p>To further protect its digital assets and customer data, Pavilion REIT invested in cybersecurity measures, including authentication protocols, antivirus software, firewalls, encryption tools, and monitoring systems to prevent unauthorised access and data breaches.</p> <p>In parallel, Pavilion REIT advanced digitalization efforts through its's member mobile application, enabling mall patrons to stay updated with the latest news, access exclusive offers, and engage with the mall's services seamlessly.</p>	<p>In Malaysia's 2025 Budget, a total of RM30 million was allocated to strengthen cybersecurity and combat fraud.</p> <p>This includes RM20 million for the National Fraud Response Centre and the launch of a National Fraud Portal to tackle online fraud. The portal will facilitate the automatic detection of suspicious transactions.</p> <p>In line with efforts to fortify the country's cybersecurity and the enactment of the Cyber Security Act 2024, National Cyber Security Agency will receive an additional RM10 million and 100 staff members. These measures reflect a proactive response to the rising cyber threats that increasingly disrupt social order and raise growing concerns.</p> <p>Furthermore, Act 574 of the Penal Code and Act 593 of the Criminal Procedure Code have been amended to allow more effective action by enforcement agencies in curbing mule account syndicates.</p> <p>The budget also highlights the importance of the country's growing digital economy and reaffirms its commitment to advancements in AI and other emerging technologies.</p> <p>This aligns with the Manager plans to continue improving its IT systems and infrastructures, ensuring compliance with evolving data governance and cybersecurity standards.</p> <p>To stay competitive and meet the changing needs of its stakeholders, the Manager is committed to continuous innovation, exploring new technologies and adapting to emerging trends in the digital commerce landscape.</p>

## OUR STAKEHOLDERS

The Manager recognizes the importance of a stakeholder-inclusive approach in creating sustainable value. Hence stakeholders' perspectives are integrated into Pavilion REIT's business operations. In 2022, Pavilion REIT has conducted a stakeholder prioritisation exercise in which Pavilion REIT's stakeholders were identified and prioritised with consideration of their influence and dependence on Pavilion REIT.

The stakeholder prioritisation matrix below presents the key stakeholders rated based on their influence and dependence level on Pavilion REIT.



The Manager has also conducted a stakeholder engagement survey to understand stakeholders' views on the importance of these sustainability matters to Pavilion REIT and their expectations on the Manager's sustainability management process. The key feedback from internal and external stakeholder groups were analysed and presented in the table below.

Internal Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response
Board of Directors	Provides oversight of business directions and make overall decisions on the Pavilion REITs strategy	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Quarterly Board meeting</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Developing strategic decisions for Pavilion REIT</li> </ul>	<ul style="list-style-type: none"> <li>Work closely with the Manager's CEO in developing strategic decisions for Pavilion REIT</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Involves in day-to-day operations</li> <li>Possesses knowledge and insights into other stakeholder groups through daily operations</li> </ul>	<ul style="list-style-type: none"> <li>Training programmes</li> <li>Dialogue with senior management</li> <li>Annual Performance appraisals</li> <li>Townhall by C-suite executives</li> <li>Employees Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>As needed</li> <li>Annual</li> <li>As needed</li> <li>Every 2 years</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities for learning and development</li> <li>Employee's mental health and safety</li> <li>Diversity and equality at work</li> <li>Employee retention</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate training programmes and seminars</li> <li>Equal opportunity for all without discrimination</li> <li>Ensure a conducive and safe working environment</li> <li>Fair and transparent appraisals</li> <li>Improve work-related benefits and remuneration</li> <li>Implementing human rights and grievance mechanism</li> </ul>



# OUR STAKEHOLDERS

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External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response
Government	Sets the rules and regulations of the industry	<ul style="list-style-type: none"> <li>• Direct dialogue</li> <li>• Policy briefings</li> <li>• Consultation sessions and conferences</li> </ul>	<ul style="list-style-type: none"> <li>• As needed</li> <li>• As needed</li> <li>• As needed</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulatory requirements</li> <li>• keeping abreast on policy and regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>• Constant monitoring of EESG policies and procedures to ensure alignment with regulatory requirements through regular attestations, compliance monitoring programme and reporting</li> <li>• Work with professional subject experts</li> </ul>
Unitholders/ Investors/ Fund Manager	<ul style="list-style-type: none"> <li>• Provides investment to support Pavilion REIT's growth</li> <li>• Plays an essential role in ensuring the success of Pavilion REIT</li> </ul>	<ul style="list-style-type: none"> <li>• Announcements</li> <li>• Annual general meetings</li> <li>• Investor roadshows</li> <li>• Electronic communication</li> <li>• Integrated annual report</li> </ul>	<ul style="list-style-type: none"> <li>• As needed</li> <li>• Annually</li> <li>• As needed</li> <li>• As needed</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Stable and sustainable returns</li> <li>• Business strategies implementation and progress</li> <li>• Minimising carbon footprint and green energy</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on providing unitholders with stable and sustainable income streams</li> <li>• Increase efforts in reducing emission through energy management</li> <li>• Increase efforts in implementing sustainable designs across all properties</li> </ul>
Analysts	Influences investor sentiment through industry and company analysis	<ul style="list-style-type: none"> <li>• Announcements</li> <li>• Analyst briefing</li> <li>• Electronic Communication</li> <li>• Integrated annual report</li> </ul>	<ul style="list-style-type: none"> <li>• As needed</li> <li>• Twice a year</li> <li>• As needed</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Safety at the building</li> <li>• Energy efficiency</li> <li>• Performance of assets</li> <li>• Timely and transparent reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure timely release of announcements and financial results</li> </ul>
Vendors, Contractors and Service Providers	Provides supplies and services to support Pavilion REIT's operations	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Safety briefings and workshops</li> </ul>	<ul style="list-style-type: none"> <li>• As needed</li> <li>• Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and transparent procurement process and vendor selection</li> <li>• Compliance with rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Build strong relationships with the vendors, contractors and service providers through fair treatment in all dealings</li> <li>• Ensure compliance through routine assessments with internally prescribed standards and applicable laws and regulations</li> <li>• ABC policy and procedure in place</li> </ul>

# OUR STAKEHOLDERS

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External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response
Shoppers	<ul style="list-style-type: none"> <li>Contributes to the traffic of Pavilion's malls</li> <li>End consumers of the value chain</li> </ul>	<ul style="list-style-type: none"> <li>Festive performances and activities</li> <li>Promotional events</li> <li>Customer satisfaction surveys</li> <li>Concierge</li> </ul>	<ul style="list-style-type: none"> <li>Seasonal</li> <li>Ad hoc</li> <li>Every 2 years</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Safe and conducive mall environment with good accessibility</li> <li>Good and diverse retail mix</li> <li>Promotional campaigns to enhance attraction</li> <li>Good connectivity to public transport and convenience in transportation</li> </ul>	<ul style="list-style-type: none"> <li>Respond to feedback from customers</li> <li>Identifying avenues for improving the shopping experience</li> <li>Improve access to neighbouring amenities and transportation</li> </ul>
Tenants	Provides revenue to Pavilion REIT	<ul style="list-style-type: none"> <li>Update on property activities</li> <li>Tenant meeting</li> <li>24 hours hotline help desk</li> <li>Tenant satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As needed</li> <li>As needed</li> <li>Every 2 years</li> </ul>	<ul style="list-style-type: none"> <li>Good property maintenance</li> <li>High shopper traffic</li> <li>Competitive rental rates</li> <li>Promotional events to drive traffic</li> <li>Tenant engagement and support</li> <li>Conducive operating environment</li> </ul>	<ul style="list-style-type: none"> <li>Ensure any property maintenance or repairs are dealt with expeditiously</li> <li>Provide a comfortable and safe environment with exciting retail mix to maintain high shopper traffic</li> <li>Collaborate with tenants on promotional campaigns</li> </ul>
NGOs	Collaborative partnerships	<ul style="list-style-type: none"> <li>Corporate Social Responsibility initiatives</li> <li>Events</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>As needed</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Responsibilities</li> <li>Giving back to local communities and focus on the needs of ageing society</li> </ul>	<ul style="list-style-type: none"> <li>Increase collaboration with NGOs' for charity events or activities</li> <li>Partner with non-government organisation to give back to the local ageing communities</li> </ul>
Local Community	To generate long lasting positive impacts in community	<ul style="list-style-type: none"> <li>Corporate Social Responsibility initiatives</li> <li>Relevant authorities to improve mobility and traffic congestion</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Community development</li> <li>Corporate responsibility to give back to the community and create a positive impact</li> <li>Strengthen community ties</li> </ul>	<ul style="list-style-type: none"> <li>Continuously seek to contribute to the communities where the properties are located</li> </ul>
Media	Generates impact through news coverage on Pavilion REIT	<ul style="list-style-type: none"> <li>Media launches</li> <li>Media interviews</li> <li>Media releases</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>As needed</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Timely and transparent communication</li> <li>Industry and business performance outlook</li> </ul>	<ul style="list-style-type: none"> <li>Communicate consistently on developments of interest and business performance in order to propagate Pavilion REIT's brand value and ensure transparency in the eyes of the public</li> </ul>

# OUR STAKEHOLDERS

Cont'd

## MEMBERSHIP IN ASSOCIATIONS

Pavilion REIT actively shapes the retail landscape by advocating for best practices and holding leadership position in key industry associations.

Association involved:

Organisation	Pavilion REIT's Representative
Malaysian REIT Managers Association	Dato' Philip Ho Yew Hong, Immediate Past Chairman
Malaysia Shopping Mall Association	Dato' Joyce Yap Soh Ching, Honourable Members of Advisory Board Andrew Teoh, Committee Members of Technical

## SHOPPER ENGAGEMENT

### Customer Satisfaction Survey



In its ongoing commitment to delivering a sustainable and enjoyable shopping experience, Pavilion REIT developed a customer satisfaction survey conducted in August 2024. This initiative sought to gather valuable feedback from shoppers, a key stakeholder group.

The survey aimed to assess shoppers' satisfaction levels with the performance of Pavilion REIT's malls, identify emerging trends, and gain insights into their preferences for sustainable practices. The feedback serves as a vital tool for implementing improvements that enhance the shopping experience across Pavilion REIT's properties while fostering sustainable initiatives.

The average customer satisfaction score for Pavilion REIT malls is 81%. For a detailed list of accolades and achievements, please refer to the "Acclaiming Trusted Brand Reputation" under Section 5.4.



# OUR STAKEHOLDERS

Cont'd

## EMPLOYEES ENGAGEMENT

### Employee Engagement Survey



As part of Pavilion REIT's ongoing efforts to strengthen relationships with employees, the first Employee Engagement Survey was conducted in 2024, achieving a 77% response rate and a 91% overall satisfaction score. The survey provided valuable insights into key areas such as the work environment, leadership, professional development, and company culture, laying the foundation for future improvements in employee engagement and satisfaction.

For further details on our talent management strategies and initiatives, including how these survey findings will shape the Manager's approach, please refer to the "Transforming Talent Management" under Section 5.6.

## COMMUNITY ENGAGEMENT

### Pavilion Loves Sustainability Week



Pavilion Loves Sustainability Week, held from 12 to 18 August 2024, engaged stakeholders such as shoppers and employees as well as collaborated with tenants to promote sustainability initiatives and raise awareness. 132 employees participated in the event. The event in collaboration with Spritzer, successfully collected 1,876 bottles, weighing a total of 28.15 kg, from shoppers for recycling. This effort engaged 1,282 shoppers. In addition, Pavilion REIT distributed 1,100 packs of fertilizer from its food composting initiative, throughout the week. For other community engagement initiatives, please refer to the "Caring for Local Community" under Section 5.5.

# OUR STAKEHOLDERS

Cont'd

## TENANT ENGAGEMENT



The Manager periodically arranges health and safety programs for tenants to ensure they are equipped with the necessary skills and knowledge on how to respond and take appropriate action in case of emergencies within the REIT properties.

Additionally, the Manager organizes security awareness programs for all tenants to raise awareness and provide guidance on identifying potential threats and responding effectively to security incidents within the mall. These programs also help tenants recognize individuals who may pose a security risk to the mall and public safety.

The Manager also provides mall tenants with Basic Life Support training, equipping them with essential skills to respond to medical emergencies. This initiative enhances overall safety and increases the chances of positive outcomes during medical incidents. A total of 133 tenants and their employees participated in the workshop.

For further details, please refer to Section 5.6: Transforming Talent Management under Health and Safety, where the Manager also conducts health and safety training programs for employees and non-employees.

### Tenant Satisfaction Survey

In the past year, Pavilion REIT invited its tenants to evaluate the performance of property services across six key areas: mall and office tower facilities, design and fit-out services, leasing and tenancy administration, marketing services, credit control, and operations and facilities management. Overall, the services were rated as satisfactory. The survey covered 100% of tenants, achieving a response rate of 54% and an overall tenant satisfaction level of 75%.

Beyond assessing tenant satisfaction, Pavilion REIT also engaged tenants on sustainability-related matters and acknowledged their feedback regarding the need for better communication. In response, Pavilion REIT has enhanced the sustainability information available on each mall's website, making it more accessible. This readily available information benefits a wide range of audiences, including shoppers, the general public and unitholders.



# OUR STAKEHOLDERS

Cont'd

## MEDIA ENGAGEMENT



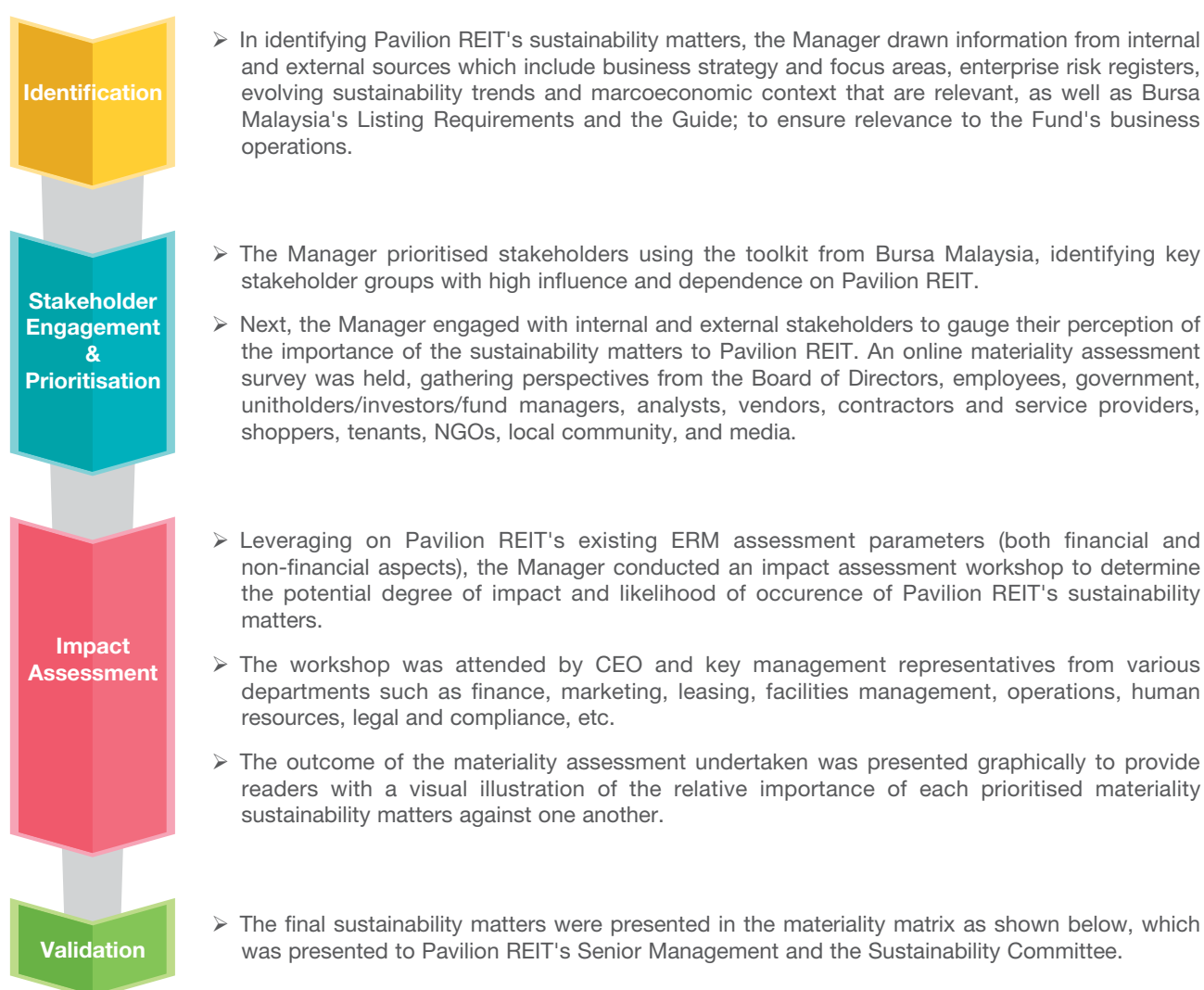
As part of Pavilion Feast Media Tour 2024, Pavilion Kuala Lumpur Mall hosted a month-long celebration featuring four vibrant themes: China Golden Week, Pink October, Deepavali, and Halloween. In collaboration with over 20 F&B tenants, Pavilion Kuala Lumpur Mall curated an array of unforgettable culinary experiences, exclusively catering to media representatives. The event garnered extensive media coverage, significantly amplifying its reach and strengthening community engagement. This showcase of Pavilion Kuala Lumpur Mall's rich culinary diversity reinforced its position as a premier dining and lifestyle destination.



## OUR MATERIAL MATTERS

The Manager undertook a materiality assessment exercise in FY2022 to ensure relevancy to the sustainability matters that are most important to Pavilion REIT's business and stakeholders. This full-scale materiality assessment was conducted with reference to Pavilion REIT's Enterprise Risk Management (ERM) policy as well as guidance from Bursa Malaysia's Sustainability Reporting Guide and Bursa Malaysia's Toolkit: Materiality Assessment (3rd edition). The Manager has also taken into consideration the global megatrends, both internal and external factors affecting the REIT industry. Based on assessment, all the "common material matters" have been covered as indicated in the Bursa Malaysia Listing Requirements. While the Manager aim to conduct a comprehensive materiality assessment once every 3 years, the Manager undertake an annual review of the relevance of its previously prioritised EESG impacts arising from its day-to-day activities.

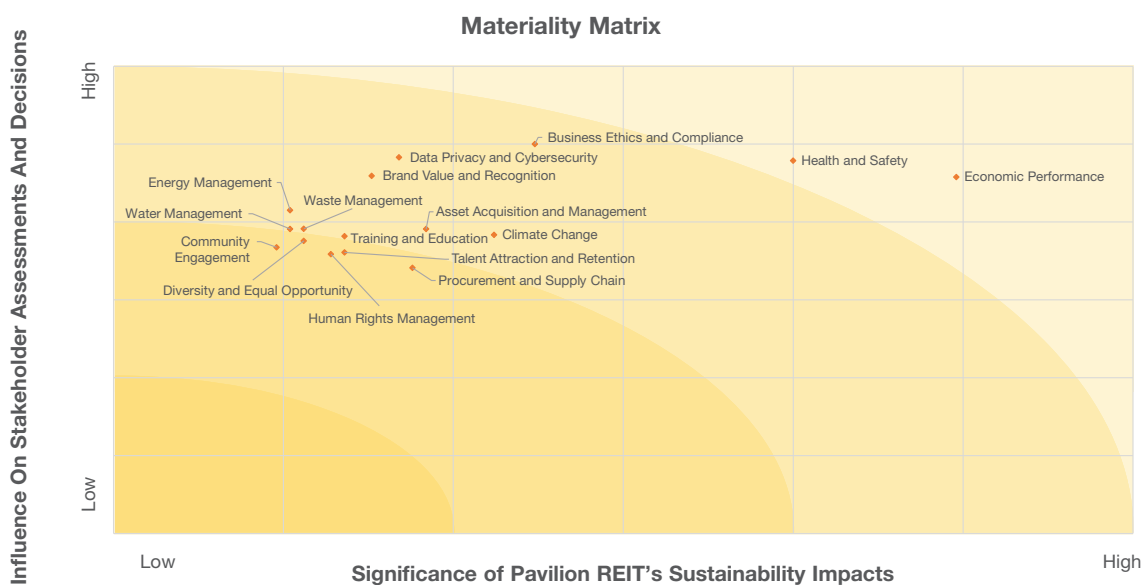
### Materiality Assessment Process



# OUR MATERIAL MATTERS

Cont'd

The materiality matrix below presents the current material sustainability matters for Pavilion REIT.



Based on the outcome of materiality assessment (as shown in the materiality matrix on the top), the key material matters identified are as below:

## High Priority

- Economic Performance
- Health and Safety

## Medium-High Priority

- |                                    |                          |
|------------------------------------|--------------------------|
| • Business Ethics and Compliance   | • Energy Management      |
| • Data Privacy and Cybersecurity   | • Training and Education |
| • Brand Value and Recognition      | • Waste Management       |
| • Climate Change                   | • Water Management       |
| • Asset Acquisition and Management |                          |

These key material matters are of high significance to Pavilion REIT's stakeholders and business. The Manager is committed to manage these matters in a responsible way to create sustainable value for Pavilion REIT's business and stakeholders. More details of how these material matters are managed are demonstrated in different IMPACT pillars under *Section 5: Creating Sustainable Impact*. The table below shows what each sustainability matter means for Pavilion REIT.

# OUR MATERIAL MATTERS

Cont'd

EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Risk & Opportunities	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
Economic	Economic Performance	Generating long term financial value for stakeholders and ensuring long term business growth through strategic investment.	<ul style="list-style-type: none"> <li>• Acquisition &amp; Investment</li> <li>• Valuation</li> <li>• Credit</li> <li>• T e n a n t Concentration</li> <li>• Financing</li> <li>• Interest Rate</li> <li>• B u s i n e s s Continuity Plan</li> </ul>	SDG 8	Please refer to Section 5; I: Investing Strategically sub-section for further details on management approach.
Economic	Asset Acquisition and Management	Ensuring sustainable value creation through strategic property management and asset acquisition.	<ul style="list-style-type: none"> <li>• Acquisition &amp; Investment</li> <li>• Valuation</li> <li>• Financing</li> <li>• Interest Rate</li> <li>• Operational</li> <li>• B u s i n e s s Continuity</li> </ul>	SDG 8	
Social	Procurement and Supply Chain	Supporting local procurement and ensuring alignment of values during the vendor evaluation process, taking into consideration Economic, Environment, Social and Governance factors.	<ul style="list-style-type: none"> <li>• Acquisition &amp; Investment</li> <li>• Operational</li> </ul>	SDG 12	
Governance	Business Ethics and Compliance	Zero-tolerance approach to bribery and corruption and strive to comply to regulatory requirements and standards, whilst maintaining business integrity and ethical conduct.	<ul style="list-style-type: none"> <li>• Legal &amp; Regulatory Compliance</li> </ul>	SDG 16	Please refer to Section 5; M: Maintaining Good Governance sub-section for further details on management approach.
Governance	Data Privacy and Cybersecurity	Developing information technology system to maintain data privacy and secure data of stakeholders.	<ul style="list-style-type: none"> <li>• B u s i n e s s Continuity Plan</li> <li>• Operational</li> </ul>	SDG 8 SDG 9	



# OUR MATERIAL MATTERS

Cont'd

EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Risk & Opportunities	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
Environmental	Climate Change	Incorporating adequate climate change strategy and green practices in Pavilion REIT's properties to improve energy efficiency and reduce carbon emission in support of the national's climate change agenda.	<ul style="list-style-type: none"> <li>Disaster</li> <li>Business Continuity Plan</li> </ul>	SDG 13	Please refer to Section 5; P: Practicing Responsible Environment Stewardship sub-section for further details on management approach.
Environmental	Energy Management	Striving to reduce energy consumption through energy-efficient installations and equipment and renewable energy mix to minimise environmental impact.	<ul style="list-style-type: none"> <li>Operational</li> </ul>	SDG 7 SDG 13	
Environmental	Waste Management	Reducing waste generated whilst having sufficient internal control and waste management system to reduce adverse environmental impacts.	<ul style="list-style-type: none"> <li>Operational</li> <li>Legal &amp; Regulatory Compliance</li> </ul>	SDG 12	
Environmental	Water Management	Establishing effective internal control and monitoring mechanism to optimize water usage and minimize environmental impacts.	<ul style="list-style-type: none"> <li>Operational</li> </ul>	SDG 6	
Economic and Social	Brand Value and Recognition	Strategies to maintain brand value and recognition, increase trust and confidence amongst stakeholders.	<ul style="list-style-type: none"> <li>Tenant Concentration</li> <li>Financing</li> </ul>	SDG 8 SDG 16	Please refer to Section 5; A: Acclaiming Trusted Brand Reputation sub-section for further details on management approach.
Social	Community Engagement	Initiatives to support and engage the local community through CSR programmes, raising awareness on social issues and promoting art and culture.		SDG 3 SDG 11	Please refer to Section 5; C: Caring for Local Community sub-section for further details on management approach.

# OUR MATERIAL MATTERS

Cont'd

EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Risk & Opportunities	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
Social	Talent Attraction and Retention	Enhancing efforts to attract, motivate and reduce employee turnover at work through providing a rewarding working environment	• Staff Resource	SDG 5 SDG 8 SDG 10	Please refer to Section 5; T: Transforming Talent Management sub-section for further details on management approach.
Social	Training and Education	Promoting high-performances work culture through continuous development and improvement of employees' skills and competencies.	• Staff Resource	SDG 4 SDG 5 SDG 8	
Social	Human Rights Management	Improving human rights practices through conduct of social and human rights audit in the organization and across the value chain.	• Operational	SDG 8	
Social	Diversity and Equal Opportunity	Promoting diversity and equality at work through merit-based employment, regardless of age, gender, ethnicity and disability, religion or any other status.	• Staff Resource	SDG 5 SDG 8 SDG 10	
Social	Health and Safety	Establishing a safe and healthy working environment by setting up processes and policies for the prevention, detection, risk assessment and reporting of health and safety matters.	• Legal & Regulatory Compliance	SDG 3 SDG 8	

## OUR RISK AND OPPORTUNITIES

The Manager adopts a structured Enterprise Risk Management (ERM) process to identify its business risks and lessen their impact on Pavilion REIT. The core element of the process involves identification, measurement, control, constant monitoring and communication of associated risks. This allows the Manager to address and mitigate potential risks and seize any opportunities that could create value for Pavilion REIT's stakeholders and bring Pavilion REIT to greater heights. To ensure accountability, the Board maintains oversight on the identification of principal risks and ensures the implementation of appropriate control to manage these risks.

Pavilion REIT's ERM framework has integrated sustainability and climate-related risks in addition to its corporate, financial and operational risks. The Manager ensure all identified risks stay within its risk appetite through revision and monitoring by designated risk owners and the Manager's CEO and further deliberation by the Board Risk Management and Sustainability Committee.

The table below is a summary of the key risks associated with Pavilion REIT mapped against identified material sustainability matters. The details of the Manager's approach and performance data are available in Section 5 of the Report.

No.	Key Risks	Impact on Business	Mitigation Measures	Opportunities	Mapping to Sustainability Matters
1	Acquisition & Investment Risk	Risk of non-accretive yield from assets/investments affecting Pavilion REIT's overall performance.	<ul style="list-style-type: none"> <li>Enhance due diligence prior to any acquisition.</li> <li>Implement sustainable practices</li> </ul>	<ul style="list-style-type: none"> <li>Enhances operational efficiency, reduces environmental impact and increase asset value</li> <li>Sustainable financial performance attracts investors and delivers long term value for all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Asset Acquisition and Management</li> <li>Economic Performance</li> </ul>
2	Valuation Risk	Risk that valuation of property may not be sustainable, hence affecting Pavilion REIT's asset value, profitability, and gearing	<ul style="list-style-type: none"> <li>Maximise quality shopper traffic, especially at Pavilion Kuala Lumpur and Elite Pavilion malls</li> <li>Active management of tenant base</li> <li>Continue asset enhancement initiatives</li> </ul>	<ul style="list-style-type: none"> <li>optimise tenant mix and maintain high occupancy rates</li> <li>increase net lettable area and rental potential</li> </ul>	
3	Credit Risk	Liquidity risk of non-payment by tenants/customers	Conduct thorough credit evaluation and due diligence on counterparties before accepting entering into letter of offer or agreement tenants	Ensure liquidity through reliable tenant payments.	
4	Financing Risk	Risk of not being able to obtain fresh facilities or renew its facilities when due, either from financial institution or debt capital market	<ul style="list-style-type: none"> <li>Engagement with borrowers to discuss and negotiate better terms before renewal of MTN programs</li> <li>Diversify sources of debt funding</li> <li>Maintain a reasonable level of debt service capability</li> <li>Secure favourable terms of funding</li> </ul>	Improved financial flexibility and reduced financing risk.	

# OUR RISK AND OPPORTUNITIES

Cont'd

No.	Key Risks	Impact on Business	Mitigation Measures	Opportunities	Mapping to Sustainability Matters
5	Interest Rate Risk	Risk refers to the potential unfavourable movement in floating interest rate that will affect income before taxation	Manage the exposures arising from adverse market interest rates through appropriate hedging strategies.	Effective interest rate risk management.	<ul style="list-style-type: none"> <li>• A s s e t Acquisition and Management</li> <li>• E c o n o m i c Performance</li> </ul>
6	Tenant Concentration Risk	Risk of relying on only a handful of tenants	<ul style="list-style-type: none"> <li>• Establish a leasing team which is responsible for monitoring the sales performance of its tenants.</li> <li>• Have more tenants within each property</li> </ul>	Regular tenant engagements for continuous improvement to meet tenant expectations.	<ul style="list-style-type: none"> <li>• E c o n o m i c Performance</li> <li>• B r a n d Value and Recognition</li> </ul>
7	Business Continuity Risk	Risk of business not being able to operate at an optimal level	<ul style="list-style-type: none"> <li>• Periodic review of IT system and user privileges.</li> <li>• Regular risk reviews, mitigation actions, and training.</li> </ul>	Robust cybersecurity and improved data management protect shopper data, maintaining trust.	<ul style="list-style-type: none"> <li>• E c o n o m i c Performance</li> <li>• D a t a Privacy and Cybersecurity</li> </ul>
8	Legal and Regulatory Compliance Risk	Risk of non-compliance impacting operations	<ul style="list-style-type: none"> <li>• Identify and assess bribery and corruption risks quarterly.</li> <li>• Not to enter into any business dealings with third parties which are in suspect of engaging in improper business practices</li> <li>• Conduct due diligence to verify business partners' identity/ background and to assess their bribery and corruption risks</li> <li>• Provide bilingual training to ensure all employees understand and align with Pavilion REIT's policies and procedures</li> <li>• Ensure all electrical installations are compliant with relevant laws and regulations</li> <li>• Ensure full compliance with government regulations such as OSHA 1994, Fire Services Act 1988, and Electricity Supply Act 1990</li> <li>• Institute the Hazard Identification, Risk Assessment and Risk Control (HIRARC) into Pavilion REIT's business operations</li> <li>• Ensure human rights practices throughout the operations</li> </ul>	<ul style="list-style-type: none"> <li>• E n h a n c e d corporate governance and reputation.</li> <li>• Strong human rights practices and safety culture.</li> <li>• S o u n d procurement governance.</li> </ul>	<ul style="list-style-type: none"> <li>• B u s i n e s s Ethics and Compliance</li> <li>• W a s t e Management</li> <li>• Health and Safety</li> <li>• Procurement &amp; Supply Chain</li> <li>• H u m a n Rights Management</li> </ul>



# OUR RISK AND OPPORTUNITIES

Cont'd

No.	Key Risks	Impact on Business	Mitigation Measures	Opportunities	Mapping to Sustainability Matters
9	Operational Risk	Risk of incurring loss resulting from inadequate procedures or existing system failure	<ul style="list-style-type: none"> <li>• Improve operational efficiency and cost effectiveness</li> <li>• Require contractors to undergo a pre-evaluation process and KYC background check to evaluate their financial stability and ensure ethical business conducts</li> <li>• Plan Cybersecurity Awareness Programs.</li> <li>• Regular inspections, tests, and calibration of electrical installations to ensure they are operating efficiently and smoothly</li> <li>• Ensure strong and effective internal control on energy, waste and water management is in place</li> <li>• Conduct quarterly human rights audits at the foreign workers' accommodation of its security and cleaning service providers to ensure there are proper welfare for the foreign workers who work at Pavilion REIT properties</li> <li>• Conduct verifications with the service providers to ensure that the workers are being paid the minimum wage as per the latest government regulations</li> <li>• Provide flood mitigation training.</li> </ul>	<ul style="list-style-type: none"> <li>• Effective mitigation and adaptation strategy ensures business continuity</li> <li>• Waste reduction and increased resource efficiency can result in cost savings for operations</li> <li>• Efficient water management may reduce operational costs and promote water conservation behavior.</li> </ul>	<ul style="list-style-type: none"> <li>• D a t a Privacy and Cybersecurity</li> <li>• E n e r g y Management</li> <li>• W a s t e Management</li> <li>• W a t e r Management</li> <li>• H u m a n R i g h t s Management</li> <li>• Procurement &amp; Supply Chain</li> <li>• C l i m a t e Change</li> </ul>
10	Disaster Risk	Risk of loss and damage due to incidents arising from natural disaster	<ul style="list-style-type: none"> <li>• Implement flood mitigation mechanism and training besides installation of flood defence equipment such as pump drainage systems at properties</li> <li>• All properties under Pavilion REIT has their own emergency response and crisis management team</li> </ul>	<ul style="list-style-type: none"> <li>• Protect properties, communities and operations from disaster.</li> </ul>	<ul style="list-style-type: none"> <li>• C l i m a t e Change</li> </ul>

# OUR RISK AND OPPORTUNITIES

Cont'd

No.	Key Risks	Impact on Business	Mitigation Measures	Opportunities	Mapping to Sustainability Matters
11	Staff Resource Risk	Risk of not being able to attract and retain capable staff	<ul style="list-style-type: none"><li>• Hiring process is based on merit and credibility regardless of background</li><li>• Proactively review and improve the current employee-related benefits remuneration</li><li>• Provide learning &amp; development programmes that involve reskilling and upskilling programmes for employees</li><li>• Enforce a Whistleblowing Policy for employees to report any unethical practices, discrimination, and harassment anonymously</li><li>• Practice diverse and inclusive hiring process regardless of employee background</li></ul>	<ul style="list-style-type: none"><li>• Effective talent development and upskilling programmes with attractive benefits packages</li><li>• Able to retain and attract industry talent as well as contribute to a high-performance culture</li><li>• Inclusive, diverse and empowering work culture attracts talents and brings a range of viewpoints that enhances the quality of decision making.</li></ul>	<ul style="list-style-type: none"><li>• T a l e n t Attraction and Retention</li><li>• Training and Education</li><li>• Diversity and Equal Opportunity</li></ul>

## OUR INVESTMENT STRATEGY

As the Manager paves the way to achieving Pavilion REIT's vision, which is to be the leading and most sought-after REIT in Malaysia, the Manager recognises the importance of integrating sustainability into Pavilion REIT's business operations and embrace a top-down approach which focuses on the "Creation of Impact" to its stakeholders and the environment. With this in mind, the Manager has reviewed Pavilion REIT's business strategies as follows:







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# CREATING SUSTAINABLE IMPACT

## 2024 Sustainability Highlights



# PAVILION REIT'S SUSTAINABILITY STATEMENT

REITs and the real estate industry are fundamental in building up the infrastructures of our nation. The Fund is well positioned to take a leadership role in strategic investment, good governance, environmental stewardship and responsible social practices within our society and nation. In today's business landscape, creating continuous sustainable value requires a comprehensive and integrated approach that serves all stakeholders, including investors, tenants, employees, and local communities. Businesses are required to address and manage the full range of sustainability risks and opportunities. With the rapid increase of concern within REIT's stakeholders, it is vital for REITs and real estate industry to accelerate their sustainability journey.

At Pavilion REIT, the Manager constantly seek ways to create a sustainable impact to Pavilion REIT's business and stakeholders. In this section, we describe the efforts and performance in managing sustainability matters which are categorised into the below sub-sections.



## INVESTING STRATEGICALLY

**Grow Pavilion REIT's portfolio with long-term value creation and future-proofed solutions.**

*Describing efforts to manage economic-related sustainability matters – economic performance, asset acquisition and management, procurement and supply chain.*



## MAINTAINING GOOD GOVERNANCE

**Maintain strong corporate governance practices that uphold transparency and accountability.**

*Describing efforts to manage governance-related sustainability matters – business ethics and compliance, data privacy and cybersecurity.*



## PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

**Minimize environmental footprint through responsible resource management, carbon reduction, and biodiversity protection.**

*Describing efforts to manage environmental-related sustainability matters – climate change, energy, waste and water management.*



## ACCLAIMING TRUSTED BRAND REPUTATION

**Cultivate a positive brand image through ethical sourcing, responsible supply chains, and community engagement.**

*Describing efforts to maintain Pavilion REIT's brand value and recognition.*



## CARING FOR LOCAL COMMUNITY

**Actively contribute to the well-being of surrounding communities through social responsibility initiatives and employee volunteerism.**

*Describing efforts to manage community-related sustainability matters – corporate social responsibility and community engagement.*



## TRANSFORMING TALENT MANAGEMENT

**Invest in people, fostering a diverse and inclusive workplace that empowers personal and professional growth.**

*Describing efforts to manage talent-related sustainability matters – talent attraction and retention, training and education, human rights management, diversity and equal opportunity, health and safety.*

# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Sustainability Journey



# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Sustainability Framework

Pavilion REIT adheres to the principles of EESG and prioritises the integration of sustainable practices into all its operations. This Sustainability Framework defines the Manager's approach to EESG, outlining the established goals and objectives for achieving sustainable development. It serves as a key component of Pavilion REIT's overall sustainability strategy and is designed to facilitate Pavilion REIT's progress towards its long-term sustainability aspirations, thereby contributing to the creation of value for its stakeholders.

### Vision

To be the leading and most sought-after REIT in Malaysia.

### Mission

To provide unitholders with regular and stable distributions to achieve long term growth in net asset value per unit and maintaining an appropriate capital structure, whilst balancing stakeholders needs.

### Purpose

Create Pavilions that brings communities together.

### Core Values

EXCELLENCE

INTEGRITY &  
COMPLIANCE

RESPECT &  
RESPONSIBILITY

HEALTH & SAFETY

EQUITY & INCLUSION

### Sustainability Pillars

Investing  
Strategically

Maintaining Good  
Governance

Practicing  
Responsible  
Environment  
Stewardship

Acclaiming  
Trusted Brand  
Reputation

Caring for Local  
Community

Transforming  
Talent  
Management

### Sustainability Matters

- Economic Performance
- Asset Acquisition & Management
- Procurement & Supply Chain

- Business Ethics & Compliance
- Data Privacy & Cybersecurity

- Climate Change
- Energy Management
- Water Management
- Waste Management

- Brand Value & Recognition

- Community Engagement

- Health & Safety
- Training & Education
- Diversity & Equal Opportunity
- Human Rights Management
- Talent Attraction and Retention

*Note: Text in blue are the key matters (high significance to Pavilion REIT's stakeholders and business)*

### Stakeholder Groups

Board of Directors

Employees

Government

Unitholders/  
Investors/  
Fund Manager

Analysts

Vendors,  
Contractors and  
Service Providers

Shoppers

Tenants

NGOs

Local Community

Media

### Our Commitments



SUSTAINABLE DEVELOPMENT GOALS



### Reporting Framework, Standards & Best Practices





# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Sustainability Governance

Pavilion REIT's sustainability governance structure is seamlessly integrated into its corporate governance framework. To ensure comprehensive sustainability integration across all property aspects, the Board and its committees' responsibilities have been expanded to encompass sustainability elements, as reflected in their updated terms of reference.



The Board of Directors ultimately steers Pavilion REIT's strategic direction on sustainability while being supported by dedicated Board Committees through delegated tasks. Pavilion REIT's Sustainability Working Committee (SWC) is helmed by the Manager's CEO and includes its management team, reporting directly to the Sustainability Committee (SC). The SC oversees and reviews Pavilion REIT's sustainability strategy twice in a year, including climate-related considerations, sustainability risks and opportunities, all relevant policies, and the SWC's performance. The SC also plays a crucial role in advising the Board on the adequacy and effectiveness of the sustainability strategy and initiatives framework.

The CEO spearheads the development and implementation of the sustainability strategy, oversees its management, and reports progress, including key ESG advancements, to the Board for approval, covering ESG priorities and commitments. Additionally, the CEO communicates the Board's vision, strategy, policies, and responsibilities to the SWC.

Composed of representatives from each operating property and asset, the SWC actively supports the ESG agenda across various functions. The SWC plays a key role in the day-to-day execution of the organization's sustainability strategies and plans.

Demonstrating a commitment to informed decision-making, the Board of Directors and Sustainability Committee actively participate in periodic capacity-building programs to stay equipped with the knowledge necessary for managing sustainability challenges and opportunities, with a specific focus on climate-related aspects.

## Sustainability Policy

Aligned with Sustainability Framework, Pavilion REIT has established a Sustainability Policy, effective 24 January 2024. This policy serves as a comprehensive guide for implementing responsible ESG practices, including climate-related considerations, to ensure long-term value creation for its stakeholders and the communities it serves. The roles and responsibilities of sustainability committees, senior management, and working-level teams are clearly defined within the policy, ensuring accountability and effective implementation across all levels. This policy acts as a roadmap for embedding sustainability principles into every facet of Pavilion REIT's business operations. It aims to:

- Provide clear guidance to employees and stakeholders on Pavilion REIT's commitment to sustainability and its strategic direction.
- Integrate sustainability principles seamlessly into all aspects of Pavilion REIT's operations.
- Foster vibrant and inclusive communities by creating Pavilions that serve as hubs for connection, engagement, and shared growth.

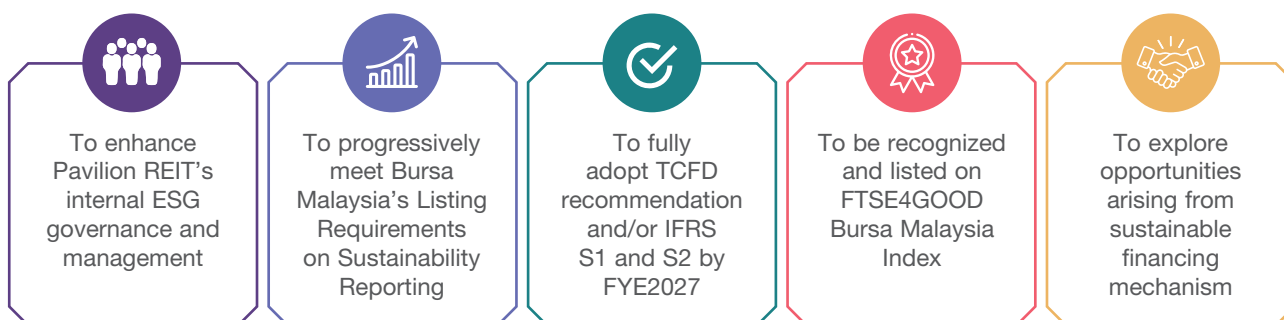
Through this policy, Pavilion REIT reaffirms its dedication to building a sustainable future for all.

# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Pavilion REIT's 5 year ESG aspirations

Pavilion REIT's 5 year ESG aspiration from FY2023 to FY2027:



Pavilion REIT is actively integrating sustainability into its business operations through five key focus areas – governance, strategy, integrated risk management, performance monitoring and business activities. Pavilion REIT's Sustainability Roadmap is structured across three key time horizons – short-term (2023), medium-term (2024-2027), and long-term (beyond 2027) – with defined goals and measurable progress stated under the pillars outlined in *Section 5: Creating Sustainable Impact*.

These pillars include Investing Strategically, Maintaining Good Governance, Practicing Responsible Environmental Stewardship, Acclaiming Trusted Brand Reputation, Caring for Local Community and Transforming Talent Management.

By aligning sustainability efforts with these pillars, Pavilion REIT remains dedicated to fostering environmental responsibility, promoting social well-being and upholding transparent governance. This structured approach supports the Manager's commitment to delivering sustainable growth, enhancing stakeholder value and ensuring long-term business resilience.

## Performance Scorecard

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
<b>I: INVESTING STRATEGICALLY</b>	Procurement and Supply Chain	Zero incidents recorded resulting from Vendor Code of Conduct	In FY2024, there are zero (0) cases of non-compliance incidents recorded resulting from Vendor Code of Conduct
		To support local companies and establish good relations with the local business community through local procurement	In FY2024, more than 99% of its vendor services are procured locally, with the remaining spent on international service providers for information technology, marketing and promotional purposes.
<b>M: MAINTAINING GOOD GOVERNANCE</b>	Business Ethics and Compliance	To achieve 100% attendance to anti-corruption training	<ul style="list-style-type: none"> <li>All Board members were given the training.</li> <li>100% of employees participated in anti-corruption training.</li> </ul>
		Zero reported cases of bribery and corruption	In FY2024: <ul style="list-style-type: none"> <li>no corruption incident reports were submitted through the whistleblowing portal.</li> <li>No employees faced dismissal or disciplinary action for corruption-related offenses.</li> <li>No contracts with business partners were terminated or not renewed due to corruption violations.</li> <li>No public legal cases involving corruption were brought against Pavilion REIT or its employees.</li> </ul>
	Data Privacy and Cybersecurity	Zero reports of complaints concerning breaches of customer privacy and loss of customer data	There were no complaints concerning breaches of customer privacy and losses of customer data in FY2024.

# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
<b>P: PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP</b>	Climate Change	<ul style="list-style-type: none"> <li>• <b>20% Carbon Reduction by 2030:</b> To reduce Pavilion REIT's Scope 2 carbon emissions by 20% compared to FY2019 levels by the year 2030.</li> <li>• <b>Net Zero Carbon by 2050 (Scope 1 &amp; 2):</b> To achieve net zero carbon emissions from Pavilion REIT's direct and indirect operations (scope 1 and 2) by 2050, using FY2019 as the baseline.</li> <li>• <b>20% Intensity Reduction (Scope 1 &amp; 2):</b> To achieve a 20% reduction in carbon intensity for Pavilion REIT's direct and indirect operations (scope 1 and 2) by 2030, compared to FY2019.</li> </ul>	<p>Pavilion REIT reports its owned or controlled generator sets usage as Scope 1 emission, contributing approximately 7.3 tCO<sub>2</sub>e in FY2024.</p> <p>In FY2024, total Scope 2 emissions were reduced to 79,056 tCO<sub>2</sub>e, compared to 83,628 tCO<sub>2</sub>e in FY2019, representing a 5.5% reduction. This reduction was mainly driven by increased adoption of Malaysia's GET. Excluding Pavilion Bukit Jalil, FY2024 scope 2 emissions fell to 39,925 tCO<sub>2</sub>e, a 52.3% reduction compared to FY2019.</p> <p>In FY2024, Pavilion REIT achieved a GHG emission intensity of 0.18 tCO<sub>2</sub>e/m<sup>2</sup>, reflecting an improvement from 0.22 tCO<sub>2</sub>e/m<sup>2</sup> in FY2019, which represents an 18.2% reduction in emission intensity. Excluding Scope 3 emissions, the GHG emission intensity decreases further to 0.11 tCO<sub>2</sub>e/m<sup>2</sup>, representing a 50% reduction.</p> <p>With the subscription of TNB's GET, Pavilion Kuala Lumpur Mall, Intermark Mall and Pavilion Tower manages to avoids 35,744 tCO<sub>2</sub>e emission in 2024.</p>
	Energy Management	<ul style="list-style-type: none"> <li>• 3% reduction in landlord electricity consumption by 2030 vs FY2019</li> <li>• 50% renewable electricity by 2040 by all Pavilion REIT assets under operational control</li> </ul>	<p>Overall energy consumption across all properties showed an increase of 35.8% compared to FY2019. Excluding Pavilion Bukit Jalil, consumption would be only 98,064,630 kWh, representing a decrease of 11.1% as compared to FY2019.</p> <p>Achieved 31% renewable electricity usage across REIT properties, driven by GET subscriptions at Pavilion Kuala Lumpur Mall, Pavilion Tower and Intermark Mall.</p>
	Waste Management	<ul style="list-style-type: none"> <li>• FY2024: Target of diverting 5% of waste from landfills as compared to FY2019.</li> <li>• FY2025 - FY2027: Accelerate progress, reaching a 10% landfill diversion rate.</li> </ul>	<p>Pavilion REIT diverted 6.5% of waste from landfills in FY2024.</p>
	Water Management	<p>To achieve 2% reduction in landlord water consumption by 2030 compared to FY2019</p>	<p>The total volume of water used by Pavilion REIT for landlord consumption stands at 1,212,348m<sup>3</sup>.</p> <p>Excluding Pavilion Bukit Jalil, the water usage drops to 730,487m<sup>3</sup>, representing a decrease of 9.5% as compared to FY2019.</p>

# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
<b>A: ACCLAIMING TRUSTED BRAND REPUTATION</b>	Brand Value and Recognition	To be a responsible corporate citizen, with the aim to increase brand value and recognition within the REIT industry via higher tenant satisfaction and unitholder investment.	<p>Pavilion Kuala Lumpur Mall, a testament to this commitment, has been awarded an impressive 58 accolades to date (up from 53 in 2023) by esteemed local and international councils and associations.</p> <p>The Manager also conducted a shopper satisfaction survey, reaffirming its commitment to providing a sustainable and enjoyable shopping experience. By gathering shopper feedback, the Manager can enhance mall operations and collaborate closely with tenants to create a more engaging retail environment. A better shopping experience ultimately strengthens tenant performance and adds value for unitholders. The shopper satisfaction score for Pavilion REIT malls stands at 81%.</p>
<b>C: CARING FOR LOCAL COMMUNITY</b>	Community Engagement	Targets by FY2030 including: <ul style="list-style-type: none"> <li>Reaching and supporting 1,000 beneficiaries in communities surrounding Pavilion REIT properties;</li> <li>Raising and contributing RM1 million (in cash and in kind) towards funding CSR activities; and</li> <li>Achieving 1,000 hours of employee volunteerism.</li> </ul>	<p>In 2024, the Manager raised and contributed RM0.3 million in cash and in-kind donations, benefiting 1,990 individuals. During these community engagement events, employees contributed a total of 495 volunteer hours.</p> <p>Additionally, the total number of people engaged throughout the year, including shoppers and the wider community, was approximately 5,182.</p>
<b>T: TRANSFORMING TALENT MANAGEMENT</b>	Talent Attraction and Retention	To develop values that attract exceptional talents as well as to provide new benefits for the employees to ensure a fair working environment and a healthy work-life balance for all	In 2024, the Manager maintained a steady influx of new talent with a 7.1% new hire rate and employee retention climbed to 91.3%.
	Training and Education	To develop its employees' talents and maximise their potential by creating a work environment that informs, educates, and inspires employees to achieve their professional and personal goals and aspirations.	Recorded an increase of 79.4% in total training hours compared to the previous financial year
	Human Rights Management	Zero substantiated complaints concerning human rights violations	Zero complaints concerning human rights violation reported in 2024
	Diversity and Equal Opportunity	<ul style="list-style-type: none"> <li>At least 30% female participation in leadership roles at management level</li> <li>At least 30% female participants at board level</li> </ul>	<ul style="list-style-type: none"> <li>40% of Board of Directors in 2024 were women, which is higher than 30% recommendation by the MCCG</li> <li>67% of leadership roles are held by women at the management level in 2024</li> <li>76% of the Manager's employees in 2024 were female</li> </ul>
	Health and Safety	<ul style="list-style-type: none"> <li>Zero fatality annually</li> <li>Maintain zero work-related injuries</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatality reported in 2024</li> <li>1 injury reported in 2024 due to oversight of the injured parties. A thorough investigation was conducted, and prevention measures were defined to avoid recurrence.</li> </ul>



# I : INVESTING STRATEGICALLY

## ECONOMIC PERFORMANCE

### Why It Matters and Approach

Pavilion REIT remains committed to creating long-term financial values for all its stakeholders. As one of the largest real estate investment trusts in Malaysia, Pavilion REIT contributes to the Malaysian economy through our strategic investment strategy which involves a diversified portfolio of income-producing real estate assets across Malaysia.

The Manager oversees operating cash flows, financing arrangement, investment, and debt maturity profile to ensure the generation of economic value through its performance.

In addition, Pavilion REIT has observed various positive indirect socio-economic impacts derived from its operations which include the growth of small-medium enterprises within its properties which led to an increase in job opportunities for the surrounding neighbourhoods in the areas where it operates.

Separately, the Manager has also held various community development and enhancement programmes for the local community. These philanthropic programmes aim to support the underprivileged communities, which include youth and women, to improve their welfares. More information on how Pavilion REIT creates indirect economic value for its stakeholders can be found in the “Caring for the Community” section.

### Progress

#### Creating Economical Values for Stakeholders

The Manager aims to develop strategic key initiatives to create economical values which can lead to better economic performances. The table below shows the key initiatives that was implemented by Pavilion REIT with the economical values created:

Key Initiatives	Value Created
<b>Renewal of MTNs matured during the year</b> Engagement with subscribers to negotiate better terms before issuance of MTN programs	Pavilion REIT maintains financing cost at a manageable level
<b>Proactive lease management</b> Through proactive lease management, new tenants are brought in	Pavilion REIT enhances properties occupancy and tenant mix
<b>Marketing promotions and activities</b> Formed partnerships with event sponsors or be a venue sponsor for events	Pavilion REIT brings in shoppers into the malls through marketing and promotional activities, thus increasing retail sales and car park income which may lead to better percentage rent
<b>Managing operating cost</b> Efficiency in operational management and regular upkeep	Pavilion REIT manages operating cost to mitigate downtime in the event of major breakdown or equipment failure
<b>Asset enhancement</b> Repurposing underutilised spaces with pop-up shops and implementing energy and water efficiency upgrades. This includes installing LED lighting, water-saving fixtures (AHU condensate water recycling, rainwater harvesting), upgrading service lifts, enhancing CCTV, repainting the common ceiling and installing solar film on the exterior glass panels. and solar film installation	Pavilion REIT utilises asset enhancements to enhanced property value and create new spaces in the mall to lease out to tenants

# I : INVESTING STRATEGICALLY

Cont'd

## Direct economic value generated and distributed

Economic Performance	FY2022 (RM'000)	FY2023 (RM'000)	FY2024 (RM'000)
<b>Direct Economic Value Generated</b>			
• Revenue <sup>(1)</sup>	557,872	735,216	860,662
<b>Economic Value Distributed</b>			
• Operating Costs	195,277	275,035	333,516
• Employee Wages and Benefits <sup>(2)</sup>	-	-	-
• Payments to Capital Providers <sup>(3)</sup>	346,166	439,939	503,722
• Payments to Government	16,263	20,223	23,473
<b>Total</b>	<b>557,706</b>	<b>735,197</b>	<b>860,711</b>
<b>Economic Value Retained/(Deficit)</b>	<b>166</b>	<b>19</b>	<b>(49)</b>

### Notes:

(1) Includes gross revenue and interest income.

(2) Not applicable, as all employees are under the Manager.

(3) Includes borrowing costs and income distribution. The proposed final income distribution is payable in the following financial year.

Deficit in economic value is due to current year distribution of the balance undistributed amount from the previous year.

## ASSET ACQUISITION AND MANAGEMENT

### Why It Matters and Approach

Pavilion REIT's core activity is to invest in income-producing real estate assets, which are solely used predominantly for retail purposes in Malaysia and other countries within the Asia-Pacific region, with the objective of providing its unitholders with regular and stable distributions while achieving long-term growth in the net asset value based on an appropriate capital structure.

### Achieving Investment Objective Through Various Strategies

The primary objective of Pavilion REIT is to provide unitholders with regular and stable distributions and achieve long-term growth in net asset value per unit and maintaining an appropriate capital structure, while balancing stakeholders needs.

The Manager intends to achieve the investment objective of Pavilion REIT through the following strategies:

- (i) **Actively pursuing acquisition opportunities in accordance with the authorised investments of Pavilion REIT**
  - acquire yield accretive income-producing properties
  - explore repositioning opportunities
- (ii) **Pursuing an efficient capital management strategy**
  - diversify sources of debt funding
  - maintaining a reasonable level of debt service capability
  - securing favourable terms of funding
  - managing financial obligations
  - managing the exposures arising from adverse market interest rates through appropriate hedging strategies.
  - actively managing the range of maturities to reduce refinancing risk and optimise the cost of capital
- (iii) **Proactively managing the properties and implementing asset enhancement strategies**
  - maximise quality shopper traffic, especially at Pavilion Malls
  - active management of tenant base in order to optimise tenant mix and maintain high occupancy rates
  - continued asset enhancement initiatives to increase net lettable area and rental potential
  - improving operational efficiency and cost effectiveness
  - commitment to sustainability to have positive impact on brand recognition, reputation and lessen environmental impact

# I : INVESTING STRATEGICALLY

Cont'd

## ESG Due Diligence for New Acquisitions

Committed to sustainable practices, Pavilion REIT embeds ESG due diligence in its asset acquisition process. This commitment translated into standardized asset-level environmental and social risk assessments for all new acquisitions. Pavilion Bukit Jalil serves as an example, with assessments encompassing procurement and supply chain, business ethics and compliance, data privacy and cybersecurity, climate change, energy management and efficiency, waste management, water management and efficiency, regulatory compliance, building safety, health and well-being, indoor environmental quality, biodiversity and habitat, tenant management, and community engagement.

Pavilion REIT also remains committed to implement and improve sustainability measures after asset acquisitions. The Manager continues to be on the look-out for green building designs during the due diligence process and prioritise buildings with green features such as installation of rainwater harvesting tanks, LED lights and/or solar panels. Apart from that, public transportation network and accessibility, risk of flooding, potential hazards from adjacent properties or lands are among the criteria that are being reviewed and deliberated prior to any acquisition.

## Progress

In line with Pavilion REIT's mission of generating solid returns for unitholders through strategic asset acquisition, Pavilion REIT successfully completed the RM2.2 billion acquisition of Pavilion Bukit Jalil. This iconic shopping mall in a prime location not only expands its footprint into the vibrant Bukit Jalil district but also enhances portfolio diversification.

Building on the successful acquisition of Pavilion Bukit Jalil, Pavilion REIT has on 5 December 2024 announced the proposed acquisitions of two prestigious hospitality assets in Kuala Lumpur: the Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, in a landmark deal valued at RM480 million, represent a significant milestone in Pavilion REIT's growth strategy.

## Sustainable Building Certifications & ESG Recognition

Pavilion REIT is committed to sustainability and continues to explore opportunities to enhance the environmental performance of its properties.

Pavilion Tower, a key office asset within Pavilion REIT's portfolio, has achieved LEED Gold Certification from the U.S. Green Building Council on 31 October 2024, underscoring its adherence to globally recognized green building standards.

This commitment to sustainable building management is further reflected in Pavilion REIT's inclusion in the FTSE4GOOD Bursa Malaysia Index, which recognizes companies with strong ESG practices. Highlighting Pavilion REIT's commitment to sustainable practices, Pavilion Kuala Lumpur Mall has been awarded the Green Energy Stewardship Gold Award at the National Energy Awards 2024 which hosted by Malaysian Green Technology and Climate Change Corporation (MGTC), on 27 February 2025.



## Green Building Certification Overview

Metrics	Unit	FY2024
Properties certified under a recognized green building standard	Number	1
Total properties in Pavilion REIT's portfolio	Number	6
Percentage of certified properties	%	17

By prioritising sustainability in its portfolio, Pavilion REIT is taking significant steps toward responsible property management and contributing to a greener built environment.

## FTSE4GOOD Bursa Malaysia Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) had in December 2024, confirms that Pavilion REIT has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

# I : INVESTING STRATEGICALLY

Cont'd

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

## PROCUREMENT AND SUPPLY CHAIN

### Why It Matters and Approach

At Pavilion REIT, the Manager understands the importance to ensure ethical and transparent behaviour and responsible dealings with vendors by promoting best practices. This year, the Manager embarked on the journey to increase ESG awareness and include ESG consideration in its vendor evaluation process as part of the strategic plan to create sustainable impact. The approach applies to all business partners that contributes to Pavilion REIT’s business and maintenance of its assets, including vendors who offer services such as property management, building maintenance, landscaping, security, marketing and promotions of products or services.

Pavilion REIT has revised the Vendor Code of Conduct which outlines its expectation to ensure business integrity and ethics, human rights as well as responsibility towards the environment, health, safety and labour practices. Vendors are expected to maintain ethical and professional conduct in all business dealings with integrity, honesty, transparency and accountability for the services provided.

The Manager also strives to promote best practices and maintain a zero-tolerance approach against all forms of bribery and corruption. All Pavilion REIT vendors are required to comply with Pavilion REIT’s ABC SOP and Policy by acknowledging “Declaration of Integrity”. Vendors are also encouraged to report all misconduct through an independent platform operated by a third party.

Pavilion REIT also require all its vendors to respect human rights and labor standards. The Manager have a robust human rights policy in place and conduct regular audits to ensure compliance.

### Progress

Pavilion REIT uphold the highest ethical standards in its business dealings and are committed to maintaining them. The Manager actively monitor its suppliers and take prompt action if they violate Pavilion REIT’s Vendor Code of Conduct. In FY2024, there are zero (0) cases of non-compliance incidents recorded resulting from Vendor Code of Conduct.

Non-compliance incidents recorded resulting from Vendor Code of Conduct	Number of cases		
	FY2022	FY2023	FY2024
	0	0	0

### Vendor Screening and Assessment

To enhance transparency in vendor selection and promote a sustainable value chain, the Manager has integrated ESG factors into the assessment framework for both existing and new vendors. All vendors must undergo a pre-evaluation process and a ‘Know Your Customer’ (KYC) background check to verify financial stability and ensure ethical business practices. Due diligence is conducted based on the following key criteria:

Quality & Compliance	Price	Prompt Delivery	Service	Support	ESG Factors
Technical expertise, adherence to specifications and product certification.	Competitiveness pricing structures and resilience to potential cost variations.	Consistent reliability in meeting delivery timelines.	Alignment with requirements, suitability and a proven track record.	Capabilities in after-sales service and ongoing operational support.	Preference will be given to vendors who align with Pavilion REIT’s ESG expectations, including commitments to climate action, fair labor practices, data privacy, and community development.



# I : INVESTING STRATEGICALLY

Cont'd

Assessment of existing vendors' will be conducted once every 2 years. Vendors who failed the evaluation (with a score of less than 50 marks) will either be suspended or removed from the approved vendor list. To proactively identify and address risks in the supply chain, Pavilion REIT conducts supplier sustainability assessments at the onset of vendor relationships. This ensures potential risks are mitigated early in the collaboration process, reinforcing Pavilion REIT's commitment to sustainable supply chain management. For new vendors, completing the supplier sustainability assessment is mandatory prior to onboarding, with a minimum passing score of 50%. This process rolled out by Pavilion REIT in December 2024, will undergo periodic reviews to ensure continuous improvement. In FY2024, the Manager did not identify any negative environmental and social impacts in its supply chain that required corrective action.

In instances of significant non-compliance with ESG criteria, vendors will be required to provide a clear explanation of the non-compliance issue as well as take corrective actions to address and resolved the identified concerns. This comprehensive approach reflects Pavilion REIT's dedication to fostering long-term partnerships with vendors who share its commitment to sustainability, transparency, and ethical business practices. In FY2024, the Manager did not identify any negative environmental and social impacts in its supply chain that required corrective action.



## Progress

	FY2024
% of new vendors that were screened using environmental criteria	100% <sup>(1)</sup>
Number of existing vendors assessed for environmental impacts	216
% of new vendors that were screened using social criteria	100% <sup>(1)</sup>
Number of existing vendors assessed for social impacts	216

### Note:

(1) The statistics in this analysis are based on data collected in December 2024, the month in which Pavilion REIT commenced the rollout of its new supplier sustainability assessment.

## Local Procurement

Pavilion REIT is committed to supporting local companies as part of its efforts to contribute to a stable local economy and establishing good relations with the local business community through local procurement. In FY2024, out of RM566 million spent on procurement, more than 99% of its vendor services are procured locally, with the remaining spent on international service providers for information technology, marketing and promotional purposes. The proportion of spending on local suppliers is similar to last year.

## Progress

### Total procurement from local suppliers

	FY2022	FY2023	FY2024
Proportion of spending on local suppliers	>99%	>99%	>99%

## Integrated Sustainable Procurement and Green Leasing Approach

Pavilion REIT is committed to embedding sustainability across its operations through both responsible procurement practices and sustainable leasing agreements.

Pavilion REIT encourages suppliers and vendors to adopt responsible procurement practices that align with its sustainability values. This initiative serves as a communication tool to promote awareness and foster continuous improvement in environmental and social performance across the supply chain.

To further extend sustainability into property management, Green Lease clauses has been incorporated into tenancy agreements, effective from 1 August 2024. These clauses set clear guides for tenants on what Pavilion REIT's envision, covering areas such as energy efficiency, water conservation, waste reduction, and sustainable operations within leased spaces.

# M : MAINTAINING GOOD GOVERNANCE

## BUSINESS ETHICS AND COMPLIANCE

### Why it Matters and Approach

The Manager recognises that upholding strong governance, ethics and integrity is essential to Pavilion REIT's long-term success, which is founded on building and safeguarding the trust that the unitholders and stakeholders have placed in Pavilion REIT. Whilst complying with the applicable laws and regulations, Pavilion REIT is committed to high standards of governance, ethics, and integrity, as well as adopt a zero-tolerance stance on bribery, corruption, and fraud. Hence, the Manager has developed and implemented relevant policies throughout Pavilion REIT's operations.

As part of its commitments, the Manager prohibits all forms of bribery, corruption and facilitation payments to or from third parties. Communication is crucial in creating awareness of the policies amongst employees, third parties and business acquaintances.

Pavilion REIT has revised and enhanced the policies below, which were overseen and approved by the respective Board Committees, effective 17 July 2024, to ensure they remain relevant and aligned with industry best practices. The Code of Conduct & Ethics was previously revised on 24 January 2024. These policies are publicly accessible and effectively communicated to all relevant parties, which can also be accessed on Pavilion REIT's website: [www.pavilion-reit.com](http://www.pavilion-reit.com).



#### ABC Policy

- sets out relevant statements against bribery and corrupt practices which extends to the Board, employees, tenants, vendors, and suppliers.
- The policy shall be reviewed at least once every 3 years.
- A bribery and corruption risk assessment will be conducted at least once every 2 years.



#### AML/CFT/CPF Policy

- aims to establish controls to manage and prevent the risks of Pavilion REIT being used as a conduit for money laundering and terrorism financing activities.
- The policy shall be reviewed at no later than 2 years or when required.
- Training sessions will be conducted at least once every 2 years.



#### Whistleblowing Policy

- provides a safe and transparent mechanism for stakeholders to raise concerns about improper conduct.
- The policy shall be reviewed at least once every 3 years.
- The Manager will ensure protection against retaliation or discrimination for those reporting in good faith.
- Reports of suspected wrongdoing can be submitted via the dedicated website: <https://bdoethics.com/v1/r/QxgwQn00Eyx5cz2z6DILFLAGx4xDL6x9>



#### Vendor Code of Conduct

- establishes clear guidelines on business integrity, ethical practices, and the Manager's expectations for vendors. It defines compliance parameters and emphasises vendors' responsibility towards environmental stewardship.
- This Code shall be reviewed once every 2 years to ensure it remain relevant and appropriate.



#### Code of Conduct & Ethics

- serves as guidance for all parties when interacting with Pavilion REIT and promotes the adoption of ethical principles and objectives.
- A briefing session on the Code will be provided to all new joiners and existing employees as a refresher course.

Through these measures, Pavilion REIT reaffirms its dedication to maintaining good governance, fostering ethical business practices, and ensuring accountability at all levels of the organisation.

## M : MAINTAINING GOOD GOVERNANCE

Cont'd

### Reducing Our Exposure to Bribery and Corruption Risks

Every half yearly, the Manager will identify and assess its exposure to any emerging bribery and corruption risks. The outcome of this assessment will be documented in Pavilion REIT's enterprise risk register. Any occurrence of bribery or corruption will be documented with the corresponding corruption risk assessment, alongside the impacts, root causes, gaps and rectification measures to prevent a recurrence.

The Manager will not enter any business dealings with parties which are suspected to be engaging in improper business practices. Prior to entering a business relationship with Pavilion REIT, due diligence is conducted to verify their identity/ background and to assess their bribery and corruption risks.

To ensure that all employees understand Pavilion REIT's policies and procedures, training materials and trainings were given in both English and Bahasa Malaysia. The Manager also considers various means to communicate the ABC Policy to employees through annual training:

- Communicating issues on bribery and corruption including any relevant laws and regulations;
- Publicizing "lessons learned" out of bribery and corruption cases prosecuted by the authorities;
- Sharing of information on the common bribery and corruption modus operandi (mode of operating)

### Corruption-related training

Throughout the reporting year, the Manager demonstrated a strong commitment to anti-corruption initiatives. Anti-corruption training has been provided to 100% of the board members and 100% of employees.

To further reinforce awareness and compliance, the Manager went above and beyond by conducting training sessions despite the trainings can be done at least once every 2 years, ensuring all employees remained informed about the anti-corruption policy and procedures. The anti-corruption training sessions held on July and November 2024.

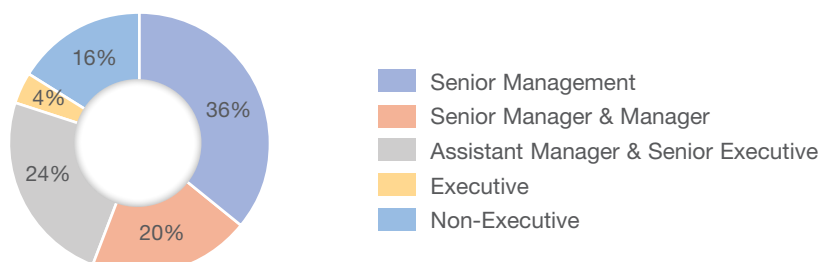
Moving forward, the Manager aims for 100% attendance at future anti-corruption training sessions. This dedication to ongoing education reflects the Manager's commitment to ethical conduct and compliance with the Malaysian Anti-Corruption Commission Act 2009. Additionally, the Manager will continue to regularly review and enhance the anti-corruption policy and procedures to ensure their effectiveness and alignment with evolving legal requirements.

**Target:** Aim to achieve 100% attendance to anti-corruption training.

### Progress

Communication and training about anti-corruption policy and procedure		2022	2023	2024
1. For the Board	Number of members	12	11	10
	%	100	100	100
2. For the employees	Number of trainings	1	1	1
	%	89	100	100

% of employees who have received training on anti-corruption by employee category



# M : MAINTAINING GOOD GOVERNANCE

Cont'd

## Corruption Risk Assessment

The Manager confirmed that there were no reports of corruptions within the Manager and the operations of Pavilion REIT's properties.

**Target:** 100% of operations assessed for corruption risks.

### Progress

	2023	2024
% of operations that underwent corruption risk assessments	100%	100%

## Corruption incidents

As of 31 December 2024, the Manager recorded zero incidents of corruption across Pavilion REIT's properties' business operations.

**Target:** Zero cases of non-compliance on anti-bribery and corruption.

### Progress

	2022	2023	2024
Number of confirmed corruption incidents	0	0	0

To further encourage the reporting of potential corruption concerns, the Manager has strategically positioned suggestion boxes at loading bays and pantries throughout the properties. Employees are strongly encouraged to utilize these channels, as well as the whistleblower portal and Human Resources Department, to report any suspected instances of corruption.

In FY2024, The Manager also confirmed that:

- No corruption incident reports were submitted through the whistleblowing portal.
- No employees faced dismissal or disciplinary action for corruption-related offenses.
- No contracts with business partners were terminated or not renewed due to corruption violations.
- No public legal cases involving corruption were brought against Pavilion REIT or its employees.
- No any instances of non-compliance with laws and regulations.
- Pavilion REIT did not make any contributions to any political parties for any political reason during the year.

The Manager is committed to promoting a culture of transparency and accountability, as well as ensuring the effectiveness of the implemented reporting mechanisms.

## Conflict of Interest Practices

In line with Pavilion REIT's Code of Conduct & Ethics, the Manager has implemented a Conflict of Interest (COI) Declaration practice to ensure ethical decision-making and uphold responsible governance. All employees are required to complete an annual declaration of any perceived, potential, or actual conflicts of interest through the COI Form.

If a conflict arises outside the annual declaration cycle—whether due to incidental or ad hoc circumstances—employees must declare it within three (3) working days. Declarations must include comprehensive details, such as:

- The nature of the conflict
- The individuals or entities involved
- The potential impact on the company

Failure to disclose a COI constitutes a breach of Pavilion REIT's Code of Conduct & Ethics and will result in disciplinary action in accordance with the company's established conduct and disciplinary procedures. These practices are integral to the Code of Conduct & Ethics and underscore the Manager's commitment to maintaining transparency and accountability across all levels of operation.



# M : MAINTAINING GOOD GOVERNANCE

Cont'd

## DATA PRIVACY AND CYBERSECURITY

### Why it Matters and Approach

In today's rapidly evolving digital landscape, data privacy and cybersecurity have become essential priorities for businesses worldwide. The increasing reliance on digital technologies and a globally connected economy has amplified concerns regarding cybersecurity threats and the protection of sensitive data processed by organisations.

To safeguard Pavilion REIT's business operations and stakeholder information from cyber-attacks, the Manager is actively working to strengthen in-house cybersecurity systems and procedures. This involves enhancing and developing policies in key areas, including data classification and retention, webinar policy, equipment refreshment policy and procedures etc. Pavilion REIT's approach to cybersecurity is governed by its Technology Risk Management Framework and other relevance IT policies and procedures such as Anti-Virus Management, Disaster Recovery, Firewall Management, Backup and Restore and Network Management.

The Manager recognizes that effective cybersecurity governance and a robust IT infrastructure are fundamental to ensuring data privacy and cybersecurity. The IT infrastructure and information systems serve as the backbone of Pavilion REIT's operations. The IT Department ensures that all IT equipment, systems, and data are well-managed and securely protected. Every employee is responsible for safeguarding Pavilion REIT against cybersecurity risks. Employees are strictly prohibited from sharing confidential information with unauthorized external parties. Additionally, any IT-related modifications or system adjustments must be carried out exclusively by certified and professional vendors, with prior authorisation from Pavilion REIT.

To improve efficiency and sustainability, Pavilion REIT encourages the use of digital tools for viewing, approving, and digitally signing working documents. A clear understanding of emerging technologies and IT tools enables the organization to streamline business processes and enhance productivity effectively.

### Progress and Key Initiatives

The Manager continuously enhances Pavilion REIT's information security framework to safeguard data integrity, confidentiality, and availability. Key initiatives include:

Review and Enhancement of IT Security Policies	Penetration Testing	Cybersecurity Awareness Training	System Security Measures
Regular updates to IT security policies, physical security measures, and end-point protection solutions ensure alignment with current business requirements.	Periodic penetration testing exercises identify vulnerabilities and strengthen system resilience.	Annual cybersecurity awareness programs equip employees with the skills to recognize and respond to cyber threats. In 2024, training sessions were held on 7 May and 14 May, attended by all employees.	Periodic reviews of system access privileges, implementation of security patches, and use of Multi-Factor Authentication (MFA) and Two-Factor Authentication (2FA) ensure systems remain protected against unauthorized access and potential breaches.

To further enhance cybersecurity awareness, knowledge-sharing articles are disseminated regularly, keeping employees informed about emerging threats and trends in cybersecurity and technology.

# M : MAINTAINING GOOD GOVERNANCE

Cont'd

## Protecting Our Shoppers' Privacy

Pavilion REIT demonstrates a strong commitment to data privacy and security, as evidenced by its consistent compliance with the Personal Data Protection Act (PDPA). Notably, in 2024, Pavilion REIT's properties achieved zero reported or substantiated complaints regarding shopper privacy breaches or data loss. This achievement reflects the effectiveness of Pavilion REIT's data security framework and its dedication to safeguarding shopper information.

**Target:** Zero reports of complaints concerning breaches of customer privacy and loss of customer data.

	2023	2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0

This external commitment to shopper privacy aligns with Pavilion REIT's internal focus on cybersecurity and data protection. The Manager's proactive measures to fortify IT infrastructure, train employees, and implement robust cybersecurity protocols ensure that both internal systems and external customer interactions remain secure. Together, these efforts create a comprehensive approach to data privacy and cybersecurity, reinforcing Pavilion REIT's reputation as a trusted and responsible organisation.

## Future Initiatives and Long-Term Plans

Building upon Pavilion REIT's current commitment to data privacy and cybersecurity, the Manager is focused on continuing to strengthen both its internal infrastructure and external data protection efforts. The following long-term plans will ensure that Pavilion REIT remains resilient, efficient, and at the forefront of cybersecurity and data privacy best practices:

Expansion of E-Services	Continuous Improvement	Cloud Migration	Paperless Environment	Optimized IT Asset Ownership
Explore and plan for the implementation of additional e-services to improve productivity and operational efficiency.	Maintain ongoing enhancements in cybersecurity protocols to meet audit compliance standards.	Gradually migrate enterprise-based systems to cloud platforms for improved scalability and resilience.	Promote a paperless business model to drive efficiency and sustainability.	Strategically reduce Pavilion REIT's IT asset ownership to streamline resource allocation and management.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

## CLIMATE CHANGE

### Why it Matters and Approach

Malaysia's target of net-zero GHG emissions by 2050 and renewable energy milestones (31% by 2025, 40% by 2035) align with global efforts under the Paris Agreement. As part of Malaysia's NDC, the country's aim to reduce carbon intensity by 45% by 2030, reinforces the urgency of transitioning to sustainable operations. The Manager recognises that climate change is a pressing issue, impacting livelihoods across Malaysia through increasingly frequent and intense weather changes.

Pavilion REIT acknowledges that while its properties are not directly situated in flood-prone areas, the implications of climate change, ranging from extreme weather to resource scarcity, require a proactive and strategic approach. Energy consumption constitutes a significant portion of Pavilion REIT's environmental footprint, making energy efficiency and emissions reduction pivotal priorities.

To address these challenges, Pavilion REIT integrates sustainable practices across its operations, guided by a Board-level Sustainability Committee that oversees ESG initiatives biannually. Key focus areas include reducing energy and water consumption, minimizing waste, and enhancing biodiversity wherever possible around its properties. Initiatives such as exploring renewable energy options, implementing smart energy systems, and encouraging recycling and water-saving measures contribute to operational efficiency and environmental stewardship. Regular climate risk assessments and adherence to green building standards further bolster resilience and align Pavilion REIT with global sustainability objectives.

By embedding sustainability into its operations, Pavilion REIT not only reduces costs, such as through lower energy consumption, but also strengthens its reputation as a responsible and forward-thinking organisation. These efforts support Malaysia's broader sustainability goals, ensuring long-term resilience and creating a positive impact on the environment, tenants, and surrounding communities. Through this balanced approach, Pavilion REIT safeguards its future while contributing meaningfully to the nation's climate ambitions.

### Pavilion REIT's Commitment to Net Zero Carbon

- **20% Carbon Reduction by 2030:** Pavilion REIT aims to achieve a 20% reduction in Scope 2 carbon emissions by 2030, using FY2019 as the baseline year.
- **50% Renewable Energy by 2040:** Pavilion REIT targets sourcing 50% of its total electricity consumption from renewable energy sources by 2040, supporting its long-term carbon reduction goals.
- **Net Zero Carbon<sup>(1)</sup> by 2050 (Scope 1 & 2):** Pavilion REIT is committed to achieving net zero carbon emissions across Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity) by 2050. The baseline year for existing properties is set at FY2019, while newly acquired properties will use their first full financial year's operational data as the baseline, subject to change.

#### Notes:

- (1) Achieving net zero carbon emissions means that Pavilion REIT will balance the carbon it emits (Scope 1 & 2) with an equivalent amount of carbon removal or offsetting measures, ultimately resulting in no net increase of carbon dioxide in the atmosphere from its direct and indirect operations.
- (2) Sustainability targets are adjusted based on annual progress across indicators where applicable, reflecting Pavilion REIT's dynamic commitment to continuous improvement.

### Biodiversity

The Manager is dedicated to preserving and promoting biodiversity across its properties and surrounding areas whenever possible. Pavilion REIT's properties are situated within urban environments, where the direct impact on natural ecosystems is minimal. As none of these properties are located within protected areas, no material biodiversity risks have been identified.

Nonetheless, the Manager remains committed to implementing sustainable practices that support urban biodiversity. This includes incorporating green spaces, adopting eco-friendly landscaping and collaborating with stakeholders to minimize ecological impacts wherever needed. The Manager continues to monitor environmental developments and explore initiatives that enhance biodiversity and contribute to a sustainable urban ecosystem.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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## Climate Transition Strategy

To navigate this path towards net zero carbon, the Manager has developed a comprehensive climate transition strategy. This strategy, alongside its policies such as Sustainability Policy and Environmental Policy, acts as a roadmap for Pavilion REIT's decarbonization efforts. It rests on three key pillars:

### 1. Managing Pavilion REIT's Emissions

- **Enhancing Energy Efficiency**
  - o Implementing measures like LED lighting and new/upgrade chiller system that are more energy efficient to reduce electricity consumption across its properties.
  - o Subscribing to TNB's GET scheme for cleaner energy sources.
  - o Conducting regular energy audits to identify and address energy waste.
- **Integrating Sustainable Practices**
  - o Encouraging responsible waste management and water conservation initiatives.
  - o Partnering with green suppliers and service providers.

### 2. Investing in Low Emissions and Green Technologies

- **Embracing Clean Technologies**
  - o Implementing smart building systems to optimize energy usage.
  - o Providing electric vehicle charging infrastructure to support clean transportation.
  - o Exploring innovative solutions for low-carbon technologies.
- **Prioritizing Green Buildings**
  - o Targeting green building certifications for its properties.
  - o Employing sustainable construction practices and materials in new renovations and asset enhancement exercises.

### 3. Leveraging on Partnerships and Collaboration

- **Engaging Stakeholders:**
  - o Partnering with tenants, suppliers, and industry players to promote climate action.
- **Participating in Sustainability Initiatives:**
  - o Collaborating with relevant organizations and associations to advance sustainable practices.

## Progress

### Upholding Our Commitments Towards Climate Change

Pavilion REIT actively pursues its strategic pillars, placing a strong emphasis on driving real progress in emission reduction and contributing to a cleaner, more sustainable future. The Manager demonstrates this commitment through several initiatives implemented during the year:

- **Installed sensor-activated lighting systems throughout all staircases and carparks of Pavilion Kuala Lumpur Mall and Elite Pavilion Mall.** This not only reduces energy consumption but also enhances user convenience and safety.
- **Upgraded LED lighting within Pavilion Kuala Lumpur Mall and Elite Pavilion Mall.** This energy-efficient technology further minimizes greenhouse gas emissions while maintaining optimal lighting levels.
- **EV charging stations at Pavilion Kuala Lumpur Mall, Pavilion Bukit Jalil, and DA MEN Mall.** This promotes sustainable transportation, attracting environmentally conscious shoppers and tenants.
- **Successfully subscribed to TNB's GET scheme for Pavilion Kuala Lumpur Mall, Pavilion Tower and Intermark Mall.** This proactive step signifies a pivotal shift towards green energy, diversifying Pavilion REIT's energy portfolio and aligning with Malaysia's renewable energy goals.



## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

Recognizing the increased risk of flooding due to climate change, Pavilion REIT has implemented comprehensive SOPs for managing flash floods around its properties. These SOPs include:

- **Floodgate activation:** Identifying key car park ramp entrances (e.g., Pavilion Kuala Lumpur Mall, DA MEN Mall) and promptly activating floodgates to prevent water ingress.
- **Floodwater removal:** Utilizing vacuum and flushing systems to efficiently remove floodwater within properties.
- **Sandbagging:** Deploying sandbags at vulnerable property entrances for additional protection.
- **Patron evacuation:** Guiding patrons to the nearest exit if the situation worsens.

These measures demonstrate Pavilion REIT's proactive approach to climate resilience, ensuring the safety of its stakeholders and the continued operation of its properties.

### Supporting Clean Transportation



Pavilion REIT is committed to supporting sustainable transportation through the installation of EV charging stations across its properties. A total of 26 EV charging stations are operational at Pavilion Kuala Lumpur Mall, Pavilion Bukit Jalil and DA MEN Mall. Among these, 16 are Tesla Superchargers, marking the first Tesla Supercharging stations in Malaysia.

Collectively in FY2024, the 26 EV charging stations across Pavilion REIT properties supported 17,505 charging sessions. These stations represent an essential investment in clean transportation and are designed to help reduce GHG emissions while meeting the needs of environmentally conscious employees, tenants and shoppers.

Pavilion REIT's strategic installation of EV charging stations aligns with its commitment to sustainability and Malaysia's broader goals of achieving net-zero GHG emissions by 2050. By facilitating the adoption of clean transportation, Pavilion REIT contributes to reducing the carbon footprint of urban mobility while enhancing the appeal and accessibility of its properties for EV users.

### Sustainable Connectivity: Free Shuttle Bus Services



For the convenience of shoppers, Pavilion Bukit Jalil offers a daily free shuttle service connecting LRT Awan Besar to the mall. The shuttle bus services are available daily, with the designated pick-up and drop-off point at Pavilion Bukit Jalil located at the Park Entrance. From January to December 2024, the service recorded an impressive 529,603 riders, reflecting its popularity and utility among mall patrons and employees.

This initiative not only enhances convenience but also contributes to reducing commuting-related emissions, supporting Pavilion REIT's commitment to sustainability. By providing a reliable and accessible alternative to driving, the shuttle service increases the mall's accessibility for customers who may lack direct access to public transportation or personal vehicles.

Furthermore, the shuttle bus service helps alleviate traffic congestion in the area, making Pavilion Bukit Jalil more accessible and enjoyable for all visitors. This aligns with Pavilion REIT's goal of creating a seamless, sustainable, and customer-focused shopping experience.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Innovative Transit: Solar-Generating Bus Stop



Pavilion Bukit Jalil continues to champion sustainability and convenience by constructing solar-generating public bus stop. This innovative facility not only enhances access to the mall but also underscores Pavilion Bukit Jalil's commitment to environmentally friendly initiatives. Equipped with solar panels, the bus stop harnesses renewable energy to power lighting and other basic features, reflecting the mall's dedication to promoting clean energy solutions. The total investment for this project amounts to RM165,000.

This bus stop adds significant value for shoppers, tenants, and the surrounding community by improving connectivity to the mall and making commuting more convenient. The integration of solar technology aligns with Pavilion Bukit Jalil's broader sustainability goals, providing a tangible example of how small yet impactful changes can contribute to a greener future.

Additionally, RapidKL bus services commenced operations at this location on 1 December 2024, further enhancing accessibility for the public. These services provide a reliable and cost-effective transportation option, encouraging the use of public transit and reducing reliance on private vehicles. By facilitating sustainable and efficient transit options, Pavilion Bukit Jalil continues to support the community's mobility needs while addressing environmental concerns such as traffic congestion and carbon emissions.

## Scope 1 Emissions

Pavilion REIT reports its owned or controlled generator sets usage as direct GHG emissions (Scope 1) under its operational control asset, contributing approximately 7.3 tonnes of CO<sub>2</sub>e in FY2024. While this amount may seem small in the immediate context, Pavilion REIT remains committed to continuous emission reduction. The Manager's long-term strategy involves transitioning to renewable energy sources, effectively eliminating emissions from these generators in the future.

Properties	Scope 1 (tCO <sub>2</sub> e/gallon) <sup>(1)</sup>		Description
	2023	2024	
Pavilion Kuala Lumpur Mall	8.9	0	6 diesel gensets, there was no fuel purchase for FY2024.
Elite Pavilion Mall	4.6	0	1 diesel genset, there was no fuel purchase for FY2024.
Pavilion Tower	22.1	0	1 diesel genset, there was no fuel purchase for FY2024.
Intermark Mall	0	7.3	3 diesel gensets, total fuel purchased: 2,700 liters in FY2024.
DA MEN Mall	Genset is owned and managed by DA MEN management corporation and not DA MEN Mall. <sup>(3)</sup>		
Pavilion Bukit Jalil	0.1 <sup>(2)</sup>	0	7 diesel gensets, monitored via meters, there was no fuel consumption for FY2024.
<b>Total</b>	<b>35.7</b>	<b>7.3<sup>(4)</sup></b>	

### Notes:

- (1) The emission factor calculation is based on the assumption that 1 gallon of diesel emits 10.21kg of CO<sub>2</sub>, as per the US EPA's Emission Factors for Greenhouse Gas Inventories (2023).
- (2) Negligible, Pavilion Bukit Jalil employs kWh to measure genset usage and applies an emission factor of 0.758 tCO<sub>2</sub>e/MWh, as per the Malaysian Energy Commission's 2021 data. Data availability for Pavilion Bukit Jalil is limited to the period from June to December 2023, as the mall was acquired on 1 June 2023.
- (3) Data is unavailable as the genset is owned and managed by DA MEN Management Corporation, not DA MEN Mall. Despite this, the Manager will continue to make best efforts to obtain the data for future improvements.
- (4) Scope 1 emission arising from fuel consumed for gensets in FY2024 has been assured externally by KPMG. Where direct fuel usage data is unavailable, the Manager uses fuel purchased as a proxy to ensure accurate emissions tracking.

## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

A baseline for Scope 1 emissions will be established after three years of data collection. The Manager acknowledges that fugitive emissions may not be fully accounted for due to data limitations, including availability and measurement constraints. Efforts are ongoing to improve data collection and disclosure as reliable data becomes available. The Manager remains committed to enhancing the transparency and comprehensiveness of its Scope 1 emissions disclosures, reinforcing Pavilion REIT's dedication to environmental accountability.

### Scope 2 Emissions

Pavilion REIT is dedicated to reducing its environmental footprint, with a particular focus on Scope 2 emissions. These include landlord-controlled electricity consumption within the common areas of Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall, DA MEN Mall, and Pavilion Bukit Jalil. Scope 2 emissions are calculated using the 2021 Grid Emission Factor from the Malaysia Energy Commission, set at 0.758 tCO<sub>2</sub>e/MWh.

Scope 2 GHG emission (tCO <sub>2</sub> e/MWh)	FY2019 (Base Year)	FY2022	FY2023	FY2024
	83,628	71,336	94,757	79,056 <sup>(1)</sup>

**Note:**

(1) The GHG emission data for Scope 2 in FY2024 has been assured externally by KPMG.

In FY2024, total Scope 2 emissions were reduced to 79,056 tCO<sub>2</sub>e, compared to 83,628 tCO<sub>2</sub>e in FY2019, representing a 5.5% reduction. This reduction was mainly driven by increased adoption of Malaysia's GET. In FY2023, Pavilion REIT subscribed to GET for Pavilion Kuala Lumpur Mall and Intermark Mall (starting from August 2023). In FY2024, the program was expanded to Pavilion Tower, alongside increased subscriptions for Pavilion Kuala Lumpur Mall and Intermark Mall, amplifying the impact of renewable energy.

To ensure consistency with the FY2019 baseline, emissions from Pavilion Bukit Jalil i.e. 39,131 tCO<sub>2</sub>e, which was not part of the portfolio in FY2019, are excluded in the analysis. Excluding Pavilion Bukit Jalil, FY2024 emissions fell to 39,925 tCO<sub>2</sub>e, a 52.3% reduction compared to FY2019. This decrease highlights the success of Pavilion REIT's energy management initiatives and demonstrates that the target of a 20% carbon reduction has already been achieved. The Manager will continue to monitor progress closely and implement measures to sustain and enhance this achievement.

While Pavilion Bukit Jalil is excluded from the target setting, Pavilion REIT remains committed to reducing electricity consumption and improving sustainability initiatives at Pavilion Bukit Jalil. The Manager plans to revisit the FY2019 baseline once three years of data for newly acquired assets like Pavilion Bukit Jalil are available, enabling more accurate comparisons and assessments.

### Scope 3 Emissions

This year, Pavilion REIT has enhanced its Scope 3 GHG emissions reporting to include business travel and employee commuting, in addition to electricity consumption by tenants and consumers. This expansion aims to provide stakeholders with a more comprehensive view of Pavilion REIT's indirect environmental impacts and underscores its commitment to sustainable and responsible operations.

Scope 3 emissions encompass indirect emissions that occur in Pavilion REIT's value chain. Specifically, this includes:

- Electricity purchased and resold to end users
- Employee commuting
- Business travel

Recognizing the importance of addressing all relevant sources of indirect emissions, Pavilion REIT's Manager remains committed to exploring additional Scope 3 categories in future reporting cycles.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Overview

### Tenants' and Consumers' Electricity Consumption

The scope of this reporting includes electricity consumption across Pavilion REIT properties where Pavilion REIT acts as the direct electricity supplier. This includes:

- Pavilion Kuala Lumpur Mall (including Pavilion Hotel and Pavilion Suites)
- Elite Pavilion Mall
- Pavilion Bukit Jalil
- Pavilion Tower

The Scope 3 GHG emissions for these properties reflect the emissions generated from electricity purchased by Pavilion REIT and resold to end users. Scope 3 emissions are calculated using the 2021 Grid Emission Factor from the Malaysia Energy Commission, set at 0.758 tCO<sub>2</sub>e/MWh.

tCO <sub>2</sub> e/MWh	FY2023	FY2024
Total Emissions	38,267 <sup>(1)</sup>	49,216 <sup>(2)</sup>

#### Notes:

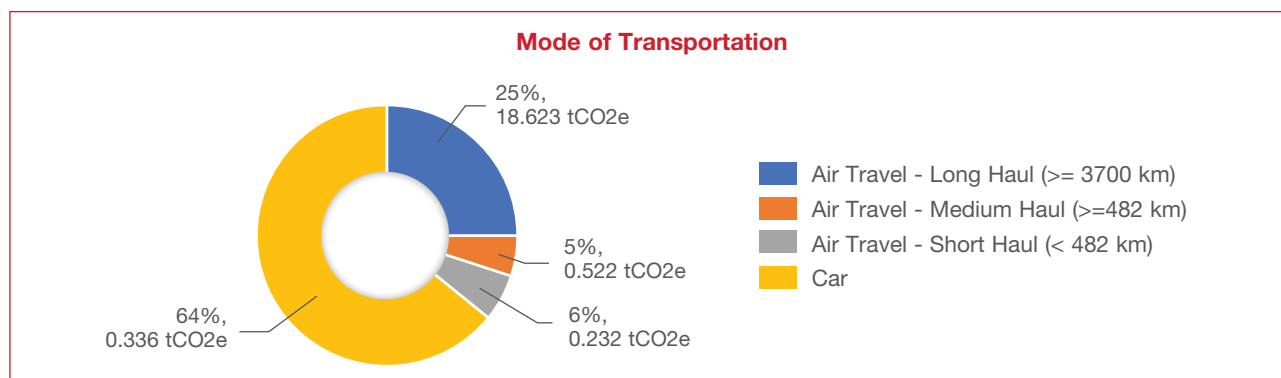
- (1) The GHG emission data for FY2023 from Pavilion Kuala Lumpur Mall (including Pavilion Hotel, Pavilion Suites, and Elite Pavilion Mall) and Pavilion Tower has been externally assured by KPMG.
- (2) For FY2024, KPMG has assured Scope 3, Category 13 emissions arising from electricity sold to tenants. This assurance does not include emissions from business travel or employee commuting.

In FY2024, total Scope 3 emissions increased due to the inclusion of electricity consumption data from Pavilion Bukit Jalil. The breakdown of emissions is as follows:

- Pavilion Kuala Lumpur Mall: 32,701 tCO<sub>2</sub>e/MWh
- Elite Pavilion Mall: 5,001 tCO<sub>2</sub>e/MWh
- Pavilion Tower: 476 tCO<sub>2</sub>e/MWh
- Pavilion Bukit Jalil: 11,037 tCO<sub>2</sub>e/MWh

The Manager plans to establish a baseline year for consistent annual comparisons once three years of data have been collected and stabilised. The reported emissions above exclude tenant electricity consumption at Intermark Mall and DA MEN Mall, as tenants are billed directly by electricity suppliers. While Pavilion REIT does not have direct access to this data, the Manager will continue to explore avenues to obtain it where feasible.

### Business Travel



tCO <sub>2</sub> e/miles	FY2024
Total Emissions	19.71

Please note that minor percentage differences may occur due to rounding in calculations. These differences are not material and do not affect the overall accuracy of the reported data.



## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

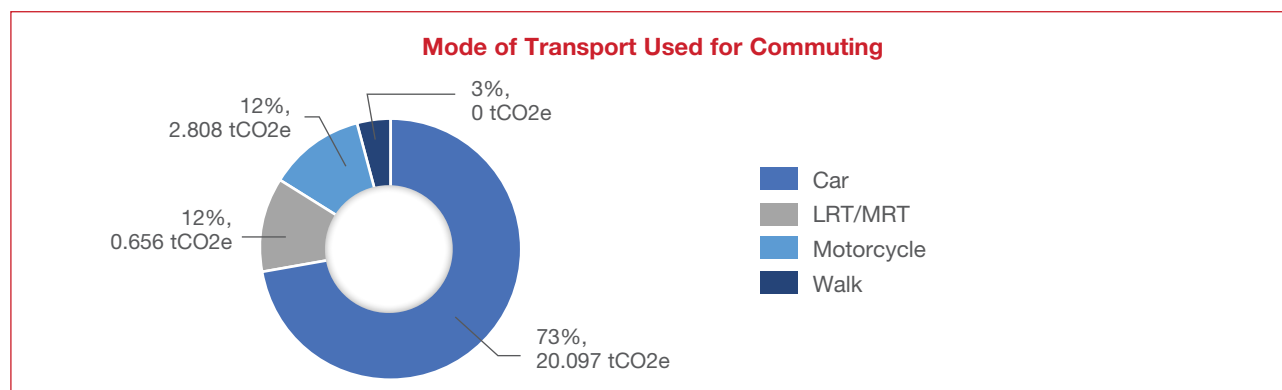
Pavilion REIT actively monitors and tracks the environmental impact of employee business travel as part of its commitment to sustainability. The Manager takes into account the mode of transportation utilised by employees, which includes air travel, buses, cars, motorcycles, and public transport such as LRT/MRT.

To calculate the GHG emissions associated with business travel, Pavilion REIT uses the emission factors provided by the US EPA GHG Emission Factors Hub 2024. This ensures that the reporting aligns with globally recognized standards for accuracy and transparency.

Employees are required to complete and submit travel claim forms, including all relevant travel details, which are supported by invoices and receipts for verification. For FY2024, the Manager's employees contributed to business travel emissions, generating a total of 19.71 tCO<sub>2</sub>e/miles.

Pavilion REIT's ongoing efforts to monitor business travel emissions reflect its dedication to reducing its carbon footprint and encouraging sustainable practices within its operations.

### Employees' Commuting



tCO <sub>2</sub> e/ miles	FY2024
Total Emissions	23.56

Please note that minor percentage differences may occur due to rounding in calculations. These differences are not material and do not affect the overall accuracy of the reported data.

This category covers emissions generated by employees commuting to and from work. In 2024, Pavilion REIT conducted a survey among its employees to gather data on their commuting habits, including mode of transport and daily travel distance. The boundary for this assessment was limited to the Manager's employees.

The HR department facilitated this process by distributing the survey and collecting responses from employees. Participants provided details about their commuting patterns, enabling Pavilion REIT to estimate the associated GHG emissions.

For calculating the environmental impact of employee commuting, Pavilion REIT utilised emission factors from the US EPA GHG Emission Factors Hub 2024, ensuring the results are accurate and aligned with international standards.

This initiative reflects Pavilion REIT's commitment to understanding and managing its indirect emissions as part of its broader sustainability strategy.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## GHG Emission Intensity

Pavilion REIT is committed to responsible operations and reducing its environmental impact. A key measure of this commitment is GHG emission intensity, which tracks the amount of GHG emissions released per unit of activity or output. This metric helps monitor progress toward sustainability goals and identify areas for improvement.

GHG emission intensity for Pavilion REIT is calculated as tons of CO<sub>2</sub> equivalent per square meter of gross floor area (tCO<sub>2</sub>e/m<sup>2</sup>). By normalizing emissions to GFA, this metric ensures fair and consistent comparisons over time, even as the portfolio grows and evolves. A lower intensity indicates greater operational efficiency and reduced environmental impact.

The GHG emission intensity metric includes - Scope 1: Emissions from generator fuel consumption, Scope 2: Emissions from landlord electricity consumption and Scope 3: Emissions from tenant electricity consumption. This approach focuses on the material sources of emissions, ensuring relevance and transparency in reporting.

There has been a change in the GHG intensity calculation. Instead of summing up the emissions from each property individually, the Manager now reflects and updates the GHG emission intensity based on the total portfolio and overall emissions.

In FY2024, Pavilion REIT achieved a GHG emission intensity of 0.18 tCO<sub>2</sub>e/m<sup>2</sup>, based on total emissions of 128,279 tCO<sub>2</sub>e, normalized by a gross floor area of 714,650 m<sup>2</sup>. This represents a notable improvement compared to 0.22 tCO<sub>2</sub>e/m<sup>2</sup> in FY2019, reflecting a 18.2% decrease over five years. This decline highlights Pavilion REIT's efforts to improve energy efficiency and implement sustainable practices across its portfolio.

The inclusion of Pavilion Bukit Jalil in FY2023 and the addition of Scope 3 emissions significantly impacted the GHG emission intensity results. These changes provide a more comprehensive and accurate view of Pavilion REIT's emissions profile, aligning with reporting standards and strengthening Pavilion REIT's commitment to transparency and accountability.

Total GHG Emission Intensity (tCO <sub>2</sub> e/m <sup>2</sup> )	FY2019	FY2022	FY2023	FY2024
	0.22	0.19	0.19	0.18

To drive further improvement, Pavilion REIT has set a target to reduce carbon intensity for its direct and indirect operations (Scopes 1 and 2) by 20% by 2030, using FY2019 as the baseline year. When excluding Scope 3 emissions, Pavilion REIT's GHG emission intensity shows even greater improvement:

Total GHG Emission Intensity (tCO <sub>2</sub> e/m <sup>2</sup> )	FY2019	FY2022	FY2023	FY2024
Scope 1 and 2 only	0.22	0.19	0.13	0.11

This focused approach highlights the impact of energy efficiency initiatives directly under Pavilion REIT's operational control while maintaining transparency on the broader emissions profile.

## CO2 Emission Avoidance

Pavilion REIT remains committed to a sustainable future and actively pursues innovative energy-efficient applications and initiatives. A significant milestone was achieved this year through the TNB's GET program.

Across the landlord's electricity consumption, Pavilion REIT total portfolio subscribed to 32% renewable energy, marking a meaningful shift towards cleaner energy sources. Individually, Pavilion Kuala Lumpur Mall subscribed to 68% of its electricity under the GET program, while Intermark Mall sourced 33%, and Pavilion Tower subscribed to 29%.

These efforts represent an important step in Pavilion REIT's journey to meet its carbon emission targets, which include achieving 50% renewable energy utilisation by 2040. This long-term goal will significantly increase reliance on clean energy sources, reducing Pavilion REIT's environmental footprint. Currently, Pavilion Kuala Lumpur Mall, Pavilion Tower, and Intermark Mall are participating in the GET program, with plans to expand renewable energy adoption across other properties, where feasible.

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The adoption of the GET program has delivered substantial environmental benefits by avoiding significant CO<sub>2</sub> emissions. In FY2023, Pavilion Kuala Lumpur Mall avoided 19,553 tonnes of CO<sub>2</sub> emissions, while Intermark Mall, which joined the program in August 2023, avoided 640 tonnes of CO<sub>2</sub> emissions. In FY2024, the environmental benefits expanded further, with the total portfolio avoiding 35,744 tonnes of CO<sub>2</sub> emissions, compared to 20,193 tonnes in FY2023. These achievements are supported by the Malaysia Renewable Energy Certificates (mREC) provided by TNB, which validate the renewable energy consumed under the GET program.

### Properties Participating in the GET Energy Program

Properties	CO <sub>2</sub> emission avoidance (tCO <sub>2</sub> e/MWh)		
	FY2022	FY2023	FY2024
Pavilion Kuala Lumpur Mall	15,033 <sup>(1)</sup>	19,553	32,614 <sup>(3)</sup>
Intermark Mall	-	640 <sup>(2)</sup>	2,742
Pavilion Tower	-	-	388 <sup>(3)</sup>
<b>Total</b>	<b>15,033</b>	<b>20,193</b>	<b>35,744</b>

#### Notes:

- (1) CO<sub>2</sub> emission avoidance for Pavilion Kuala Lumpur Mall in FY2022 is based on March to December 2022 of GET subscription.
- (2) CO<sub>2</sub> emission avoidance for Intermark Mall in FY2023 is based on a partial year of GET subscription, as the subscription began in August 2023.
- (3) CO<sub>2</sub> emission avoidance for Pavilion Tower in FY2024 is based on a partial year of subscription (January to mid-August 2024). Following this period, Pavilion Tower's electricity supply was integrated under Pavilion Kuala Lumpur Mall's GET subscription. To maintain the REIT's overall percentage of green electricity, the Manager reallocated Pavilion Tower's subscription under Pavilion Kuala Lumpur Mall.

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

Aligned with the TCFD recommendations across four key areas—governance, strategy, risk management, and metrics & targets—Pavilion REIT is committed to transparent reporting of its climate-related risks, opportunities and financial impacts.

Additionally, the Manager is actively exploring alignment with the International Financial Reporting Standards (IFRS) S1 and S2 to ensure standardised and comprehensive climate-related financial reporting. This approach enhances transparency, enables informed decision-making and strengthens unitholders confidence in its sustainability strategy. The Manager remains committed to continuously improving its disclosures over time.

#### Governance

The Sustainability Committee (SC) supports the Board in strategically integrating sustainability considerations, including climate-related risks, opportunities and sustainability initiatives across Pavilion REIT's properties.

The SC, comprising five independent directors oversees climate-related risks, opportunities, initiatives and target setting, ensuring alignment with Pavilion REIT's sustainability strategy. The SC met twice yearly to reviews and monitor Pavilion REIT's sustainability performance and progress.

The Sustainability Working Committee (SWC), chaired by the Manager's CEO and comprising property representatives is responsible for executing climate strategies, monitoring performance and reporting to the SC.

Roles and responsibilities related to sustainability for the Board, senior management, and working-level teams are clearly defined within the Sustainability Policy, ensuring accountability and effective implementation across all levels.

The Board Committee's Terms of Reference explicitly include climate-related matters, reinforcing the Board's commitment to addressing environmental risks and opportunities.

Additionally, the Board engages in ongoing training on ESG-related topics, ensuring that directors remain informed of emerging sustainability issues, regulatory developments and best practices.

For further details, on the sustainability governance structure, please refer to Sustainability Governance section in this report.

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## Strategy and Risk Management

At Pavilion REIT, climate change and environmental stewardship are central to its strategic priorities. The Manager actively assess climate-related risks and integrate them into its enterprise risk management framework to enhance resilience and long-term value creation.

Pavilion REIT has expanded and enhanced ESG-related impact as in risk assessment parameters, by incorporating ESG related impact into the risk management policy and procedures effective from 25 April 2024.

The Manager also conduct regular risk assessments with cross-departmental risk owners to identify, evaluate, and mitigate climate risks across all operating assets. These assessments consider both physical risks (e.g., storms, floods, droughts and wildfires) and transition risks (e.g., policy shifts, technological advancements and reputational risks) to ensure a proactive approach to climate resilience.

### Physical Risks

Pavilion REIT recognizes the potential impacts of extreme weather events and long-term climate shifts on its properties. Key risks include:

- Flash floods, rising temperatures (heatwaves/El Niño), earthquakes/tremors, and other extreme weather events that could cause damage—ranging from minor disruptions to major structural impacts.

Key impacts:

- Increased operational costs, service disruptions, infrastructure damage, reputational risks and operational downtime.

To mitigate these risks, the Manager has implemented:

- **Safety protocols** – Mandatory briefings for contractors and employees.
- **Regular inspections and maintenance** – Conducted by its Mechanical & Electrical (M&E) teams.
- **Flood prevention measures** – Including flood gate activation and drainage system improvements.
- **Crisis management strategies** – Emergency Response Team (ERT) training in firefighting, first aid, and disaster response.
- **Ongoing risk assessments** – Identifying vulnerabilities and implementing preventive measures to safeguard assets.

### Transition Risks

The transition to a low-carbon economy presents regulatory and financial challenges, including:

- Rising electricity and fuel costs.
- Investments in energy-efficient technologies and renewable energy solutions.
- Potential future carbon pricing policies.

Key impact:

- Increased operating costs due to compliance requirements and sustainability-related investments.

To address these challenges, the Manager has implemented:

- **Regulatory compliance and monitoring** – Keeping pace with evolving climate-related policies and industry standards.
- **Energy and emissions reduction targets** – Aiming to reduce Pavilion REIT's environmental footprint through efficiency improvements.
- **Renewable energy exploration** – Investing in and evaluating the feasibility of solar and other clean energy solutions.
- **Systematic building performance monitoring** – Enhancing operational efficiency through data-driven energy management.
- **Sustainability integration into corporate strategy** – Strengthening stakeholder engagement and transparent reporting on climate goals and progress.

*For further details, please refer to Our Risk and Opportunities and Climate Change sections in this report.*



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## Metrics and Targets

In FY2024, Pavilion REIT continuously refined its sustainability targets to ensure they effectively address climate change and broader environmental and social priorities. These targets focus on:

- Energy management – Improving efficiency and reducing consumption.
- Water management – Minimizing usage and promoting conservation.
- Waste management – Reducing waste generation and enhancing recycling efforts.
- Emissions management – Tracking and reducing greenhouse gas (GHG) emissions.
- Social impact – Strengthening engagement with stakeholders and communities.

*These targets are detailed in the “Creating Sustainable Impact” section of this report. Pavilion REIT actively monitors and tracks emissions across its properties and is committed to transparent disclosure of its environmental performance in the integrated annual report.*

Pavilion REIT also expands its Scope 3 emission calculations this year by assessing employee work commute and business travel.

## ENERGY MANAGEMENT

### Why it Matter and Approach

Pavilion REIT's properties are proactively working towards operating sustainably in line with the Manager's sustainability commitments which include minimizing any adverse impact on the environment by adopting sustainable energy management measures to reduce energy consumption and use green energy as an energy source.

Each properties facilities and operations have implemented operational procedures to ensure the energy consumption of its properties is managed efficiently and comply to the relevant regulations.

01

#### Measure and Inspect

Pavilion REIT conduct regular inspections, tests and calibration of electrical installations to ensure they are operating efficiently and smoothly. Energy consumption at each property is measured and monitored on a regular basis for any anomaly. In the effort to prevent excessive energy losses involving piping insulation and duct system insulation and to prevent condensation under certain conditions, random inspections are conducted to ensure there are no air leakage and water leakage under any circumstances. These procedures ensure optimum usage and reduce any impact to environment due to wastage of resources.

02

#### Fix and Maintain

Upon detection of any anomaly, they will be investigated and corrective action will be promptly taken to resolve any issues. Energy maintenance have been implemented, which is maintenance of all systems that uses or affect energy usage. The energy maintenance includes routine maintenance tasks such as yearly chiller oil change, using thermography infrared for electrical installation as well as cleaning and servicing of electrical components.

03

#### Monitor

Building Automation System (BAS) is used to monitor system performance for air conditioning system efficiency. BAS also monitors the sub-metering of building systems to track energy consumption of major equipment and other end use application, for example, by categorizing load into building systems such as chillers, tenant and landlord.

04

#### Compliance

Pavilion REIT ensures all electrical installations are in compliant with the Electricity Supply Act 1990 (Act 447), Electricity Regulations 1994 with relevant certificates and licenses for their operation. Regular inspections are conducted at each property by an independent Certified Supervising Engineer who is registered with Energy Commission. All properties are managed by certified Chargeman and Energy Manager which is required in accordance with the Electricity Supply Act 1990 (Act 447).

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## Progress

### Key Initiatives related to Energy Management

As energy management is closely intertwined with climate change – emission management, detailed information about strategies and initiatives can be found in the “Climate Change” section of this report. The energy consumption data presented here reflects landlord electricity usage, including renewable energy sourced through green electricity programs.

In FY2024, Pavilion REIT's total energy consumption across all properties increased by 35.8% compared to FY2019. This rise was primarily driven by the full-year inclusion of Pavilion Bukit Jalil, which was acquired in June 2023. Additionally, the year-on-year increase in electricity consumption can be attributed to higher mall visitation and warmer climate conditions. When PBJ's data is excluded, total energy consumption was 98,064,630 kWh, reflecting a 11.1% decrease compared to FY2019.

This reduction, achieved despite portfolio expansion, demonstrates the impact of Pavilion REIT's ongoing energy efficiency initiatives, including:

- **Installation of sensor activated lighting & LED lighting upgrades:** Transitioning to energy-efficient lighting to reduce electricity usage across properties.
- **Green electricity adoption:** Increasing reliance on renewable energy sources, supported by the GET program.
- **Proactive energy monitoring:** Conducting regular energy checks to minimize waste and optimize energy usage.

### Electricity Consumption by Landlord

Metrics	FY2019	FY2022	FY2023	FY2024	Target	Progress
<b>Landlord Electricity Consumption (kWh)</b>	110,328,076	94,111,270	125,009,245	150,121,209 <sup>(1)</sup>	-	Increase of 36.1% compared to FY2019 due to PBJ inclusion
<b>Green Electricity Usage (kWh)</b>	-	19,272,717	25,888,000	45,825,600 <sup>(1)</sup>	50% renewable electricity by 2040 by all Pavilion REIT assets under operational control	Achieved 31% renewable electricity usage in FY2024
<b>% of Renewable Electricity</b>	-	20%	21%	31%	50% by 2040	31% achieved
<b>Landlord Electricity Consumption Without PBJ (kWh)</b>	110,328,076	94,111,270	94,290,180	98,496,626	3% reduction in landlord electricity consumption by 2030 vs FY2019	10.7% reduction achieved
<b>% of Renewable Electricity (without PBJ)</b>	-	20%	27%	47%	50% by 2040	47% achieved

**Note:**

(1) The electricity data in FY2024 has been assured externally by KPMG.

The Manager remains committed to Pavilion REIT's energy management goals and broader sustainability objectives. Key targets include:

1. Achieving a 3% reduction in landlord electricity consumption by 2030 compared to FY2019 levels.
2. Utilizing 50% renewable electricity across all operational assets by 2040.

To meet these goals, Pavilion REIT will continue to implement innovative energy-saving solutions and expand the adoption of renewable energy programs like the GET. The Manager will also prioritize investments in energy-efficient technologies and maintain proactive energy monitoring to drive continuous improvement.

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### Electricity Consumption by Tenants and End Users

The Manager began collecting data on tenant and end-user electricity consumption in FY2023. This report covers electricity usage at Pavilion Kuala Lumpur Mall (including Pavilion Hotel and Pavilion Tower), Elite Pavilion Mall and, starting in FY2024, Pavilion Bukit Jalil. Data is disclosed only for properties where Pavilion REIT acts as the direct electricity supplier. Pavilion REIT's Scope 3 emissions include the generation of electricity that is purchased by Pavilion REIT and subsequently resold to end users. The reported electricity consumption here exclude tenant electricity consumption at Intermark Mall and DA MEN Mall, as tenants are billed directly by electricity suppliers. While Pavilion REIT does not have direct access to this data, the Manager will continue to explore avenues to obtain it where feasible.

Metrics	FY2023	FY2024
Tenant & End User Electricity Consumption (kWh)	50,484,242	64,928,307 <sup>(1)</sup>

**Note:**

(1) The electricity data in FY2024 has been assured externally by KPMG.

### Building Energy Intensity (BEI): Measuring Efficiency and Progress

This section delves into the BEI of Pavilion REIT's properties, a metric for measuring energy efficiency. BEI is calculated as the total energy consumption per square meter of building floor area annually.

The scope of this report includes landlord energy consumption for all six properties in Pavilion REIT's portfolio: Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall, DA MEN Mall, and Pavilion Bukit Jalil.

Starting in FY2023, the reporting scope was expanded to include electricity sold by Pavilion Kuala Lumpur Mall to Pavilion Hotel, Elite Pavilion Mall, and Pavilion Tower, where Pavilion REIT acts as the direct electricity supplier. Due to this expanded scope, BEI comparisons across years may not be entirely consistent. However, the Manager is committed to transparency and strives to provide the most comprehensive data possible.

BEI is calculated using Gross Floor Area (GFA) to ensure greater comparability with industry benchmarks.

Sector	Building Energy Intensity (kWh/m <sup>2</sup> /year)			
	FY2019	FY2022	FY2023	FY2024
Retail	311	256	250	307
Office	83	75	100	103
<b>Overall BEI</b>	<b>297</b>	<b>245</b>	<b>246</b>	<b>301</b>

The changes in BEI for FY2024 can be attributed to two key factors:

- **Inclusion of Full Year Data for Pavilion Bukit Jalil:** its larger floor area and energy consumption naturally impact the overall BEI.
- **Expanded Reporting Scope:** Incorporating its tenant and consumers electricity consumption in Pavilion Kuala Lumpur Mall, Pavilion Tower and Pavilion Bukit Jalil has contributes to the overall increase in retail BEI.

To provide further context, the Manager also reference Green Building Index (GBI) baseline minimum BEI values.

- **Office:** Pavilion Tower's current BEI of 103 kWh/m<sup>2</sup>/year already meets the GBI baseline minimum of 150.
- **Retail:** The current BEI of 301 kWh/m<sup>2</sup>/year for retail already meets the GBI standard of 350. Pavilion REIT will continue implementing measures to improve retail energy efficiency.

The Manager remain committed to reducing its BEI and is actively exploring and implementing various initiatives, including:

- Energy audits and optimization measures across Pavilion REIT's properties.
- Investment in energy-efficient technologies and equipment.
- Collaboration with tenants on energy-saving practices.

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## WATER MANAGEMENT

### Why it Matter and Approach

The Manager understands the importance of water conservation in Malaysia due to water shortages, dry seasons, and river pollution. Water is essential for daily operations to maintain functionality and meet health and safety regulations.

Efficient water management is a key sustainability strategy that the Manager is committed to implementing within Pavilion REIT properties to reduce water waste and minimize environmental impact. The Manager has implemented procedures to optimize water usage, minimize environmental impact and detect potential leakages in water pipes.

Operations monitor water consumption at each property daily for anomalies. If an anomaly is detected, an investigation is launched, and corrective action is promptly taken. Water-efficient fittings, such as sensor-activated sink faucets, have been installed during the progressive refurbishment of toilets at all its properties to further reduce water waste among users.

The Manager has implemented new strategies to optimize water usage and minimize disruptions within Pavilion REIT. These initiatives include the installation of rainwater harvesting systems at Pavilion Kuala Lumpur Mall, Pavilion Tower, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil. Additionally, air handling unit (AHU) condensate water recycling systems have been installed at Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil. The Manager remains committed to evaluating the feasibility of extending these installations to other properties.

### Water Management Data

#### Water Withdrawal & Consumption

The Manager recognizes the importance of water conservation and is committed to reducing Pavilion REIT's water footprint. Pavilion REIT source water primarily from and discharged it to municipal supplier and actively implement strategies to optimize water usage across its properties. Pavilion REIT does not have any properties or operations at water-stressed sites, as its properties are located in urban areas. In the event of water disruption, a contingency Syabas water supply will be available from Pavilion Hotel, connected to the suction tank of Pavilion Kuala Lumpur Mall. Alternatively, it can procure water from third party water service providers.

Water Withdrawn from Third Party Water Service Providers – Municipal Supplier	Volume (m <sup>3</sup> )				Target
	FY2019	FY2022	FY2023	FY2024	
Water Consumption (Landlord)	807,408	699,372	1,055,816	1,186,053	-
Water Consumption (Tenant)	435,215	358,828	599,750	790,019	
Water Consumption (Landlord) without PBJ	807,408	699,372	763,875	730,487	To achieve 2% reduction in landlord water consumption by 2030 compared to FY2019.

The total volume of water used by Pavilion REIT for landlord consumption in FY2024 was 1,186,053 m<sup>3</sup>, compared to 807,408 m<sup>3</sup> in FY2019. This increase is primarily attributed to the inclusion of Pavilion Bukit Jalil's water usage data, following its acquisition in June 2023.

Excluding Pavilion Bukit Jalil, landlord water usage was 730,487 m<sup>3</sup> in FY2024, reflecting a 9.5% reduction compared to FY2019 levels.

The Manager is also committed to transparency and accountability in tenant water usage. The Manager disclose water consumption by tenants within their premise/tenanted area in the following properties: Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall, and Pavilion Bukit Jalil. Pavilion Tower water usage is minimal and falls under landlord consumption, as tenants' usage is managed as part of the landlord's facilities.



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### Water Intensity

	Water Intensity (m <sup>3</sup> /m <sup>2</sup> /year)			
	FY2019	FY2022	FY2023	FY2024
Retail	3.5	2.9	2.4	2.9
Office	1.1	0.7	0.7	0.8
<b>Overall Water Intensity</b>	<b>3.3</b>	<b>2.8</b>	<b>2.3</b>	<b>2.8</b>

Water intensity in this context is measured based on the GFA, providing a standardised metric to assess water efficiency across properties. Despite the inclusion of Pavilion Bukit Jalil and tenant consumption data, retail water intensity decreased from 3.5 m<sup>3</sup>/m<sup>2</sup>/year in FY2019 to 2.9 m<sup>3</sup>/m<sup>2</sup>/year in FY2024. Office water intensity also exhibited a positive trend, dropping from 1.1 m<sup>3</sup>/m<sup>2</sup>/year to 0.8 m<sup>3</sup>/m<sup>2</sup>/year. Overall water intensity for Pavilion REIT properties improved from 3.3 m<sup>3</sup>/m<sup>2</sup>/year in FY2019 to 2.8 m<sup>3</sup>/m<sup>2</sup>/year in FY2024.

These improvements in water intensity are a direct result of sustainability initiatives implemented across Pavilion REIT properties. Key measures include the installation of rainwater harvesting systems and air handling unit (AHU) condensate recycling systems at selected locations.

### Demonstrating Commitment to Water Conservation



Condensate Harvesting located at Pavilion Kuala Lumpur Mall.



Rain Water Harvesting located at Pavilion Kuala Lumpur Mall.

Water Withdrawal from secondary source	Volume (m <sup>3</sup> )	
	FY2023	FY2024
<b>Fresh Surface Water</b>		
• Rain Water Harvesting	226	15,974
<b>Recycled/Reused Water</b>		
• Condensate Harvesting	2,912	3,153
<b>Ground Water</b>	165	462
<b>TOTAL</b>	<b>3,303</b>	<b>19,589</b>

This table showcases Pavilion REIT's commitment to water conservation by utilizing secondary water sources, contributing to a 9.5% reduction in overall landlord's water usage compared to FY2019, excluding Pavilion Bukit Jalil factor. Initiatives like rainwater harvesting and AHU condensate recycling play a crucial role in achieving this reduction.

### Rainwater Harvesting

Pavilion REIT's rainwater harvesting systems optimize water usage across various properties by repurposing collected rainwater for non-potable needs:

- Pavilion Kuala Lumpur Mall: Used for toilets, loading bays and washing compactor rooms.
- Pavilion Tower: Used to top up the cooling tower water.
- DA MEN Mall: Used for external landscaping and refuse chamber cleaning.
- Pavilion Bukit Jalil: Applied for cleaning loading bay driveways.

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## AHU Condensate Harvesting

Condensate recycling systems in AHU further enhance water efficiency by repurposing condensate for cleaning and maintenance:

- Pavilion Kuala Lumpur Mall & Elite Pavilion Mall: Used for loading bays and washing compactor rooms.
- Intermark Mall: Utilised for washing grease traps and refuse chambers.
- DA MEN Mall: Used for external landscaping and refuse chamber cleaning.
- Pavilion Bukit Jalil: Applied for cleaning loading bay driveways.

## Groundwater Utilisation

- Pavilion Kuala Lumpur Mall: Groundwater is collected and piped to lifting station rooms for weekly cleaning activities.

These proactive measures demonstrate Pavilion REIT's dedication to environmental sustainability and responsible water management. By actively seeking alternative water sources and implementing efficient recycling practices, the Manager strive to minimize its reliance on municipal water and contribute to a more sustainable future.

## Water Reduction Target

Pavilion REIT is actively pursuing water conservation goals to minimize its reliance on freshwater and environmental impact. The Manager is committed to achieving a 2% reduction in landlord water consumption by 2030 compared to FY2019. To achieve this, The Manager is implementing various initiatives:

- **Rainwater and AHU Metering installation:** In FY2024, Pavilion Bukit Jalil installed meters to accurately track rainwater and AHU water usage, ensuring precise monitoring and reporting.
- **AHU Condensate Water Recycling System Installation:** New system was installed at DA MEN Mall in FY2024, which is expected to reduce overall water consumption and reliance on freshwater sources.
- **Continuous improvement:** The Manager regularly reviews and explores new water-saving technologies and methods to enhance water management efficiency across all properties.

Beyond its current target, the Manager will continue to actively seek innovative ways to reduce water consumption. This includes:

- **Promoting Water Conservation Awareness:** The Manager is committed to educating tenants and employees about water conservation practices and encouraging their participation in its initiatives.
- **Regular Monitoring and Maintenance:** Consistent monitoring systems and timely maintenance protocols are in place to identify and repair water leakages, ensuring efficient water use.

There has been no fine or sanction imposed on Pavilion REIT for any non-compliance with the local environmental laws and regulations during the reporting year.

Through these initiatives, Pavilion REIT demonstrates its commitment to responsible water management and environmental sustainability. By adopting innovative solutions and maintaining a continuous focus on improvement, the Manager aims to minimize reliance on municipal water sources, reduce environmental impact, and contribute to a sustainable future.

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### WASTE MANAGEMENT

#### Why it Matter and Approach

According to Solid Waste Management and Public Cleansing Corporation (SWC), Malaysia faces a growing challenge in waste management. Every day, Malaysians throw away about 39,078 tonnes of solid waste, equivalent to about 1.17kg per person, with food, plastic, and paper constituting the bulk. This puts pressure on landfills and highlights the need for sustainable solutions.



#### Playing Our Part in Waste Reduction

Recognizing the national challenge of waste management, Pavilion REIT is committed to responsible practices. The Manager actively implement the 3Rs (Reduce, Reuse, Recycle) principle across Pavilion REIT's properties, minimizing waste generation and diverting materials from landfills.

Beyond individual actions, the Manager collaborate with industry partners and public authorities to explore innovative solutions, including transforming organic waste into fertilizer. The Manager's goal is to contribute to a more sustainable future for Malaysia, where efficient waste management becomes a cornerstone of national progress.

The Manager continuously improve its efforts across all properties, playing its part in reducing waste. This includes maintaining a proper waste management workflow, setting up convenient recycling bins in its malls, and engaging authorized waste contractors for responsible collection and disposal at designated landfills approved by the relevant authorities.

#### Progress

##### Waste Disposal Data

Pavilion REIT is consistently exploring ways to reduce the amount of waste generated and sent to disposal across all its properties. The Manager is also focused on increasing the diversion of waste from landfills, with a particular emphasis on food waste recycling.

	Weight of waste (Tonnes)			
	FY2019	FY2022	FY2023	FY2024
<b>Waste generated</b>	5,368.8	4,264.1	5,445.2	9,650.0
<b>Waste directed to disposal</b>	5,172.2	4,098.4	5,198.0	9,022.4
<b>Waste diverted from disposal</b>	196.6	165.8	247.2	627.6

Waste generation at Pavilion REIT properties includes both non-hazardous waste (general waste) and hazardous waste (scheduled waste). Waste directed to disposal is managed by licensed waste contractors and sent to landfills, while waste diverted from disposal is calculated based on the weight of hazardous and non-hazardous waste recovered for reuse and recycling. The data presented in the table reflects waste management activities across Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, DA MEN Mall, and Pavilion Bukit Jalil.

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In FY2024, total waste generated across these properties reached 9,650.0 tonnes. This figure includes 1.0 tonnes of hazardous waste processed through recovery operations and 626.6 tonnes of non-hazardous waste recycled, encompassing materials such as plastics, paper, metal and food waste.

The inclusion of data from DA MEN Mall and Pavilion Bukit Jalil contributed to significant improvements in waste diversion efforts. In FY2024, 627.6 tonnes of waste were successfully diverted from landfills—a notable increase compared to previous years. Despite an increase in the volume of landfilled waste to 9,022.4 tonnes, the overall landfill diversion rate rose to 6.5%, up from 3.7% in FY2019. This progress underscores Pavilion REIT's commitment to enhancing its waste management practices and reducing its environmental footprint.

The Manager also engages DOE-licensed contractors as and when required for the disposal of scheduled waste to authorized recycling and/or disposal facilities in accordance with the Environmental Quality (Scheduled Waste) Regulations enforced by the Department of Environment (DOE), Malaysia.

### Pavilion Loves E.A.R.T.H. Initiative



This year, Pavilion REIT introduced the Pavilion Loves E.A.R.T.H. platform with the launch of its Food Compost Initiative at Pavilion Bukit Jalil. This initiative promotes sustainable food waste management. The Pavilion Loves E.A.R.T.H. initiative is built on the principles of Environment, fostering Awareness, driving Renewal, inspiring Transformation, and cultivating Hope. Its goals include responsible resource management, carbon reduction, and biodiversity protection.

The Food Compost Initiative represents a key step in embedding sustainability into Pavilion REIT's operations by diverting food waste from landfills and transforming it into compost. This process reduces overall waste and minimises the carbon footprint of Pavilion REIT's properties.

Key Features of the Food Compost Initiative:

- **Daily Collection:** Food waste is collected from supermarkets, food courts, and F&B outlets at Pavilion REIT malls.
- **Composting Technology:** Food composting machines convert food waste into fertiliser suitable for plants
- **Water Reuse:** The water generated during composting is utilised for cleaning the loading bay driveway and watering plants.
- **Rainwater Harvesting:** A nearby water harvesting tank collects AHU water and rainwater for cleaning purposes, further supporting the sustainability cycle.

The Food Waste Recycling program is being rolled out across Pavilion REIT malls. In FY2024, Pavilion REIT malls collected 192.7 tonnes of food waste, resulting in the composting of 23.2 tonnes of fertiliser. Shoppers can redeem and collect fertiliser at designated locations, such as concierge counters and autopay stations. Banners throughout the malls raise awareness, and shoppers to Pavilion Bukit Jalil can explore the food composting area. This initiative supports waste management, sustainability education, and community engagement in the REIT's eco-friendly efforts.



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### Waste Diverted from Disposal

#### Hazardous Waste

	Weight of hazardous waste (tonnes)			
	FY2019	FY2022	FY2023	FY2024
Other recovery operations	1.3	0.2	0.3	1.0

The data in the table represents hazardous waste generated by Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, and Pavilion Bukit Jalil.

Pavilion REIT has made significant progress in diverting hazardous waste from landfills. As shown in the table, the weight of hazardous waste processed through other recovery operations increased to 1.0 tonnes in FY2024. This improvement reflects a successful shift toward more responsible and sustainable disposal practices for hazardous materials.

#### Non-Hazardous Waste (Total Waste Recycled)

Category	Subcategory	Weight of non-hazardous waste (tonnes)			
		FY2019	FY2022	FY2023	FY2024
Non-Hazardous Waste Recycling	Plastic	1.7	0	4.3	17.3
	Paper	191.9	164.6	239.5	412.8
	Metal	1.7	1.0	3.1	3.8
	<b>Total</b>	<b>195.3</b>	<b>165.6</b>	<b>246.9</b>	<b>433.9</b>
Food Waste Recycling	Food Waste Collected				192.7
	Compost Produced				23.2
<b>Total Waste Recycled</b>					<b>626.6</b>

The data represents non-hazardous waste recycled across Pavilion REIT properties, including Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall (food waste only), DA MEN Mall, and Pavilion Bukit Jalil.

Pavilion REIT continues to prioritize the reduction and recycling of non-hazardous waste. In FY2024, Pavilion REIT malls recycled 626.6 tonnes of waste, a 153.7% increase YoY compared to 246.9 tonnes in FY2023, driven by the inclusion of DA MEN Mall, Pavilion Bukit Jalil, and food waste initiatives.

Plastic recycling exhibited the most significant growth, increasing from 1.7 tonnes in FY2019 to 17.3 tonnes in FY2024, with a 302% YoY growth from FY2023 to FY2024. Paper recycling increased consistently, reaching 412.8 tonnes in FY2024, a 72.4% YoY increase, while metal recycling rose slightly to 3.8 tonnes.

Food waste recycling was introduced in FY2024, resulting in the collection of 192.7 tonnes of food waste, with 23.2 tonnes converted into compost, supporting Pavilion REIT's commitment to circular economy practices.

This consistent focus on responsible waste management has significantly reduced landfill contributions and highlights Pavilion REIT's role as a sustainability leader. The Manager is confident that ongoing innovation and partnerships will continue driving progress toward a greener future.



# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Demonstrating Progress in Waste Prevention

Pavilion REIT remains committed to minimizing its environmental footprint through waste prevention and landfill diversion initiatives. These efforts are integral to achieving sustainable operations and aligning with global environmental goals.

	Unit of measurement	FY2019	FY2022	FY2023	FY2024
<b>Total Waste Generated</b>	tonnes	5368.8	4264.1	5445.2	9650.0
<b>Waste Prevented</b>	tonnes	196.6	165.8	247.2	627.6
<b>% Diversion from landfill</b>	%	3.7	3.9	4.5	6.5%

In FY2024, Pavilion REIT successfully prevented 627.6 tonnes of waste, representing a 153.9% increase compared to 247.2 tonnes in FY2023. This significant growth was driven not only by enhanced waste management practices but also by the inclusion of data from DA MEN Mall and Pavilion Bukit Jalil, as well as the introduction of food waste recycling initiatives. Over time, the landfill diversion rate has also shown steady improvement, rising from 3.7% in FY2019 to 6.5% in FY2024, with a notable 44.4% YoY increase from FY2023 when the rate was 4.5%. These achievements highlight Pavilion REIT's proactive approach to waste reduction and recycling.

The Manager had set a target to achieve a 5% landfill diversion rate in FY2024. Through focused efforts, expanded recycling programs, and the integration of innovative waste management solutions, the Manager exceeded expectations by reaching a 6.5% diversion rate, showcasing the success of its comprehensive strategies.

Year-over-year trends further underscore the significant progress Pavilion REIT has made. For instance, the total waste prevented has grown from 165.8 tonnes in FY2022 to 247.2 tonnes in FY2023, and then to 627.6 tonnes in FY2024. Similarly, the landfill diversion rate steadily increased from 3.9% in FY2022 to 4.5% in FY2023 and 6.5% in FY2024, reflecting the impact of operational enhancements and broader property inclusion.

## Our Future Plans for Waste Reduction

Looking ahead, Pavilion REIT aims to further its sustainability efforts. The Manager has set a progressive target to achieve a 10% landfill diversion rate by FY2027, with plans to expand recycling programs and explore innovative waste management solutions. For the long term, the Manager will reevaluate its goals to ensure feasibility while striving to achieve ambitious yet practical outcomes, such as a 20% diversion rate.

By integrating innovation, collaboration, and ongoing reviews of its strategies, Pavilion REIT is well-positioned to continue driving impactful progress in waste management. These initiatives not only benefit the environment but also create value for its stakeholders, reinforcing Pavilion REIT's leadership in sustainability.

## A : ACCLAIMING TRUSTED BRAND REPUTATION

### BRAND VALUE AND RECOGNITION

#### Why it Matter and Approach

The Manager is committed to be a responsible corporate citizen and pledge commitment towards fulfilling United Nations Sustainable Development Goals (UNSDGs), with the aim to increase brand value and recognition within the REIT industry and lead to new tenant penetration and unitholder investment.



In 2024, Pavilion REIT leveraged innovative marketing campaigns, strategic collaborations, and targeted sponsorships to significantly increase footfall and tenant sales across its malls. These initiatives have not only delivered tangible outcomes but also bolstered Pavilion REIT's brand reputation and strengthened trust among stakeholders.

The Manager is confident that ongoing marketing efforts will further position Pavilion Malls as Malaysia's premier destination for fashion, dining, and urban leisure. Pavilion Kuala Lumpur Mall, a testament to this commitment, has been awarded an impressive 58 accolades to date (up from 53 in 2023) by esteemed local and international councils and associations. These honors reflect the mall's unwavering focus on delivering exceptional experiences to its shoppers.





# A : ACCLAIMING TRUSTED BRAND REPUTATION

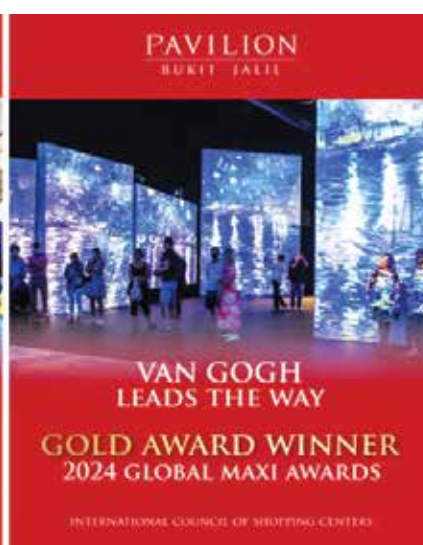
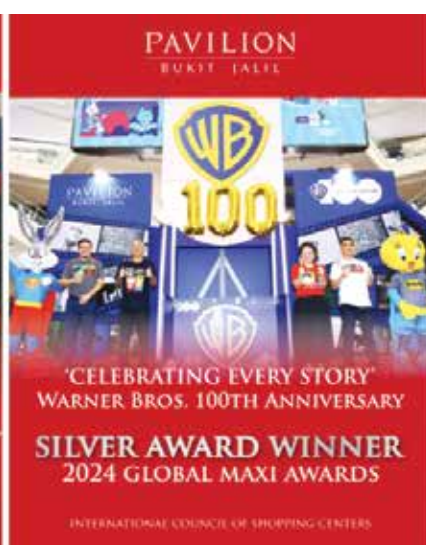
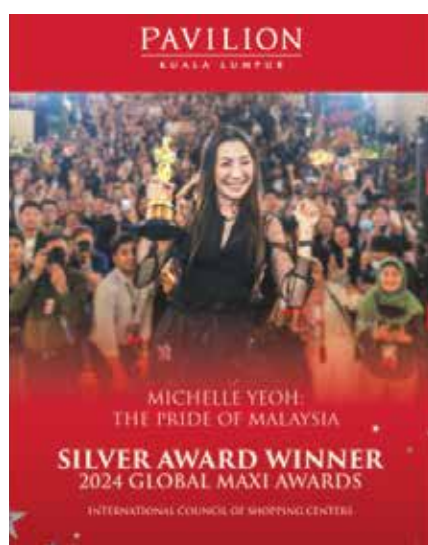
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## Progress

### Accolades and Achievements in FY2024



Pavilion Malls continued to set industry benchmarks in FY2024, receiving numerous prestigious awards that highlight their commitment to excellence and innovation. Pavilion Kuala Lumpur Mall garnered the **TripAdvisor Travelers' Choice Awards 2024**, a **Silver Award at the International Council of Shopping Centers (ICSC) Global MAXI Awards 2024** for the campaign "*Michelle Yeoh: The Pride of Malaysia*," the **Platinum Award at the PPKM Experiential Marketing Awards 2023-24** for "*Dragon Dynasty*," and the **Special Mayor's Award 2024** for *Best Commercial Building* in the Building Light-Up Category.

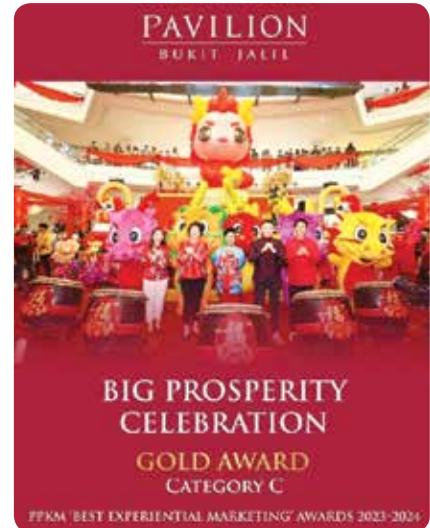
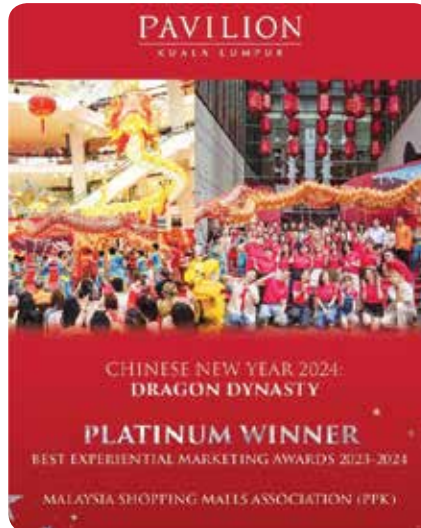
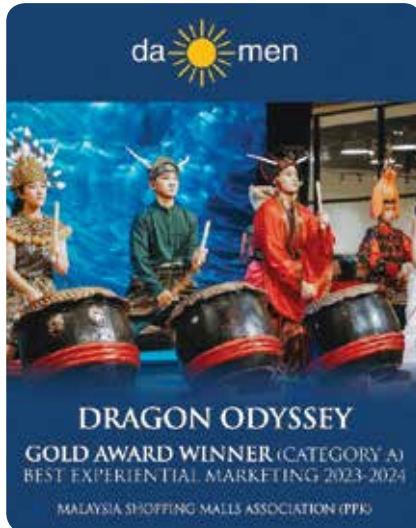


Pavilion Bukit Jalil added to its impressive accolades with the **FIABCI Malaysia Property Award 2023 (Retail Category)**, the **World Gold Winner at the FIABCI World Prix d'Excellence Awards 2024 (Retail)**, a **Gold Award at the ICSC Global MAXI Awards 2024** for the campaign "*Van Gogh Leads the Way*," a **Silver Award at the ICSC Global MAXI Awards 2024** for "*Warner Bros 100th Anniversary*," the **Parents' Choice Award 2024** for *Best Shopping Mall for Families*, and a **Gold Award at the PPKM Experiential Marketing Awards 2023-24** for the "*Big Prosperity Celebration*."



## A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd



Meanwhile, DA MEN Mall secured its own recognition with a **Gold Award at the PPKM Experiential Marketing Awards 2023-24** for the festival celebration “Dragon Odyssey”.

### Beyond Retail: Fostering Growth Through Shoppers Experiences & Community

As an active committee member of the Malaysian REIT Managers Association and a member of Persatuan Pengurusan Kompleks Malaysia (“PPKM”) (also known as Malaysia Shopping Malls Association) as well as BKKLCC Tourism Association, the Manager works with the associations to strengthen efforts towards economic growth, environmental conservation, good corporate governance and community development.

The Manager also maintains good relationship with local and international retail associations such as Malaysia Retailers Association (MRA), Malaysia Retail Chain Association (MRCA) and International Council of Shopping Centers (ICSC) through the exchange of trade information, education and training and pooling of resources and expertise. Community messaging, sharing updates and dialogues with associations are undertaken to discuss matters of importance for the benefit of stakeholders.





## A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

On top of that, the Manager also works closely with federal government agencies (e.g., Tourism Malaysia, Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) and Ministry of Tourism, Arts & Culture (MOTAC)), local authorities (e.g., Dewan Bandaraya Kuala Lumpur (DBKL)) and foreign embassies for various marketing campaigns and initiatives to boost Pavilion REIT's brand recognition locally as well as internationally.

In 2024, Pavilion Kuala Lumpur Mall solidified its position as Malaysia's premier shopping destination and a vibrant hub for cultural celebrations, community engagement, and global recognition. The year began with the Chinese New Year "*Charity at Heart*" initiative, raising over RM100,000 to support elderly residents across Malaysia, reflecting the mall's commitment to compassion and social responsibility. During Hari Raya, the '*Radiant Raya*' celebration highlighted Malaysia's rich textile heritage, featuring the Weaving Threads of Heritage exhibition in collaboration with Yayasan Tuanku Nur Zahirah and designer Radzuan Radziwill. The festivities continued with Deepavali, offering visitors traditional music, dance, and festive-inspired treats from the mall's F&B tenants.

The mall also promotes various countries to attract a diverse audience and foster cultural exchange. Events like the 1st Malaysia Kendama Festival, organized by the Malaysia Kendama Association, helped raise awareness of the traditional Japanese folk game, contributing to the mall's global appeal and commitment to inclusivity and cultural understanding.



Not only that, the malls welcomed an array of international stars, including Jackson Wang, Chinese singer Hu Xia, and Hong Kong artistes such as Nicholas Tse, Gordon Lam, Bosco Wong and Ron Ng. Thai actor Tay Tawan represented AirAsia to promote Thailand, while Korean star Nayeon from Twice captivated audiences during her visit. The mall also celebrated the launch of Tesla's AI and Robotics Showcase, along with other attractions such as MG's first pop-up event introducing their EV cars to Malaysia.





## A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

The mall also demonstrated its commitment to environmental sustainability during Earth Hour with a LED screen countdown and various green initiatives in partnership with brands like Kiehl's and National Geographic. Additionally, the Pavilion Loves Sustainability Week was introduced to drive community engagement and raise awareness about the importance of sustainability.

Other notable moments included the launch of Prada Beauty's first Southeast Asia boutique, graced by Thai actor Win Metawin, and the grand opening of Louis Vuitton's first triplex store in the region, celebrated with a visit by Jackson Wang. Pavilion KL also hosted Uncle Roger's restaurant launch, *Fuiyoh! It's Uncle Roger*, which culminated in a Guinness World Record for the largest gathering of fans.



The year ended on a high note with *Pavilion KL's Snow Experience*. This festive attraction delighted visitors with nightly shows, Santa meet-and-greets, and holiday performances, leaving a memorable impression of the mall's commitment to creating magical experiences for its shoppers.

At Intermark Mall, vibrant celebrations and cultural showcases highlighted its commitment to diversity and meaningful engagement. The Wonder Women Art Exhibition, launched by YB Teo Nie Ching, celebrated creativity and resilience with 80 artworks by women from diverse backgrounds, honoring motherhood and womanhood. The Czech Festival, in collaboration with the Czech Embassy Kuala Lumpur and CzechTourism, offered visitors an immersive experience of Czech culture through traditional food prepared by visiting chef, exhibits from renowned Czech companies, and interactive displays. Similarly, the Amazing Borneo event showcased Sabah and Sarawak's crafts, textiles, and cultural heritage, bringing the wonders of East Malaysia to life with artisanal demonstrations and live performances. Intermark Mall enhanced cultural appreciation, enriched the shopping experience, and strengthened its brand value.



DA MEN Mall being a community-friendly mall in the heart of Subang, strengthens its connection with local audiences through holistic and inclusive events. Collaborating with local councils, educational institutions, and NGOs, the mall hosted initiatives such as STEM Fest 2024, a Blood Donation Drive, Nasi Lemak Eating Competition, and festive drum performances. These activities not only drive purposeful footfall but also create a welcoming and loyal community environment, aligning with Pavilion REIT's values.

At Pavilion Bukit Jalil, engaging events and collaborations further enhanced its reputation as a dynamic retail destination. Highlights included the Watsons x PingMin Market at Piazza area, the Automobile Roadshow, and the Balik Kampung Chinese New Year Festival 2024, which brought festive joy and cultural celebration to shoppers. Other noteworthy initiatives included the Pop Mart Roboshop, the Immersive Hong Kong campaign, and Panasonic Energy for a Green Future, which emphasized sustainability and innovation.

Ultimately, these initiatives contribute to Pavilion REIT's core objective: building strong brand value and recognition. By fostering a vibrant and inclusive environment, the Manager attract diverse tenants and shoppers, inspire investor confidence, and ensure sustainable economic growth. This commitment to a holistic approach, where business success thrives alongside community well-being, is the foundation of Pavilion REIT's journey forward. This year's customer satisfaction survey, detailed in Section 4.3, is a testament to Pavilion REIT's commitment to continuously improving and aligning with the needs of its stakeholders.

## C : CARING FOR LOCAL COMMUNITY

### COMMUNITY ENGAGEMENT

#### Why it Matter and Approach

As one of the largest retail concentrated REIT in Malaysia, the Manager believes on the long-lasting positive impact that can be generated for the local communities in where Pavilion REIT operates. Its malls have actively engaged with the local communities to gauge their needs and organise various events to promote social advancement of its communities.

The Manager is committed in building mutually beneficial relationship with the local communities to ensure sustainable development of Pavilion REIT's business. The initiatives conducted are designed to maximise positive impact to the communities around its properties and align with Pavilion REIT's positioning of becoming the premier shopping destination.

This year, the Manager has set targets for FY2030, including:

- Reaching and supporting 1,000 beneficiaries in communities surrounding Pavilion REIT properties;
- Raising and contributing RM1 million (in cash and in kind) towards funding CSR activities; and
- Achieving 1,000 hours of employee volunteerism.

The initiatives will focus on key areas such as Arts & Culture, Education, Environment, Health, and Social Welfare. Additionally, the Manager remains committed to supporting Economic Development and providing Emergency Relief whenever necessary. Furthermore, the promotion of gender equality will be embedded across all five pillars whenever applicable, including initiatives such as job creation for women, opportunities for single mothers and support for individuals with disabilities.

#### Progress

#### Engaging with our local communities

Throughout FY2024, Pavilion REIT actively engaged with local communities through diverse initiatives. These included impactful CSR programs during festive seasons, engaging art and cultural events, and events raising awareness on critical social topics. Demonstrating its commitment to social responsibility, Pavilion REIT invested approximately RM0.3 million in community investments in FY2024, addressing important areas such as arts & culture, education, environment, health, and social welfare.

FY2024 - FY2030 Target		Unit	FY2024
Raised and Contributed in Cash and in Kind	RM1,000,000	RM	297,340
Beneficiaries	1,000 people	People	1,990
Hours Contributed by Employees	1,000 hours	Hour	495
Number of People (e.g. shoppers, community) Engaged Throughout the Year	N/A	People	5,182

Pavilion REIT malls hosted a variety of community initiatives, including:

#### Arts & Culture



## C : CARING FOR LOCAL COMMUNITY

Cont'd



Support for institutions (theaters, museums, public galleries etc.) that promote or protect arts activities, whether visual arts or the performing arts such as music, dance and theater. Also includes activities or organizations that promote or protect 'Heritage' such as might be regarded as part of a country's local or national history.

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
Pavilion Kuala Lumpur Mall	12 Aug 2024 to 18 Aug 2024	Collaboration with Istana Budaya's Traditional Orchestra Malaysia	Partnership with Istana Budaya to feature a 24-piece Traditional Orchestra Malaysia, promoting arts and culture. This initiative showcases Malaysia's heritage, supports local talent, and engages the community in preserving traditional art forms.	<ul style="list-style-type: none"> <li>69 performers participated.</li> <li>RM40,000 in performance fees supported local artists and cultural practitioners.</li> <li>Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Local community</li> <li>Shoppers</li> <li>Cultural advocates</li> <li>Istana Budaya</li> </ul>	<ul style="list-style-type: none"> <li>Preserved and promoted Malaysia's cultural heritage.</li> <li>Strengthened the local arts ecosystem by supporting artists and cultural organizations.</li> <li>Fostered cultural appreciation and community engagement.</li> </ul>
Intermark Mall	28 Apr 2024 to 2 May 2024	Wonder Women Art Exhibition in conjunction with Mother's Day	In collaboration with Art Market Malaysia, Intermark Mall hosted the "Wonder Women Art Exhibition" to celebrate femininity, strength, and resilience through art. The event provided a platform for over 150 artists and women-led businesses, showcasing local and international works. Intermark Mall offered rental-free spaces in the Ground Atrium and Level 3 for exhibitions, art sales, workshops, and art therapy sessions. A special feature included Afri-Lamps FHK, a Ugandan women-owned business led by social entrepreneur Ms. Catherine Opondo, promoting African artistry and girl-child empowerment.	<ul style="list-style-type: none"> <li>150 artists and women-led businesses</li> <li>Venue Sponsorship worth RM11,000.</li> <li>10 paintings sold, generating nearly RM10,000 in sales</li> </ul>	<ul style="list-style-type: none"> <li>Women, with a focus on single mothers and diverse communities</li> <li>Local Communities</li> <li>Shoppers</li> </ul>	<ul style="list-style-type: none"> <li>Empowered women entrepreneurs, fostered cross-cultural understanding, and promoted local and international artistry.</li> </ul>



# C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
DA MEN Mall	17 Aug 2024	67th Merdeka: Traditional Costume Competition	Participants showcased their heritage with pride through traditional costumes, offering an opportunity to celebrate cultural diversity. Judges and attendees gain valuable insight into the history, significance, and traditions behind each costume, fostering appreciation and understanding of Malaysia's rich cultural heritage.	<ul style="list-style-type: none"><li>• 1 0 0 attendees</li><li>• V e n u e Sponsorship RM2,000</li></ul>	<ul style="list-style-type: none"><li>• L o c a l community</li><li>• Shoppers</li><li>• MPP4</li></ul>	<ul style="list-style-type: none"><li>• Preserving and celebrating heritage, fostering inclusivity, and educating the public about cultural diversity.</li><li>• Strengthen community identity, encourage intergenerational knowledge sharing, and support local artisans and cultural practitioners.</li></ul>
DA MEN Mall	8 Nov 2024	Deepavali Movie Screening	To celebrate Deepavali and appreciate the Indian community, DA MEN Mall organized a movie screening across 3 halls with 201 seats.	<ul style="list-style-type: none"><li>• 2 0 1 shoppers</li><li>• M o v i e Tickets worth RM4,221</li><li>• 3 employees involved</li></ul>	<ul style="list-style-type: none"><li>• L o c a l Community</li></ul>	<ul style="list-style-type: none"><li>• Promoted cultural inclusion, strengthened community ties, and supported cultural preservation and appreciation.</li></ul>

Education



Contributions to educational institutions or organizations or projects that promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise.

## C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
DA MEN Mall	8 Mar 2024 to 10 Mar 2024	International Women's Day 2024	<p>This initiative focused on empowering women by providing opportunities for skill development, networking, and confidence-building through workshops, panels, and mentorship programs. The event also advocated for gender equality by mobilizing support for initiatives that foster social change and inspired women and girls through stories of resilience and success.</p> <p>In partnership with Pusat Wanita Berdaya Subang Jaya, DA MEN Mall hosted a key event on women's mental health, led by Y.B. Michelle Ng with guest speaker Puan Anita Abu Bakar, Founder and President of MIASA. The event offered vital guidance on mental health management and supported 120 B40 single mothers in navigating their challenges and promoting their well-being.</p>	<ul style="list-style-type: none"> <li>• Reach out to 600 shoppers</li> <li>• 2 employees involved</li> <li>• Venue, tables and chairs sponsorship worth RM4,334 provided.</li> <li>• Empowered 120 B40 single mothers with resources on managing mental health</li> </ul>	<ul style="list-style-type: none"> <li>• Women of all demographics, particularly B40 single mothers</li> <li>• Shoppers</li> <li>• Local Community</li> <li>• MPP4</li> </ul>	<ul style="list-style-type: none"> <li>• The initiative strengthened women's mental health awareness, advocated for gender equality, and provided meaningful opportunities for empowerment, contributing to a more resilient community.</li> </ul>
DA MEN Mall	30 Nov 2024	World Children Day & Lil' Beezpreneur Fair 2024	<p>A children-led bazaar with 20 booths featuring crafts, baked goods, and eco-friendly products. 6 booths were hosted by NGOs and social enterprises, including SUHAKAM, D11, Host International Malaysia, R.E.A.L Kids Pre-school, Malaysia Federation of the Deaf and Greater Purpose Solution. The event also promoted children's rights and strengthened community ties.</p>	<ul style="list-style-type: none"> <li>• Venue, tables and chairs sponsorship worth RM3,668 provided.</li> <li>• Reach out to 900 shoppers</li> <li>• Promoted children's creativity and awareness of social issues.</li> <li>• 3 employees involved</li> </ul>	<ul style="list-style-type: none"> <li>• Children and Individuals with Special Needs</li> <li>• Re:Play, PUAK Payong</li> <li>• Shoppers</li> <li>• Local Community</li> </ul>	<ul style="list-style-type: none"> <li>• Empowered children with entrepreneurial skills, supported inclusive community engagement, and promoted awareness of social and environmental causes.</li> </ul>



# C : CARING FOR LOCAL COMMUNITY

Cont'd

Environment



Contributions to projects or organizations that advance environmental protection or conservation or through engaging people in activities such a recycling or other aspects of a sustainable lifestyle

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
Pavilion Kuala Lumpur Mall	12 Aug 2024 to 18 Aug 2024	Pavilion Loves Sustainability	The “Pavilion Loves Sustainability” campaign, launched on 12 August 2024, aimed to promote environmental awareness among the public and employees through engaging activities. Highlights included a Spritzer pop-up encouraging plastic bottle recycling, sustainable presentations by tenants, and initiatives to distribute fertilizer from Pavilion’s food composting efforts.	<ul style="list-style-type: none"><li>Engaged 1,282 shoppers</li><li>Collected 1,876 plastic bottles (28.15 kg)</li><li>132 employees participated and contributed 132 hours.</li><li>Distributed 1,100 packs of fertilizer from food composting initiatives</li></ul>	<ul style="list-style-type: none"><li>Local Community</li><li>Shoppers</li><li>Tenants</li><li>Employees</li></ul>	Promoted recycling, reduced plastic waste, and supported eco-friendly practices within the community.

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
DA MEN Mall	1 Jan 2024 to 31 Dec 2024	Plastic Bottles & Caps Recycling Program	In response to the growing issue of plastic pollution, DA MEN Mall introduced a year-long recycling program featuring a crab-shaped bin at the ground floor main entrance. This visually engaging bin encouraged the local community and shoppers to deposit plastic bottles and caps. The collected recyclables were conscientiously transported to the Subang Jaya City Council (MBSJ) recycling hub in USJ1 for proper recycling.	<ul style="list-style-type: none"><li>• 150kg of plastic caps and bottles collected and recycled.</li></ul>	<ul style="list-style-type: none"><li>• Local community</li><li>• Shoppers</li><li>• Environment</li><li>• Subang Jaya City Council (MBSJ)</li></ul>	Reduced plastic waste in landfills, educated the community on sustainable waste management, and inspired long-term behavioral change.
Intermark Mall	14 May 2024 to 21 May 2024	Harmoni Raya : Sustainable Fashion Initiative	<p>In partnership with KL6, an emerging women-led sustainable fashion brand, Intermark Mall celebrated Hari Raya by promoting eco-friendly fashion. KL6 showcased their Sustainable Raya 2024 collection in the Ground Atrium, with a launch event on 19 Mar 2024, featuring a fashion show and a Raya Open House concept. Throughout the event, six KL6 designers held workshops on “Natural Dye,” “Special Needs Fashion,” and “Patchwork Design,” while also selling their collections.</p> <p>Three donation bins were set up to collect pre-loved clothes, contributing to the collection of 150 kg of fabric for upcycling.</p>	<ul style="list-style-type: none"><li>• 6 designers participated</li><li>• Engaged 150 shoppers</li><li>• Collected 150 kg of fabric for upcycling</li><li>• Venue sponsorship worth RM31,200</li></ul>	<ul style="list-style-type: none"><li>• KL6</li><li>• Local community</li><li>• Shoppers</li></ul>	Raised awareness of sustainable fashion, reduced fashion waste through upcycling, and promoted eco-friendly practices in the local community.

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
Pavilion Bukit Jalil	23 Jan 2024	Pavilion Loves E.A.R.T.H.	On 23 January 2024, Pavilion Bukit Jalil launched the <i>Pavilion Loves E.A.R.T.H.</i> initiative, a dedicated food waste program aimed at reducing waste and promoting sustainability. Food waste collected daily from the mall's supermarkets, food courts, and F&B outlets is processed and converted into organic fertilizer. In addition to composting, the fertilizers are distributed to shoppers, DBKL and Pavilion Bukit Jalil Stadium to support their landscaping and gardening needs. This activity is ongoing, further reinforcing Pavilion Bukit Jalil's commitment to environmental responsibility and sustainable practices.	<ul style="list-style-type: none"><li>• In FY2024, Pavilion REIT malls collected 192.7 tonnes of food waste, resulting in the composting of 23.2 tonnes of fertiliser.</li></ul>	<ul style="list-style-type: none"><li>• Local Communities</li><li>• Shoppers</li><li>• Employees</li></ul>	This initiative significantly reduces landfill waste while promoting a circular economy by turning food waste into valuable organic fertilizer. It raises awareness of sustainable waste management among shoppers, employees, and the wider community, contributing to environmental preservation and more eco-conscious lifestyles.
Pavilion Bukit Jalil	24 Sep 2024	Transforming Waste into Wonders: Recycling Arts Initiative	<p>The <i>Recycle Hoarding Art</i> initiative at Pavilion Bukit Jalil incorporates sustainability and creativity by using recycled materials such as old magazines, plywood, and colored wires to create an eye-catching art display. Executed by the Pavilion Bukit Jalil Visual Merchandise team, the display has been showcased since 24 September 2024.</p> <p>This initiative also aligns with the SEA Games 2024, celebrating Malaysia's team spirit and fostering unity through eco-friendly art. By using painting and drawing as its foundation, the project emphasizes recycling, ESG values, and sustainability in an innovative way.</p>	<ul style="list-style-type: none"><li>• 4 employees contributed a total of 120 hours.</li></ul>	<ul style="list-style-type: none"><li>• Local Communities</li><li>• Employees</li></ul>	This project raises awareness about the importance of recycling while demonstrating the creative potential of repurposed materials. It encourages sustainable practices and showcases how artistic expression can drive eco-conscious values, inspiring both employees and local communities to adopt greener lifestyles.



## C : CARING FOR LOCAL COMMUNITY

Cont'd

### Health



Contributions to hospitals, health trusts and other health related organizations that prevent or relieve sickness, disease or human suffering, as well as promoting health and healthy lifestyles

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
DA MEN Mall	22 Jun 2024	B l o o d Donation Drive	<p>In collaboration with Synergy Integrity Consultancy &amp; Management (SICM) Petaling Jaya, DA MEN Mall organized a Blood Donation Drive, with all donations directed to Pusat Darah Negara.</p> <p>The collected blood bags will be processed and sent to hospitals and medical centers to assist patients in need of blood transfusions.</p>	<ul style="list-style-type: none"> <li>• Reach out to 150 shoppers</li> <li>• Collected blood donations from 69 donors</li> <li>• Potential to save up to 207 lives (based on World Health Organisation that one blood donation can save 3 lives)</li> <li>• Venue Sponsorship worth RM2,000</li> <li>• 3 employees volunteered a total of 24 hours.</li> </ul>	<ul style="list-style-type: none"> <li>• Pusat Darah Negara</li> <li>• Patients in need of blood transfusions</li> <li>• Local Community</li> </ul>	The drive supported the critical need for blood donations, helping to save lives and contribute to public health resources.

# C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
DA MEN Mall	10 Aug 2024	Leaving No One Behind HPV Vaccination Program & Perkeso 3.0	DA MEN Mall hosted a health and wellness event in collaboration with RISE Advisory and the National Cancer Society Malaysia (NCSM). The event featured a range of services, including chiropractic consultations, vision tests, and health screenings. The event also raises awareness about HPV prevention as well as valuable insights into maintaining web-being.	<ul style="list-style-type: none"><li>• 242 participants screened for HSP</li><li>• 535 individuals received H P V vaccinations</li><li>• Venue sponsorship valued at RM2,000</li></ul>	<ul style="list-style-type: none"><li>• Local Community</li><li>• Shoppers</li><li>• R I S E Advisory and National Cancer Society Malaysia (NCSM)</li></ul>	Promoted health awareness, encouraged preventative measures, and empowered the community to actively engage in the fight against HPV.
DA MEN Mall	2 Nov 2024	PinkTober Breast Cancer Awareness Campaign	In support of Breast Cancer Awareness Month, DA MEN Mall hosted MAKNA's PinkTober 1-day event, offering clinical breast examinations and a cancer awareness exhibition. The event featured free clinical breast exams, engaging board games and an educational exhibition dedicated to raising awareness about breast cancer.	<ul style="list-style-type: none"><li>• 10 shoppers involved.</li><li>• Provided venue, tables, and chairs sponsorship valued at RM1,764</li></ul>	<ul style="list-style-type: none"><li>• Shoppers</li><li>• Local Community</li><li>• MAKNA - Majlis Kanser Nasional</li></ul>	Promoted breast cancer awareness and provided accessible health screenings, contributing to community education and well-being

Social Welfare





## C : CARING FOR LOCAL COMMUNITY

Cont'd

Support to organizations or activities that promote or address the interests of those in need in society and facing hardship by reason of youth, age, ill-health, disability, financial hardship or other disadvantage

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
Pavilion Kuala Lumpur Mall	9 Feb 2024 to 26 Mar 2024	'Charity At Heart' Brings Joy To Senior Citizens This CNY	The 'Charity At Heart' initiative is a core part of Pavilion KL's commitment to connecting with the community. On 9 February 2024, Pavilion KL invited 100 senior citizens to visit the mall and celebrate the festive season. Later, on 26 March, Pavilion KL employees visited local old folks' homes to deliver donations and spread joy.	<ul style="list-style-type: none"> <li>100 senior citizens enjoyed a special outing to Pavilion KL, where they were treated to lunch, received goody bags, and enjoyed a spectacular CNY performance.</li> <li>20 employees contributed a total of 160 hours to the initiative</li> <li>RM10,000 worth of home and kitchen electronics, appliances, and groceries delivered to old folks' homes.</li> <li>RM90,000 in cash donated to charitable organizations.</li> </ul>	<ul style="list-style-type: none"> <li>Senior citizens from Victory Elderly Home and Rumah Charis Old Folks Home</li> <li>Local Communities</li> </ul>	The initiative enhanced the well-being of senior citizens by fostering community connection, reducing social isolation, and contributing valuable resources to support their daily lives. It also encouraged corporate social responsibility by actively engaging employees in meaningful, hands-on activities.
Pavilion Kuala Lumpur Mall	19 Dec 2024	Christmas Enchantment CSR	On 19 December 2024, Pavilion KL hosted <i>Christmas Enchantment</i> , a heartwarming CSR initiative that invited 50 children for a special Christmas Day Out. The children experienced a magical day filled with festive activities, including gift-giving by Santa, who distributed stationery and festive cookies. They also enjoyed a screening of the movie <i>Moana</i> and a delightful Christmas dinner at Grandmama's. This event brought joy and holiday cheer to the children, making it a memorable celebration of the season.	<ul style="list-style-type: none"> <li>50 children</li> <li>15 employees volunteered a total of 45 hours</li> <li>The initiative provided transportation, movie tickets, Christmas gifts, and dinner valued at RM7,010.</li> </ul>	<ul style="list-style-type: none"> <li>Orphans from Persatuan Kebajikan Anak Yatim Mary</li> <li>Local Communities</li> </ul>	The initiative fostered community connection and spread holiday cheer to underprivileged children, addressing social inequalities by creating joyful experiences. It also encouraged corporate employee participation in meaningful acts of giving, demonstrating a strong commitment to social responsibility.

## C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Date	Initiative	Details	Outcome	Target Group	Sustainability Impact
DA MEN Mall	17 Aug 2024	The Smile & Make a Difference Fair	In partnership with the Kiwanis Club of Kota Kemuning and PUAk Payong, DA MEN Mall hosted a landmark event bringing together 37 NGOs under one roof. This initiative aimed to support the less fortunate through the Pay-It-Forward Market and Free Market, while also showcasing the talents and abilities of differently-abled individuals in the workplace.	<ul style="list-style-type: none"> <li>Reached 2,000 shoppers</li> <li>Venue sponsorship valued at RM12,000</li> <li>3 employees involved</li> </ul>	<ul style="list-style-type: none"> <li>Individuals from less fortunate backgrounds who benefit from the Pay-It-Forward Market and Free Market.</li> <li>KIWANIS Club of Kota Kemuning, PUAk Payung</li> </ul>	Promoted inclusivity, supported the less fortunate, and raised awareness of the potential of differently-abled individuals in the workplace.
Pavilion Bukit Jalil	26 Mar 2024	Raya Fun Day Out	Pavilion REIT hosted 200 children and caretakers from Rumah Amal Limpahan Kasih and Pertubuhan Kebajikan dan Penjagaan Nur Hidayah for a joyous Raya celebration. The day included outings to Blue Ice Snow Park and Little Pirates Playland, a festive performance, and the distribution of Raya packets and goody bags. The event concluded with a <i>Buka Puasa</i> dinner at Grandmama's.	<ul style="list-style-type: none"> <li>200 participants (children and caretakers).</li> <li>Buka Puasa Dinner and outings to Blue Ice Snow Park and Little Pirates Playland, valued at RM 11,570</li> <li>Goody bags with electrical items and daily necessities worth RM9,975.</li> <li>Cash contribution of RM 6,500</li> <li>15 employees contributed 8 hours of their time</li> </ul>	<ul style="list-style-type: none"> <li>Rumah Amal Limpahan Kasih &amp; Pertubuhan Kebajikan dan Penjagaan Nur Hidayah</li> </ul>	This initiative fostered community engagement and enhanced the well-being of underprivileged children, creating a meaningful and joyful Raya celebration. It highlights Pavilion REIT's commitment to giving back to society through acts of kindness, unity, and support for local charitable organizations.
Pavilion Bukit Jalil	26 Dec 2024	CoComelon Christmas Playland CSR	On 26 December 2024, Pavilion Bukit Jalil hosted a <i>CoComelon Christmas</i> Playland CSR event, inviting 100 children for a special Christmas Day Out. The children enjoyed a day filled with festive activities, including fun at the CoComelon Playland, followed by a delightful Christmas lunch at Seniman. The celebration brought joy and festive cheer, creating unforgettable memories for the children during the holiday season.	<ul style="list-style-type: none"> <li>100 children</li> <li>15 employees contributed 6 hours of their time</li> <li>Meal allowance and playland worth RM7,495</li> </ul>	<ul style="list-style-type: none"> <li>House of Joy</li> <li>Rumah Charis</li> <li>Rumah Victory Children &amp; Youth Ho</li> <li>Rumah Hope</li> <li>Persatuan Kebajikan Kanak Kanak Angels Kuala Lumpur</li> </ul>	This initiative fostered community engagement and spread holiday cheer to underprivileged children. It also emphasized the importance of corporate social responsibility by involving employees in creating a meaningful and joyous experience for the children.

# T : TRANSFORMING TALENT MANAGEMENT

## TALENT ATTRACTION AND RETENTION

### Why it Matter and Approach

Our employees are the people who enabled the company to grow into what it is today. The Manager views talent attraction and retention as a key indicator in driving a healthy high-performance working culture. The Manager maintains its commitment to develop values that attract exceptional talents as well as to provide new benefits for the employees to ensure a fair working environment and a healthy work-life balance for all.

This year, Pavilion REIT has recorded an employee retention percentage of 91.3% which it believes can be further increased. Hence, the Manager is proactively developing strategies to increase the retention percentage. For talent attraction strategy, hiring process is based on merit and credibility of the candidate while being compliant with all local employment laws and regulations.

The Manager ensures all employees are well informed of their employment rights and of any changes to its policies. Any amendments pertaining to the policies or those relating to employment laws are communicated to all employees via email and briefings through their respective managers.

All amendments about employment are updated and communicated in the new employee's orientation, employee handbook and/or letter of appointment.

### Stepping Up For Our Employees

Employee benefits are crucial to an employee's wellbeing and the Manager wants its employees to know that they are well taken of. The Manager is proactively improving the current employee-related benefits to ensure the employees are well appreciated.

Benefits	
Free medical and life insurance coverage	Maternity leave
Pre-employment health screening	Paternity leave
Employee health screening	Medical/hospitalization leave
Company trips	Compassionate leave
Festive gatherings/dinners	Marriage leave
Meal allowance	Examination leave
Annual leave	

### Improving Our Benefits

The Manager is proactively reviewing salary structures, employee benefits and company best practices against industry peers. There has been a proposal to increase the salaries of entry-level position, review the salaries of employees with a particular focus on non-executives and senior executives and review the performance increment to meet the rising cost of living.

The Manager is also looking into several initiatives to support the employees in their career growth while fostering a community.



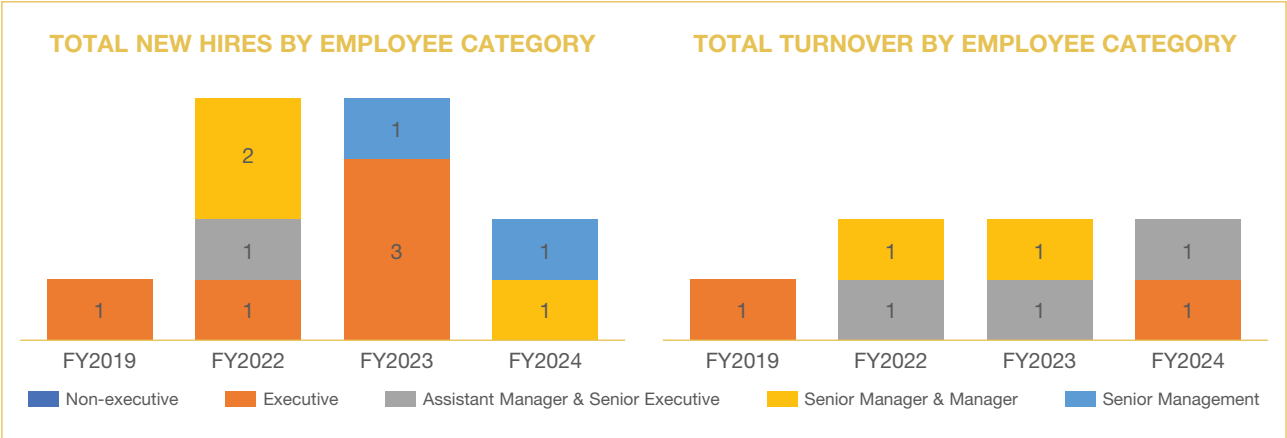
# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

Progress

Employee Retention and Attrition

Employee New Hires and Turnover



	2019	2022	2023	2024
New hire rates (%)	3.7	16.7	15.4	7.1
Turnover rates (%)	3.7	8.3	7.7	7.1
Employee retention rate (%)	96.3	91.7	92.0	91.3

In 2024, Pavilion REIT continued to demonstrate strong workforce performance, with key metrics reflecting stability and progress. The new hire rate decreased from 15.4% in 2023 to 7.1% in 2024, aligning with strategic workforce planning as post-pandemic operations stabilised. Turnover rates also improved, declining from 7.7% in 2023 to 7.1% in 2024, indicating sustained efforts in employee engagement and satisfaction. Employee retention remained robust at 91.3% in 2024, slightly lower than 92.0% in 2023, yet still reflecting a strong commitment to maintaining a supportive workplace. Compared to the pre-pandemic rate of 96.3% in 2019, retention levels remain resilient, showcasing Pavilion REIT’s ability to adapt to evolving workforce dynamics while prioritizing talent management. These results underscore the organization’s alignment with ESG objectives and its commitment to long-term workforce sustainability.

Employee Engagement Survey 2024

In 2024, Pavilion REIT conducted its first Employee Engagement Survey, marking the beginning of a biennial initiative aimed at fostering a supportive and engaging workplace. The survey achieved a 77% response rate.

Designed to be anonymous and conducted internally, the survey ensured candid feedback on key areas such as work environment, job satisfaction, management and leadership, professional development, work-life balance, team dynamics and company culture.

The results revealed a 91% overall satisfaction score, reflecting a strong and positive organizational culture. By engaging 100% of employees, this survey provides a foundation for continuous improvement, strengthening Pavilion REIT’s commitment to creating a thriving and sustainable workplace.

Following the survey, Pavilion REIT implemented a formalised process where the Manager review the results and develop targeted engagement plans and strategies to address key areas of improvement. These efforts are supported by HR-led programs and initiatives aimed at enhancing employee satisfaction.



T : TRANSFORMING TALENT MANAGEMENT

Cont'd

Programs and Initiatives to Enhance Employee Engagement



Pavilion REIT is committed to fostering a motivated and engaged workforce by implementing strategic programs and initiatives that prioritize employee well-being, development, and recognition. Based on insights from employee surveys, the Manager have outlined several key focus areas:

Enhancing Employee Recognition and Rewards	Improving Communication and Transparency	Investing in Employee Development and Growth	Enhancing Staff Benefits
<p>To celebrate individual and team achievements, Pavilion REIT introduced performance-based incentives in specific departments, fostering a culture of excellence and motivation. Employee appreciation events, such as the annual Staff Christmas Party, also play a crucial role in recognising milestones and strengthening team morale. These initiatives aim to create a positive, inclusive, and engaging work environment that values contributions at all levels.</p>	<p>Employee engagement surveys will be conducted every two years to gather valuable feedback and address concerns effectively. These surveys serve as a foundation for understanding employee perspectives and identifying actionable areas for improvement. Transparent communication about survey results and follow-up initiatives ensures employees feel heard and valued.</p>	<p>Pavilion REIT has increased investments in professional development programs, equipping employees with the skills and knowledge needed to excel in their roles. A notable initiative includes study trips to China, where employees explored innovative practices, advanced technologies, and cutting-edge mall designs. Such opportunities not only enhance expertise but also inspire creativity and innovation within the organization.</p>	<p>In an effort to remain competitive and retain top talent, Pavilion REIT conducted a thorough review of its employee benefits. Proposals under consideration by top management include upgrading existing benefits and introducing new offerings that align with industry standards. Notable initiatives under this proposal include complimentary gym memberships and allowances for recreational sports such as badminton and futsal, promoting regular exercise and a balanced lifestyle. These benefits are designed to support physical and mental well-being while reinforcing Pavilion REIT's position as an employer of choice.</p>

Pavilion REIT's comprehensive approach to employee engagement reflects its commitment to cultivating a supportive and thriving workplace. By prioritizing recognition, communication, development, and wellness, Pavilion REIT is well-positioned to enhance employee satisfaction, boost retention, and drive long-term success.

# T : TRANSFORMING TALENT MANAGEMENT

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## Parental Leave

In accordance with Malaysia Employment Act 1955, Pavilion REIT provides all eligible female employees with 98 days of maternity leave. Eligible male employees are entitled to seven days of paid paternity leave, subject to the conditions such as length of services and marriage verification. There was no employee who took parental leave during the reporting year. Further details, please refer to Sustainability Key Performance Data in this report.

## TRAINING AND EDUCATION

### Why it Matter and Approach

Talent development is a crucial aspect of high-performance work culture. The Manager is committed to developing its employees' talents and maximising their potential by creating a work environment that informs, educates, and inspires employees to achieve their professional and personal goals and aspirations. Pavilion REIT embraces a culture that actively supports participation in learning and upskilling activities and acquiring new knowledge and skills on the job.

### Our Training and Education Initiatives

This year, the Manager has provided learning & development programmes that involve re-skilling and up-skilling programmes for employees to ensure they are well prepared for any challenges that may arise. The employees are also given training in areas where necessary to ensure there is continued compliance with revised or new government regulations.

The Manager has conducted the following trainings for all employees to ensure everyone is well informed and educated on topics of the trainings:

### ESG-Related Training

Courses related to sustainability, responsible business practices, reporting, and employee well-being fall under the ESG category.

Training	Description	ESG Pillar
ESG Reporting and Carbon Management Workshop 2024	Training on ESG reporting and carbon emissions management.	Environmental
Zero Waste Talk	Addresses sustainable waste management and reduction practices.	Environmental
KSY777: ESG and Sustainability: Addressing Climate Change as Part of ESG Journey in Malaysia Capital Market	Covers ESG and climate change strategies, particularly for Malaysia's capital market.	Environmental
Anti-Bribery and Corruption Refresher Training	Focus on ethical governance and anti-corruption practices.	Governance
Bursa Malaysia (KLSE) Sustainability Reporting Guide Training Course	Training on local sustainability reporting requirements.	Governance
Cybersecurity Training	Ensures data safety and protection, indirectly tied to workplace security.	Governance
GRI Certificate Training Course: Reporting With GRI Standards 2021 Update	Focused on understanding and implementing GRI standards for sustainability reporting.	Governance
Managing Employee Well-Being Issues	Focus on social aspects of employee well-being and workplace health.	Social

# T : TRANSFORMING TALENT MANAGEMENT

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## Health & Safety Related Trainings



Courses focusing on workplace safety, health, and operational compliance are part of the HS framework.

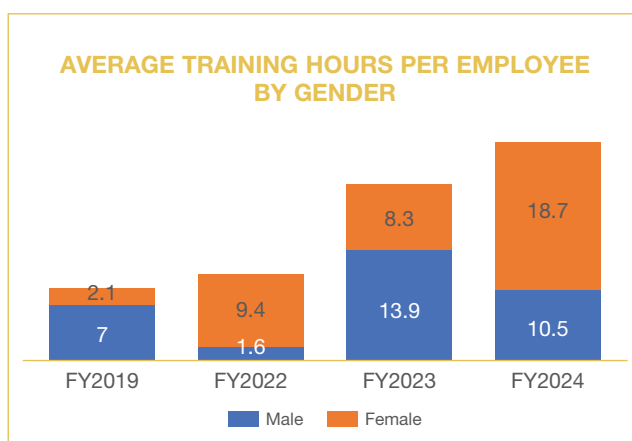
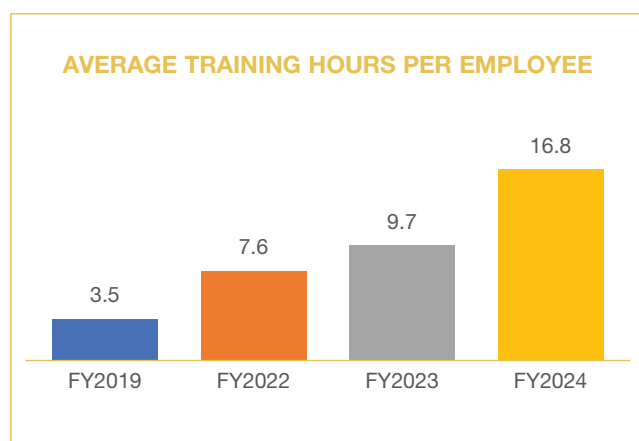
Training	Description
Counter Terrorism	Safety-focused training related to physical security.
First Aid Training	Focuses on workplace health and emergency preparedness.
Threat Management Talk	Addresses workplace safety protocols and risk management.

## Other Professional Development & Skills Training

Training	
A Review of All Amendments & New Legislation	HR2000 Refresher Training
Accounting & Invoicing Knowledge Skills	ITIL Foundation 4
Advanced MS Excel Training	KSY009: Second Half of Internet: Online Shopping and Influencer Marketing (Wanghong) Economy
AI-Human Collaboration in Social Media - Unleashing ChatGPT's Potential	Malaysia Retailers' Association (MRA) 2024
Employer's Tax Obligations: Adapting You	Marketing Data Analytics
Employment Update - Constructive Dismiss	Orientation (For New Joiner)
Forum Khas 2024   EPF   SOSCO   LHDN   JTK	Royal Protocol & Etiquette Course
Handling Poor Performance Employees	

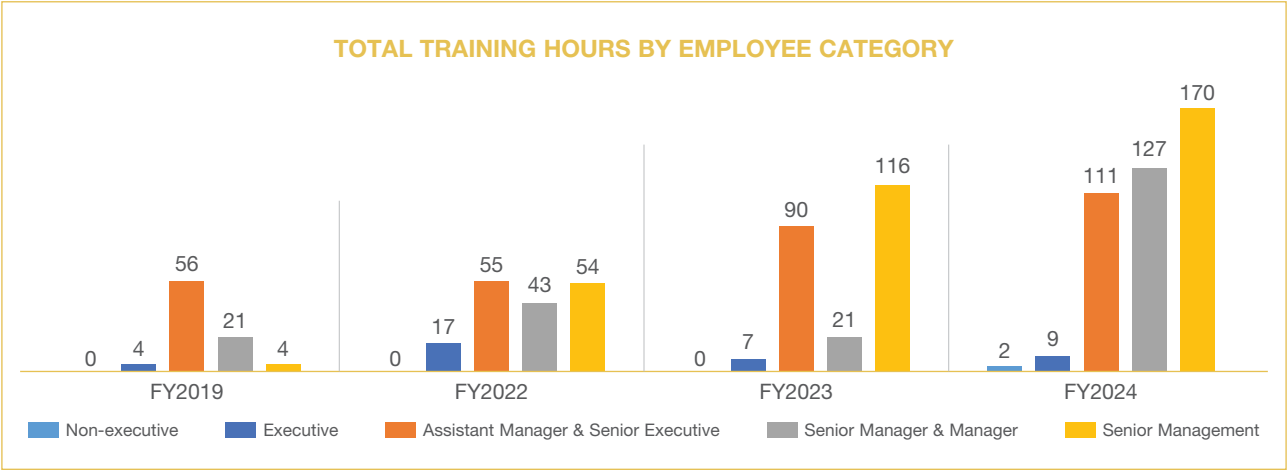
## Progress

### Training and Education Data



# T : TRANSFORMING TALENT MANAGEMENT

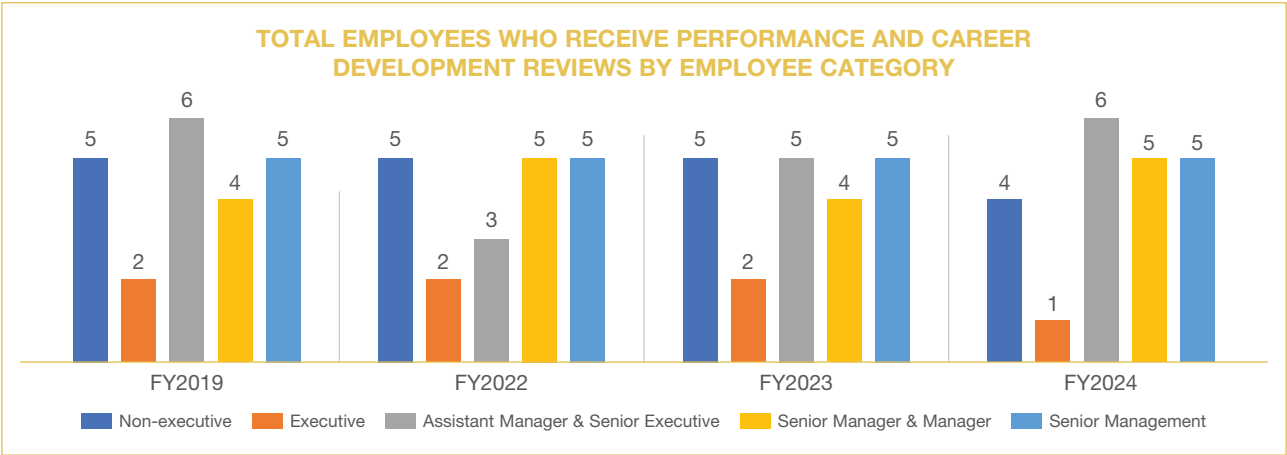
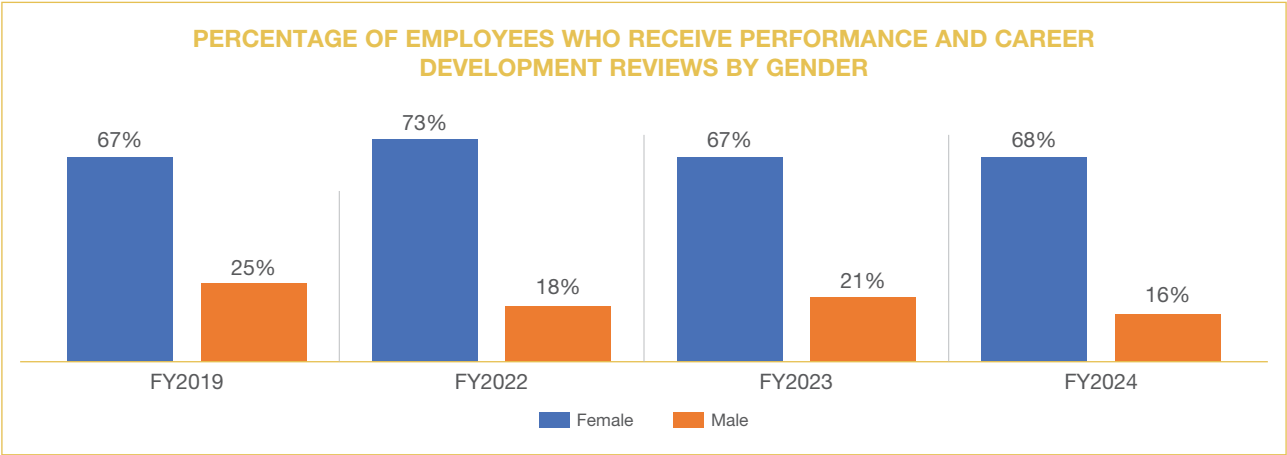
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In 2024, 419 hours were spent on trainings, recorded an increase of 79.4% in total training hours compared to previous financial year of 234 hours. The Manager invested RM38,121 in employee’s learning and development.

Annual Performance and Career Development Reviews

Most of the employees have received their annual performance and career development reviews, in which management provides feedback on the performances and areas of improvement. The annual performance review helps the Manager in understanding and meeting the needs of employees, whilst creating an environment that promotes growth and efficiency, which in turn help improving its business operations.





# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

The Manager will continue to expand the number of learning and development programs while focusing on the creation of new skills acquisition initiatives for all employees. These efforts aim to support employees in their career growth and progression.



## DIVERSITY AND EQUAL OPPORTUNITY

### Why it Matter and Approach

In today's workplace, diversity and inclusion play a huge role in fostering a positive and inclusive work environment for employees. Research has shown that diversity and inclusion has led to better performances and higher revenue growth. The Manager recognizes the importance of diversity and inclusion and is looking to incorporate more diversity and inclusion practices into Pavilion REIT.

The Manager complies with the following laws to ensure its employees are well protected:

**Malaysia Employment Act 1955**

**Industrial Relations Act 1967**

**Occupational Safety and Health Act (OSHA) 1994**

The Manager also complies with the Malaysia Employment Act Amendment 2022 which states that an employee cannot work more than 45 hours in a week and the Malaysian Minimum Wages Order 2024 which increases the new minimum wage to RM1,700 per month. It practices equal wage ratio and maintain equal opportunity regardless of gender. The Manager has recorded equal gender ratio of 1:1 for all degree holders since FY2019.

The Manager is also committed in prioritising local employment and embrace merit-based employment policies and promote diversity and equality at work regardless of gender, race, and ethnicity, religion, political opinion or social origin. The Manager does not discriminate those from underprivileged groups including differently-abled people, low-income families or people with no formal education qualifications. Code of Conduct and Ethics govern the Manager's employees to ensure they maintain the highest standard of conduct when dealing with internal and external parties and most importantly, they treat their colleagues with equal respect.

The Manager has enforced a Whistleblowing Policy for its employees to report on any unethical practices, discrimination, and harassments. This policy provides a safe avenue for employees to have their voices heard.

### Diversity of Our Board of Directors and Our Employees

#### Board of Directors Distribution Data

The Board of Pavilion REIT comprises ten (10) members, including six (6) men and four (4) women, with five (5) of these members serving as independent directors. Women represent 40% of the Board, surpassing the 30% minimum recommendation outlined in the MCCG. This milestone underscores Pavilion REIT's strong commitment to fostering gender diversity and creating a balanced, inclusive leadership structure.

The Manager has consistently set a target of maintaining at least 30% female representation on the Board, and this target was successfully achieved in 2024. Moving forward, Pavilion REIT is committed to upholding and exceeding this standard as part of its broader focus on diversity, equity, and inclusion (DEI).

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

Gender diversity on the Board contributes significantly to Pavilion REIT's ability to make balanced, informed decisions, fostering innovation and resilience within its governance framework. To further strengthen its commitment, the Manager actively evaluate its nomination and governance processes to ensure that opportunities for leadership are equally accessible to qualified candidates, regardless of gender.

Pavilion REIT recognizes that diverse perspectives are essential to building sustainable value for stakeholders and will continue to align its Board composition with international best practices and evolving corporate governance standards.

Board Diversity by Gender (%)	FY2019	FY2022	FY2023	FY2024
Male	83%	67%	64%	60%
Female	17%	33%	36%	40%

Board Diversity by Age (%)	FY2019	FY2022	FY2023	FY2024
<30	8%	0%	0%	0%
30-39	17%	17%	18%	0%
40-50	8%	25%	18%	20%
>50	67%	58%	64%	80%

Board by Ethnicity (%)	FY2019	FY2022	FY2023	FY2024
Malay	25%	17%	27%	30%
Chinese	42%	42%	37%	40%
Indian	0%	8%	9%	10%
Others	33%	33%	27%	20%

## Employee Distribution Data

### Employee Gender and Age

The Manager promotes inclusivity and employs a diverse range of people that bring different experiences and knowledge to Pavilion REIT, regardless of gender and age.

Total employees of 25 in 2024				
Gender Diversity - Employees (%)	FY2019	FY2022	FY2023	FY2024
Male	29%	23%	25%	24%
Female	71%	77%	75%	76%
Age Diversity - Employees (%)	FY2019	FY2022	FY2023	FY2024
<30	4%	9%	12%	8%
30-39	25%	18%	21%	24%
40-50	42%	32%	25%	28%
>50	29%	41%	42%	40%
Ethnic Diversity (%)	FY2019	FY2022	FY2023	FY2024
Malay	17%	18%	17%	16%
Chinese	83%	82%	83%	84%
Indian	-	-	-	-
Others	-	-	-	-

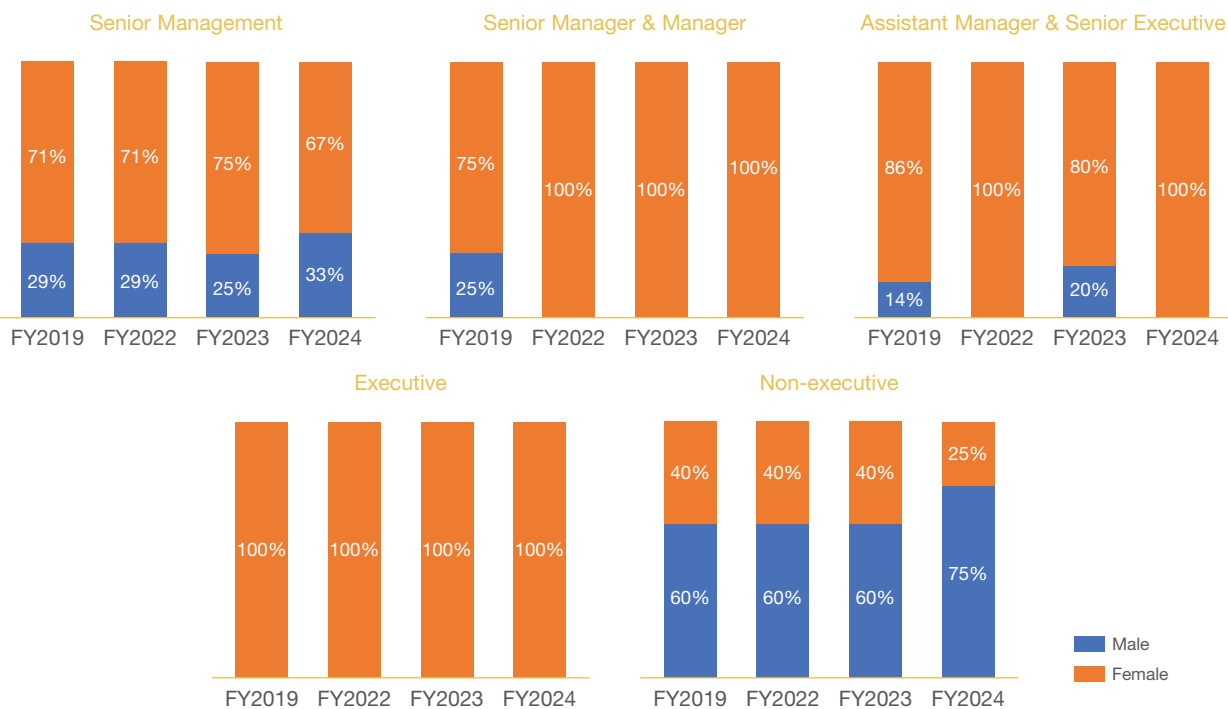
### Employee Composition

Pavilion REIT hired all permanent employees, there is no temporary staff.

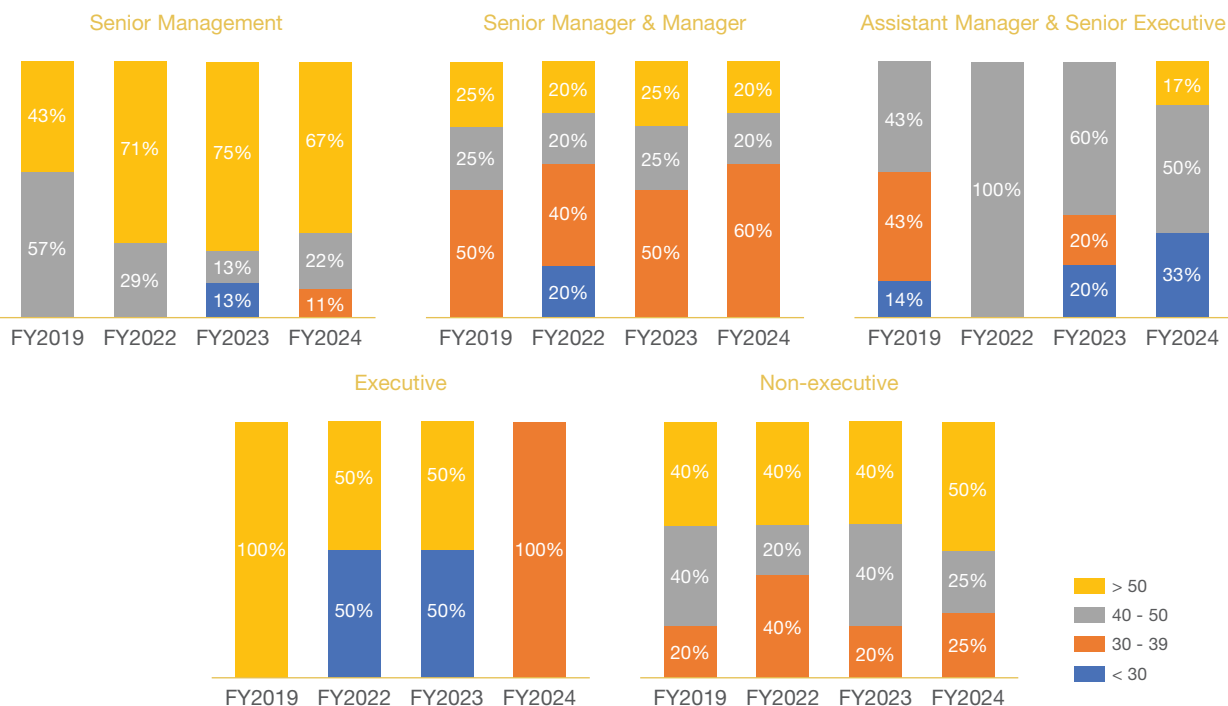
# T : TRANSFORMING TALENT MANAGEMENT

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## Gender Diversity by Employee Category



## Age Diversity by Employee Category



# T : TRANSFORMING TALENT MANAGEMENT

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## HUMAN RIGHTS MANAGEMENT

### Why it Matter and Approach

Human rights are fundamental rights that every human being has regardless of background. The Manager recognises the importance of human rights' values within an organization to ensure everyone who works directly or indirectly is treated with respect and dignity, regardless of gender, seniority level, etc. Poor condition of workers' accommodation was one of the major cluster outbreaks which claimed many lives in FY2021. The outbreak highlighted the urgency to address human rights practices among companies that provide accommodation for workers.

Since FY2020, the Manager has implemented new initiatives to increase its efforts in upholding human rights principles within Pavilion REIT properties.

Since FY2020, the Manager has conducted quarterly human rights audits at the foreign workers' accommodation of all the security and cleaning service providers. This initiative is to ensure there is proper welfare for all foreign workers who work at Pavilion REIT properties. Some of the social and human rights audit checklist includes:

- No overcrowding;
- Provision of proper facilities/amenities;
- Proper fire safety measures in place;
- Hygienic and safe living conditions;
- Provision of first aid kit;
- Evacuation route.

Due to shortage of manpower, Pavilion REIT service providers required their workers to work additional hours or over time. The Manager has taken measures to ensure that these service providers are in compliance with requirements without exceeding the maximum statutory over time hours. The Manager also requires Pavilion REIT service providers (of cleaning and security) to report their respective workers' working hours during their daily roll call. The Manager conducts verifications with the service providers to ensure that these workers are being paid the minimum wage as per the latest government regulations.

### Progress

	FY2022	FY2023	FY2024
Number of substantiated complaints concerning human rights violations	0	0	0

### Human Right Policy

Pavilion REIT strives to create a workplace where open and honest communication among all employees is valued and respected. Human Resources Department has established a Human Rights Policy which is in accordance with the UN Guiding Principles on Business and Human Rights and aligned with International Labour Organization (ILO) standards, to promote and uphold human rights in the workplace. Effective 1st November 2023, the Human Rights Policy applies to all directors and employees, including full-time, part-time, casual, contract, and interns. The Policy also extends to Pavilion REIT's business partners.

The Human Rights Policy covers topics such as:

- (a) non-discrimination, workforce diversity and equal opportunity;
- (b) freedom of association and collective bargaining;
- (c) safe and healthy workplace;
- (d) prevention of violence at the workplace;
- (e) compliance to local laws on minimum wage and working hours;
- (f) prevention of forced labour including modern forms of slavery and any form of human trafficking; and
- (g) protection of the rights of children and prohibit the hiring of child labour in all its business operations.

There is also a grievance mechanism for individuals to report suspected policy violations without fear of discrimination or retaliation. In cases of non-compliance or critical concerns, the report ultimately escalates to the CEO of the Manager, who then presents it to the Sustainability Committee with Board oversight.

The appropriate whistleblowing channel is available at : <https://bdoethics.com/v1/r/QxgwQn00Eyx5cz2z6DILFLAGx4xDL6x9>.

The Manager also revised the Code of Conduct & Ethics to includes a commitment to human rights, effective on 24 January 2024.



# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## HEALTH AND SAFETY

### Why it Matter and Approach

Aligned with Pavilion REIT's core values, health and safety are important aspects of Pavilion REIT that the Manager takes every effort to ensure the well beings of all employees, ground staff, mall patrons and other stakeholders are well taken care of.

Incidents at work are a possibility that cannot be ruled out. To prevent or minimise such possibility, there are training programmes held for both employees and non-employees to educate them on safe conduct when working. The Manager is committed in providing a safe working environment for everyone at the properties regardless of their roles.

In light of the Occupational Safety and Health (Amendment) Act 2022 (OSH Amendment Act), effective 1 June 2024, the Manager has revised its Environmental, Safety, and Health (EHS) policies. These updated policies govern safe practices during business activities across all properties, with the aim of preventing incidents and injuries. The updated OSH policy emphasizes prevention measures, continuous improvement, and clearly outlines the duties of employees to ensure adherence to workplace safety requirements.

Additionally, the Environmental Policy has been enhanced to reflect a stronger commitment to sustainable business operations. It now includes provisions for climate change mitigation, water and waste management, energy efficiency, sustainable procurement and fittings and biodiversity preservation. These updates also outline employees' responsibilities in supporting these initiatives.

Effective 7 October 2024, these policies serve as guiding frameworks for all OSH and Environmental initiatives, legal compliance, and operational commitments across Pavilion REIT. The updated policies have been communicated to all employees, contractors, and stakeholders involved in operations. Furthermore, the Manager encourages suppliers, partners, and tenants to adopt these practices to foster a culture of safety and sustainability.

This year, the Safety & Health Committee meetings and bi-weekly Operations meetings incorporated discussions on occupational safety and health matters. These sessions focused on improving ongoing initiatives and briefing heads of departments, OSH representatives, EHS committee members, contractors, service providers, and tenants on the latest requirements. The Manager also held quarterly meetings to discuss and review potential risks and their ratings under the ERM process.

### Progress

#### Joint Management-Worker Meeting

It was conducted during the quarterly meeting where EHS committees will discuss and monitor all matters that related to environment, health and safety including the worker's role and responsibilities.

An audit on Pavilion REIT's Health & Safety was conducted by internal auditor last year with no material findings.

### EHS Committees

The Environment, Health and Safety ("EHS") committee works closely with the Emergency Response Team ("ERT") to ensure the efforts of the Manager is in full compliance with government regulations such as OSHA 1994, Fire Services Act 1988, and Electricity Supply Act 1990.

# T : TRANSFORMING TALENT MANAGEMENT

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The EHS committee oversees all safety aspects of all malls, including tenant operations, under Pavilion REIT. There are three (3) areas that EHS oversee:

## Office

- Conduct safety checks for any potential hazards in the office premises

## Tenant operation

- Conduct safety checks on gas and fire safety at the tenants' premises

## External contractor

- Review contractors' applications for work permits
- Ensure safety compliance for those working in high risk work e.g., hot work, lifting operations and work at height

The EHS department is led by a manager who works closely with the EHS committee to review SOPs and conduct trainings for the workers to be educated and informed on health and safety protocols. The main functions are as follows:

## SOPs

- Review and update when required to keep updated on the current operations requirements

## Training

- Plan and conduct annual training programmes for non-employees to ensure they are updated and well trained to attend and handle any situation

### Keeping our Employees safe

Pavilion REIT continues its initiatives from previous years while implementing new ones to further enhance safety measures. This reporting year, more trainings focusing on OHS regulations have been given to non-employees to minimize work-related hazards and educate them on the health and safety measures.

Working at Height

Bomb Threat

First Aid

Chemical Handling

Firefighting

Besides the training programmes, the Manager has incorporated Enterprise Risk Management ("ERM") process into Pavilion REIT's business operation to address any health and safety related matters, identify and mitigate any potential risks. The ERM process covers all workers at all properties of Pavilion REIT as the Manager is committed in eliminating any possible hazard and minimizing any risks involving all workers.

The Manager has also instituted the Hazard Identification, Risk Assessment and Risk Control (HIRARC) into Pavilion REIT's business operations where HIRARC assessments are conducted by all departments at each property to identify and mitigate any risk. Pavilion REIT conducted trainings to equip non-employees with knowledge on how to work at height, how to handle chemicals and how to handle first aid cases in the malls.

### Visitor Health and Safety

The Manager views its visitors' health and safety as top priority and maintains preventive measures to minimise accidents in its properties. In addition to having CCTV surveillance system installed for strategic monitoring, panic buttons are also available in car park and remote public mall areas where there's less patronage. Wheelchairs, walking aids and disable facilities are also available at all Pavilion REIT's retail malls to increase shoppers' comfort.

Prompt investigation will be undertaken immediately followed by corrective action in the event of any threats to its visitor health and safety issues.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## Health and safety training

In 2024, a total of 438 participants were given trainings on health and safety.

Number of employees trained on health and safety training & standards	FY2022	FY2023	FY2024
Employees	2	5	11
Non-employees <sup>(1)</sup>	128	106	427
<b>Total</b>	<b>130</b>	<b>111</b>	<b>438</b>

**Note:**

(1) Non-employees refer to Kuala Lumpur Pavilion Sdn Bhd's staff stationed in Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil.

## Health and Safety Data

	FY2022		FY2023		FY2024	
	Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
Total Hours Worked	46,592	657,280	50,752	591,136	52,832	1,000,064
Number of Work-Related Fatalities	0	0	0	0	0	0
Number of Lost Time Injuries	0	0	0	2	0	1
Lost Time Incident Rate ("LTIR") <sup>(1)</sup>	0	0	0	0.68	0	0.20
Number of work-related illnesses/ill-health	0	0	0	0	0	0

**Note:**

(1) The lost time incident rate is calculated based on 200,000 man-hours worked.

## Work-related injuries and illnesses/ill-health

Pavilion REIT's ultimate goal is to ensure that all employees return home safely at the end of the day, which is why the Manager strive to maintain zero fatalities annually by preventing and minimising workplace incidents. The Manager recorded no cases of fatalities and work-related illness of its employees in FY2024.

However, in FY2024, there were one incident of lost-time injuries involving a non-employee. The injury, which resulted in a head injury, was attributed to the affected person's oversight and failure to wear a safety helmet while working in mechanical spaces. In response, the Manager took immediate action by strengthening safety protocols, increasing compliance monitoring, and implementing more frequent training and briefings to prevent similar incidents in the future.

Looking forward, the Manager is committed to continuously improving workplace safety standards. This includes training employees on OHS procedures and equipping tenants with essential skills, such as fire extinguisher usage. These measures reflect the Manager's dedication to fostering a safe and compliant workplace environment, reducing the likelihood of work-related accidents and injuries.

## Prevention of Violence and Harassment including Sexual Harassment at the Workplace

Throughout the reporting year, efforts were undertaken by the Manager to proactively raise awareness and promote understanding of violence and harassment prevention, including sexual harassment, in the workplace. This included the establishment of a comprehensive policy outlining procedures and measures to prevent, manage, and respond to such incidents, ultimately aiming to create a safe and inclusive environment for all employees.

Everyone - employees and management alike - plays a crucial role in fostering a work climate free from violence and harassment. All parties are required to read, understand, and comply with the policy. The Human Resources Department readily provides further clarification and assistance as needed.

To ensure continued vigilance and effectiveness, The Manager is mandated to conduct an annual risk assessment within their respective departments. While no specific risks have been identified to date, ongoing proactive measures remain essential to maintaining a positive and safe work environment.

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

### Climate Change

CLIMATE CHANGE	Unit of Measurement	FY2022	FY2023	FY2024
<b>Scope 1 GHG Emission</b>				
<b>Stationary combustion   Generators</b>				
Pavilion Kuala Lumpur Mall	tCO2e/gallon		9	0
Elite Pavilion Mall			5	0
Pavilion Tower			22	0
Intermark Mall			0	7
DA MEN Mall			-	-
Pavilion Bukit Jalil			0	0
<b>Total</b>			<b>36</b>	<b>7<sup>(1)</sup></b>

**Note:**

- (1) Scope 1 emission arising from fuel consumed for gensets in FY2024 has been assured externally by KPMG. Where direct fuel usage data is unavailable, the Manager uses fuel purchased as a proxy to ensure accurate emissions tracking.

<b>Scope 2 GHG Emission</b>				
<b>Purchased Electricity</b>				
Pavilion Kuala Lumpur Mall	tCO2e/MWh	45,595	44,755	14,861
Elite Pavilion Mall		8,485	9,250	9,359
Pavilion Tower		1,280	1,249	916
Intermark Mall		7,638	6,971	5,444
DA MEN Mall		8,338	9,247	9,346
Pavilion Bukit Jalil		-	23,285	39,131
<b>Total</b>		<b>71,336</b>	<b>94,757</b>	<b>79,056<sup>(1)</sup></b>

**Note:**

- (1) The GHG emission data for Scope 2 in FY2024 has been assured externally by KPMG.

Scope 3 GHG Emission				
Category 6: Business Travel	tCO2e/miles			20
Category 7: Employees Commuting	tCO2e/miles			24
Category 13: Downstream leased assets in relation to tenant purchased electricity				
Pavilion Kuala Lumpur Mall	tCO2e/MWh		37,802	32,701
Elite Pavilion Mall				5,001
Pavilion Tower			465	476
Intermark Mall				
DA MEN Mall				
Pavilion Bukit Jalil				11,037
Total				38,267 <sup>(1)</sup>

**Notes:**

- (1) The emissions data presented here refer to emissions from electricity generation that is purchased and subsequently resold to end users. This data has been externally assured by KPMG for FY2023. The Manager has disclosed data only for properties where Pavilion REIT is the direct electricity supplier.
- (2) For FY2024, KPMG has assured Scope 3, Category 13 emissions arising from electricity sold to tenants. This assurance does not include emissions from business travel or employee commuting. The Manager has disclosed data only for properties where Pavilion REIT is the direct electricity supplier.

<b>Total Scope 3 emissions</b>	tCO2e		<b>38,267</b>	<b>49,260</b>
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# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

Cont'd

CLIMATE CHANGE	Unit of Measurement	FY2022	FY2023	FY2024
<b>GHG Intensity (Scope 1 &amp; 2)</b>				
Pavilion Kuala Lumpur Mall	tCO2e/sqm	0.21	0.20	0.07
Elite Pavilion Mall		0.20	0.23	0.23
Pavilion Tower		0.06	0.06	0.06
Intermark Mall		0.24	0.22	0.22
DA MEN Mall		0.12	0.14	0.14
Pavilion Bukit Jalil		-	0.07	0.12
<b>Overall GHG Intensity for Scope 1 &amp; 2</b>		<b>0.19</b>	<b>0.13</b>	<b>0.11</b>

<b>GHG Intensity (Scope 3)</b>				
Pavilion Kuala Lumpur Mall	tCO2e/sqm		0.17	0.15
Elite Pavilion Mall				0.13
Pavilion Tower			0.02	0.02
Intermark Mall				
DA MEN Mall				
Pavilion Bukit Jalil				0.03
<b>Overall GHG Intensity for Scope 3</b>			<b>0.05</b>	<b>0.07</b>

### Energy Management

<b>ENERGY MANAGEMENT</b>				
<b>Electricity Consumption (Landlord)</b>				
Pavilion Kuala Lumpur Mall	kWh	60,152,226	59,043,173	61,417,464
Elite Pavilion Mall		11,194,093	12,202,799	12,346,900
Pavilion Tower		1,688,618	1,647,964	1,705,518
Intermark Mall		10,076,841	9,197,162	10,697,511
DA MEN Mall		10,999,492	12,199,083	12,329,233
Pavilion Bukit Jalil		-	30,719,065	51,624,583
<b>Total</b>		<b>94,111,270</b>	<b>125,009,245</b>	<b>150,121,209<sup>(1)</sup></b>

**Note:**

(1) The electricity data in FY2024 has been assured externally by KPMG.

<b>Electricity Consumption (Tenants &amp; Consumers)</b>				
Pavilion Kuala Lumpur Mall	kWh		49,870,470	43,141,264
Elite Pavilion Mall				6,597,944
Pavilion Tower			613,772	628,049
Intermark Mall				
DA MEN Mall				
Pavilion Bukit Jalil				14,561,051
<b>Total</b>			<b>50,484,242</b>	<b>64,928,307<sup>(1)</sup></b>

**Note:**

(1) The electricity data in FY2024 has been assured externally by KPMG.

## SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

Cont'd

ENERGY MANAGEMENT	Unit of Measurement	FY2022	FY2023	FY2024
<b>Renewable Electricity Consumption (Green Electricity Tariff Subscription)</b>				
Pavilion Kuala Lumpur Mall	kWh	19,272,717	25,068,000	41,812,533
Elite Pavilion Mall				
Pavilion Tower				497,067
Intermark Mall			820,000	3,516,000
DA MEN Mall				
Pavilion Bukit Jalil				
<b>Total</b>		<b>19,272,717</b>	<b>25,888,000</b>	<b>45,825,600<sup>(1)</sup></b>

**Note:**

(1) The electricity data in FY2024 has been assured externally by KPMG.

<b>Building Energy Intensity</b>				
<b>Retail</b>	kWh/m <sup>2</sup> /year	<b>256</b>	<b>250</b>	<b>307</b>
Pavilion Kuala Lumpur Mall		275	498	478
Elite Pavilion Mall		259	308	477
Intermark Mall		321	293	341
DA MEN Mall		162	179	181
Pavilion Bukit Jalil			92	198
<b>Office</b>		<b>75</b>	<b>100</b>	<b>103</b>
Pavilion Tower		75	100	103
<b>Overall Energy Intensity</b>		<b>245</b>	<b>246</b>	<b>301</b>

**Water Management**

WATER MANAGEMENT	Unit of Measurement	FY2022	FY2023	FY2024
<b>Water Withdrawn from Third Party Water Service Providers - Municipal Supplier</b>				
<b>Water Consumption (Landlord)</b>				
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	462,686	508,442	464,681
Elite Pavilion Mall		89,909	104,180	118,340
Pavilion Tower		14,991	16,583	17,292
Intermark Mall		56,819	59,011	59,552
DA MEN Mall		74,967	75,659	70,623
Pavilion Bukit Jalil			291,941	455,565
<b>Total</b>		<b>699,372</b>	<b>1,055,816</b>	<b>1,186,053</b>

<b>Water Consumption (Tenants)</b>				
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	208,516	292,694	315,345
Elite Pavilion Mall		60,027	72,407	85,327
Pavilion Tower				
Intermark Mall		52,400	54,637	63,800
DA MEN Mall		37,885	37,507	35,651
Pavilion Bukit Jalil		-	142,505	289,897
<b>Total</b>		<b>358,828</b>	<b>599,750</b>	<b>790,019</b>

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

Cont'd

WATER MANAGEMENT	Unit of Measurement	FY2022	FY2023	FY2024
SECONDARY SOURCE				
Water Withdrawn from Fresh Water – Rain Water Harvesting				
Pavilion Kuala Lumpur Mall	m³		139	64
Elite Pavilion Mall				
Pavilion Tower			87	98
Intermark Mall				
DA MEN Mall			330	
Pavilion Bukit Jalil			15,482	
Total			226	
Recycled/Reused Water – Condensate Harvesting				
Pavilion Kuala Lumpur Mall	m³		2,320	1,758
Elite Pavilion Mall			458	528
Pavilion Tower				
Intermark Mall			134	439
DA MEN Mall			325	
Pavilion Bukit Jalil			103	
Total			2,912	
Water Withdrawn from Groundwater				
Pavilion Kuala Lumpur Mall	m³		165	462
Elite Pavilion Mall				
Pavilion Tower				
Intermark Mall				
DA MEN Mall				
Pavilion Bukit Jalil				
Total			165	
Water Use Intensity				
Retail	m³/m²/year	2.9	2.4	2.9
Pavilion Kuala Lumpur Mall		3.1	3.7	3.6
Elite Pavilion Mall		3.5	4.5	5.1
Intermark Mall		3.5	3.6	3.9
DA MEN Mall		1.7	1.7	1.6
Pavilion Bukit Jalil		-	1.3	2.3
Office		0.7	0.7	0.8
Pavilion Tower		0.7	0.7	0.8
Overall Water Use Intensity		2.8	2.3	2.8

## SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

Cont'd

## Waste Management

WASTE MANAGEMENT	Unit of Measurement	FY2022	FY2023	FY2024
<b>Waste Management</b>				
<b>Total Waste Generated</b>	tonnes	4,264.1	5,445.2	9,650.0
<b>Total Waste Diverted from Disposal</b>				
<b>Hazardous Waste</b>				
Other recovery operations	tonnes	0.2	0.3	1.0
<b>Non-Hazardous Waste (Total Waste Recycled)</b>				
Recycling: Plastic	tonnes	-	4.3	17.2
Recycling: Paper		164.6	239.5	412.8
Recycling: Metal		1	3.1	3.8
<b>Total</b>		<b>165.6</b>	<b>246.9</b>	<b>433.9</b>
<b>Total Waste Diverted from Disposal</b>	<b>tonnes</b>	<b>165.8</b>	<b>247.2</b>	<b>627.6</b>
<b>Total Waste Directed to Disposal</b>				
Landfilling	tonnes	4,098.40	5,198.00	9,022.4
<b>% diversion from landfill</b>	<b>%</b>	<b>3.9</b>	<b>4.5</b>	<b>6.5</b>

## Social Pillar

	Unit of Measurement	FY2022	FY2023	FY2024
Board of Directors				
Total Board Members	Number	12	11	10
Gender of Board of Directors				
Male	Number	8	7	6
Female		4	4	4
Nationality of Board of Directors				
Malaysian	Number	8	8	8
Foreign		4	3	2
Age group of Board of Directors				
< 30	Number	0	0	0
30 to 39		2	2	0
40 to 50		3	2	2
>50		7	7	8
Ethnicity of Board of Directors				
Malay	Number	2	3	3
Chinese		5	4	4
Indian		1	1	1
Others		4	3	2



# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

Cont'd

	Unit of Measurement	FY2022	FY2023	FY2024
Employees				
Total Employees	Number	22	24	25
Total Employees By Category, Age and Gender				
Senior Management - Male				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	0	1
>50		2	2	2
Senior Manager and Manager - Male				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	0	0
>50		0	0	0
Assistant Manager and Senior Executive - Male				
<30	Number	0	0	0
30 – 39		0	1	0
40 – 50		0	0	0
>50		0	0	0
Executive - Male				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	0	0
>50		0	0	0
Non-Executive - Male				
<30	Number	0	0	0
30 – 39		1	1	1
40 – 50		1	1	1
>50		1	1	1
Senior Management - Female				
<30	Number	0	1	0
30 – 39		0	0	1
40 – 50		2	1	1
>50		3	4	4
Senior Manager and Manager - Female				
<30	Number	1	0	0
30 – 39		2	2	3
40 – 50		1	1	1
>50		1	1	1

## SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

Cont'd

	Unit of Measurement	FY2022	FY2023	FY2024
Assistant Manager and Senior Executive - Female				
<30	Number	0	1	2
30 – 39		0	0	0
40 – 50		3	3	3
>50		0	0	1
Executive - Female				
<30	Number	1	1	0
30 – 39		0	0	1
40 – 50		0	0	0
>50		1	1	0
Non-Executive – Female				
<30	Number	0	0	0
30 – 39		1	0	0
40 – 50		0	1	0
>50		1	1	1
Total Turnover				
Turnover - Gender				
Male	Number	0	0	1
Female		2	2	1
Turnover – Age				
<30	Number	0	0	0
30 - 39		2	1	2
40 - 50		0	1	0
>50		0	0	0
Turnover – Ethnicity				
Malay	Number	0	0	0
Chinese		2	2	2
Indian		0	0	0
Others		0	0	0
Turnover - Category				
Senior Management	Number	0	0	0
Senior Manager and Manager		1	1	0
Assistant Manager and Senior Executive		1	1	1
Executive		0	0	1
Non-Executive		0	0	0

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

Cont'd

	Unit of Measurement	FY2022	FY2023	FY2024
Total New Hire				
New Hire - Gender				
Male	Number	0	1	1
Female		4	3	1
New Hires - Age				
<30	Number	2	2	0
30 - 39		1	1	1
40 - 49		1	1	1
>50		0	0	0
New Hires - Ethnicity				
Malay	Number	0	0	0
Chinese		4	4	2
Indian		0	0	0
Others		0	0	0
New Hires - Category				
Senior Management	Number	2	1	1
Senior Manager and Manager		1	0	1
Assistant Manager and Senior Executive		1	3	0
Executive		0	0	0
Non-Executive		0	0	0
Total Temporary Staff				
By gender				
Male	Number	0	0	0
Female		0	0	0
Employee Training Hours				
Average training hours per employee	Hour	7.6	9.7	16.8
Number of Training Hours By Gender				
Male	Hour	8	83.5	63
Female		160	150	356
Number of Training Hours By Category				
Senior Management	Hour	54	115.5	170
Senior Manager and Manager		43	21	127
Assistant Manager and Senior Executive		55	90	111
Executive		17	7	9
Non-Executive		0	0	2

## SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

Cont'd

	Unit of Measurement	FY2022	FY2023	FY2024
Employees Receiving Performance and Career Development Reviews				
By Gender				
Male	%	18	21	16
Female		73	67	68
By Category				
Senior Management	Number	5	5	5
Senior Manager and Manager		5	4	5
Assistant Manager and Senior Executive		3	5	6
Executive		2	2	1
Non-Executive		5	5	4
Total Number of Discrimination Incidents				
Total number of incidents of discrimination during reporting period	Number	0	0	0
Status of incidents and action taken		0	0	0
Parental Leave				
Total number of employees	Number	22	24	25
Employees Entitled for Parental Leave				
Male	Number	5	6	6
Female		17	18	19
Employees that took Parental Leave				
Male	Number	0	0	0
Female		1	0	0
Number of Parental Leave applied				
Paternity Leave	Number	0	0	0
Maternity Leave		60	0	0
Employees return to work after Parental Leave				
Male	Number	0	0	0
Female		1	0	0
Employees that were still employed 12 months after their return to work				
Male	Number	0	0	0
Female		0	0	0
Return to Work Rate				
Male	%	N/A	N/A	N/A
Female		100%	N/A	N/A
Retention Rate				
Male	%	N/A	N/A	N/A
Female		0%	0%	N/A



# SUSTAINABILITY PERFORMANCE REPORT

(Bursa Link)

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	-	33.00	36.00
Senior Manager and Manager	Percentage	-	17.00	20.00
Assistant Manager and Senior Executive	Percentage	-	21.00	24.00
Executive	Percentage	-	8.00	4.00
Non-Executive	Percentage	-	21.00	16.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
<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
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	99.00	99.86
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> -e	-	36.00	7.00 <sup>(1)</sup>
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> -e	71,336.00	94,757.00	79,056.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	tCO <sub>2</sub> -e	-	38,267.00	49,260.00
Category 6: Business Travel	tCO <sub>2</sub> -e	-	-	20.00
Category 7: Employee Commuting	tCO <sub>2</sub> -e	-	-	24.00
Category 13: Downstream leased assets	tCO <sub>2</sub> -e	-	-	49,216.00 <sup>(2)</sup>
<b>Bursa (Energy management)<sup>(3)</sup></b>				
Bursa C4(a) Total energy consumption	MWh	94,111.27	125,009.24	150,121.21
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	699.37	1,055.82	1,186.05
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	4,264.10	5,445.20	9,650.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	165.80	247.20	627.60
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	4,098.40	5,198.10	9,022.40
<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	-	188,627.40	297,340.16
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	5,294.00	1,990.00

Internal assurance

External assurance

No assurance

(\*) Restated

## SUSTAINABILITY PERFORMANCE REPORT

(Bursa Link)  
Cont'd

Indicator	Measurement Unit	2022	2023	2024
<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	0.00	13.00	0.00
Senior Management Between 30-39	Percentage	0.00	0.00	11.00
Senior Management Between 40-49	Percentage	29.00	13.00	22.00
Senior Management Above 50	Percentage	71.00	75.00	67.00
Senior Manager and Manager Under 30	Percentage	20.00	0.00	0.00
Senior Manager and Manager Between 30-39	Percentage	40.00	50.00	60.00
Senior Manager and Manager Between 40-49	Percentage	20.00	25.00	20.00
Senior Manager and Manager Above 50	Percentage	20.00	25.00	20.00
Assistant Manager and Senior Executive Under 30	Percentage	0.00	20.00	33.00
Assistant Manager and Senior Executive Between 30-39	Percentage	0.00	20.00	0.00
Assistant Manager and Senior Executive Between 40-49	Percentage	100.00	60.00	50.00
Assistant Manager and Senior Executive Above 50	Percentage	0.00	0.00	17.00
Executive Under 30	Percentage	50.00	50.00	0.00
Executive Between 30-39	Percentage	0.00	0.00	100.00
Executive Between 40-49	Percentage	0.00	0.00	0.00
Executive Above 50	Percentage	50.00	50.00	0.00
Non-Executive Under 30	Percentage	0.00	0.00	0.00
Non-Executive Between 30-39	Percentage	40.00	20.00	25.00
Non-Executive Between 40-49	Percentage	20.00	40.00	25.00
Non-Executive Above 50	Percentage	40.00	40.00	50.00
Gender Group by Employee Category				
Senior Management Male	Percentage	29.00	25.00	33.00
Senior Management Female	Percentage	71.00	75.00	67.00
Senior Manager and Manager Male	Percentage	0.00	0.00	0.00
Senior Manager and Manager Female	Percentage	100.00	100.00	100.00
Assistant Manager and Senior Executive Male	Percentage	0.00	20.00	0.00
Assistant Manager and Senior Executive Female	Percentage	100.00	80.00	100.00
Executive Male	Percentage	0.00	0.00	0.00
Executive Female	Percentage	100.00	100.00	100.00
Non-Executive Male	Percentage	60.00	60.00	75.00
Non-Executive Female	Percentage	40.00	40.00	25.00

Internal assurance

External assurance

No assurance

(\*) Restated

# SUSTAINABILITY PERFORMANCE REPORT

(Bursa Link)

Cont'd

Indicator	Measurement Unit	2022	2023	2024
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	67.00	64.00	60.00
Female	Percentage	33.00	36.00	40.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-39	Percentage	17.00	18.00	0.00
Between 40-49	Percentage	25.00	18.00	20.00
Above 50	Percentage	58.00	64.00	80.00
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	54	116	170
Senior Manager and Manager	Hours	43	21	127
Assistant Manager and Senior Executive	Hours	55	90	111
Executive	Hours	17	7	9
Non-Executive	Hours	0	0	2
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	0	0
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Senior Manager and Manager	Number	1	1	0
Assistant Manager and Senior Executive	Number	1	1	1
Executive	Number	0	0	1
Non-Executive	Number	0	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.68	0.20
Bursa C5(c) Number of employees trained on health and safety standards	Number	130	111	438

## Notes:

1. Scope 1 emission arising from fuel consumed for gensets in FY2024 has been assured externally by KPMG. Where direct fuel usage data is unavailable, the Manager uses fuel purchased as a proxy to ensure accurate emissions tracking.
2. For FY2024, KPMG has assured Scope 3, Category 13 emissions arising from electricity sold to tenants amounted to 49,216 tCO<sub>2</sub>e. This assurance does not include emissions from business travel or employee commuting. The Manager has disclosed data only for properties where Pavilion REIT is the direct electricity supplier.
3. Energy Management data stated in this table only includes electricity consumption (landlord). Despite of that, the total electricity data amounted to 215,049,516 kWh for FY2024 has been assured externally by KPMG.

Internal assurance

External assurance

No assurance

(\*) Restated

# SUSTAINABILITY ASSURANCE STATEMENT

To enhance the credibility of Pavilion REIT's sustainability reporting, an independent assurance has been conducted in accordance with Malaysian Approved Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* for selected indicators. The report has also been reviewed and approved by the Company's Audit Committee. The scope, subject matters covered, and conclusions are detailed below:

Type of Assurance	Subject Matter ("Selected Sustainability Indicators")	Scope	Conclusion
Independent Assurance	Scope 1 greenhouse gas (GHG) emissions (fuel consumption for genset) (tCO <sub>2</sub> e/gallon)	all of Pavilion REIT's investment properties	Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 31 December 2024 presented in Pavilion REIT's Integrated Annual Report 2024 are not prepared, in all material respects, in accordance with Pavilion REIT's definition and calculation methodologies as set out in Pavilion REIT's Integrated Annual Report 2024 and/or where relevant, the Bursa Malaysia Securities Berhad Listing Requirements.
	Scope 2 GHG emissions (purchased electricity) (tCO <sub>2</sub> e/MWh)	all of Pavilion REIT's investment properties	
	Scope 3 GHG emissions (category 13 downstream leased assets in relation to tenant purchased electricity) (tCO <sub>2</sub> e/MWh)	Pavilion Kuala Lumpur Mall, Pavilion Tower, Elite Pavilion Mall and Pavilion Bukit Jalil Mall only	
	Electricity consumption (kWh)	all of Pavilion REIT's investment properties	

Please refer to page 140 to 143 for the Independent Limited Assurance Statement provided by KPMG PLT.

# SUSTAINABILITY ASSURANCE STATEMENT

Cont'd

## INDEPENDENT LIMITED ASSURANCE REPORT



### KPMG PLT

(LLP0010081-LCA & AF 0758)  
Chartered Accountants  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388  
Fax +60 (3) 7721 3399  
Website [www.kpmg.com.my](http://www.kpmg.com.my)

### MTrustee Berhad (the "Trustee")

(Registration No.: 198701004362 (163032-V))  
Acting as Trustee for and on behalf of  
Pavilion Real Estate Investment Trust  
Level 10 Pavilion Kuala Lumpur  
168 Jalan Bukit Bintang  
55100 Kuala Lumpur

**Independent Practitioners' Limited Assurance Report on Pavilion REIT's Selected Sustainability Indicators for the financial year ended 31 December 2024 presented in its Integrated Annual Report 2024**

### Conclusion

We have performed a limited assurance engagement on whether Pavilion REIT's selected sustainability indicators for the financial year ended 31 December 2024 listed below ("Selected Sustainability Indicators") have been prepared in accordance with Pavilion REIT's definition and calculation methodologies as set out in the Pavilion REIT's Integrated Annual Report 2024 and/or where relevant, the Bursa Malaysia Securities Berhad Listing Requirements ("Applicable Criteria"):

1. Scope 1 greenhouse gas (GHG) emissions (fuel consumption for genset) (tCO<sub>2</sub>e/gallon);
2. Scope 2 GHG emissions (purchased electricity) (tCO<sub>2</sub>e/MWh);
3. Scope 3 GHG emissions (category 13 downstream leased assets in relation to tenant purchased electricity) (tCO<sub>2</sub>e/MWh); and
4. Electricity consumption (kWh).

The boundary of the limited assurance engagement on the Selected Sustainability Indicators of 1, 2 and 4 above represents all of Pavilion REIT's investment properties.

The boundary of the limited assurance engagement on the Selected Sustainability Indicator of 3 above represents Pavilion Kuala Lumpur Mall, Pavilion Tower, Elite Pavilion Mall and Pavilion Bukit Jalil Mall only.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 31 December 2024 presented in Pavilion REIT's Integrated Annual Report 2024 are not prepared, in all material respects, in accordance with Pavilion REIT's definition and calculation methodologies as set out in Pavilion REIT's Integrated Annual Report 2024 and/or where relevant, the Bursa Malaysia Securities Berhad Listing Requirements ("Applicable Criteria").



# SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



**Pavilion Real Estate Investment Trust ("Pavilion REIT")**  
*Independent Practitioners' Limited Assurance Report  
 on Pavilion REIT's Selected Sustainability Indicators  
 for the financial year ended 31 December 2024  
 presented in its Integrated Annual Report 2024  
 12 February 2025*

## Basis for conclusion

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our responsibilities under this standard are further described in the Our responsibilities section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### *Independence and other ethical responsibilities*

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

## Restriction on distribution and use of our report

Our report has been prepared for the Board of Directors of Pavilion REIT Management Sdn. Bhd. (the "Directors") solely in accordance with the terms of our Engagement Letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Pavilion REIT for any purpose or in any context. Any party other than Pavilion REIT who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we will accept no responsibility or liability in respect of our report to any other party, other than Pavilion REIT, for our work, for the assurance report we will issue, and for the conclusion we reach.

Without affecting, adding to or extending our duties and responsibilities to Pavilion REIT or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in Pavilion REIT's Integrated Annual Report 2024, to assist the Board of Directors of Pavilion REIT in responding to their governance responsibilities by obtaining independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

## Responsibilities for the Selected Sustainability Indicators

The Management of Pavilion REIT is responsible for:

- (a) Designing, implementing and maintaining internal control relevant to the preparation of the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;
- (b) Selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;
- (c) Preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;

# SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



**Pavilion Real Estate Investment Trust ("Pavilion REIT")**  
Independent Practitioners' Limited Assurance Report  
on Pavilion REIT's Selected Sustainability Indicators  
for the financial year ended 31 December 2024  
presented in its Integrated Annual Report 2024  
12 February 2025

## Responsibilities for the Selected Sustainability Indicators (cont'd)

- (d) Preventing and detecting fraud; and
- (e) Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

## Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in Pavilion REIT's Integrated Annual Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Integrated Annual Report 2024, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

## Our responsibilities

We are responsible for:

- (a) Planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- (b) Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- (c) Reporting our conclusion to the Board of Directors.

## Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we have performed the following procedures, amongst others:

- (a) Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- (b) Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in Pavilion REIT's Integrated Annual Report 2024;
- (c) Compared the Selected Sustainability Indicators presented in Pavilion REIT's Integrated Annual Report 2024 to underlying sources on a sample basis; and
- (d) Read the Selected Sustainability Indicators presented in Pavilion REIT's Integrated Annual Report 2024 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of Pavilion REIT.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

# SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



**Pavilion Real Estate Investment Trust ("Pavilion REIT")**  
*Independent Practitioners' Limited Assurance Report  
on Pavilion REIT's Selected Sustainability Indicators  
for the financial year ended 31 December 2024  
presented in its Integrated Annual Report 2024  
12 February 2025*

## Other matter

Our assurance conclusion was with respect to Pavilion REIT's Selected Sustainability Indicators for the financial year ended 31 December 2024 and we have not performed any procedures with respect to earlier periods or any other elements included in Pavilion REIT's Integrated Annual Report 2024 and therefore, we do not express any conclusion thereon.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 12 February 2025

# GRI CONTENT INDEX

<b>Statement of use</b>	Pavilion REIT has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Bursa's Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details				Section 2: Overview
	2-2 Entities included in the organization's sustainability reporting				Section 1: Reporting Scope and Boundary
	2-3 Reporting period, frequency and contact point				Section 1: Reporting Scope and Boundary, Feedback and Contact Point
	2-4 Restatements of information				Section 1: Exclusions or Changes in Reporting
	2-5 External assurance				Section 5: Sustainability Assurance Statement  Section 6: Audit Committee Report, Statement of Risk Management and Internal Controls  Section 7: Financials
	2-6 Activities, value chain and other business relationships				Section 4: Our Value Creation Story
	2-7 Employees				Section 5 – T: Diversity and Equal Opportunity
	2-8 Workers who are not employees				Section 5 – T: Health and Safety
	2-9 Governance structure and composition				Section 6: Corporate Governance Overview Statement
	2-10 Nomination and selection of the highest governance body				Section 6: Nominating Committee Report
	2-11 Chair of the highest governance body				Section 6: Corporate Governance Overview Statement
	2-12 Role of the highest governance body in overseeing the management of impacts				Section 6: Corporate Governance Overview Statement
	2-13 Delegation of responsibility for managing impacts				Section 6: Corporate Governance Overview Statement

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Bursa's Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-14 Role of the highest governance body in sustainability reporting				Section 5: Sustainability Governance Section 6: Corporate Governance Overview Statement
	2-15 Conflicts of interest				Section 6: Board of Directors' Profile, Key Management' Profile
	2-16 Communication of critical concerns				Section 5: Human Rights Management
	2-17 Collective knowledge of the highest governance body				Section 6: Corporate Governance Overview Statement
	2-18 Evaluation of the performance of the highest governance body				Section 6: Nominating Committee Report
	2-22 Statement on sustainable development strategy				Section 5: Creating Sustainable Impact
	2-23 Policy commitments				Section 5 – I: Procurement and Supply Chain, M: Business Ethics and Compliance, T: Human Rights Management
	2-24 Embedding policy commitments				Section 5 – T: Human Rights Management
	2-25 Processes to remediate negative impacts				Section 5 – T: Human Rights Management
	2-26 Mechanisms for seeking advice and raising concerns				Section 5 – T: Human Rights Management
	2-27 Compliance with laws and regulations				Section 5 – M: Maintaining Good Governance
	2-28 Membership associations				Section 4 - Membership in Associations
	2-29 Approach to stakeholder engagement				Section 4: Our Stakeholders
	2-30 Collective bargaining agreements				Section 5 – T: Human Rights Management
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics				Section 4: Our Material Matters
	3-2 List of material topics				Section 4: Our Material Matters
	3-3 Management of material topics				Section 4: Our Material Matters



# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Bursa's Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed				Section 5: I— Economic Performance
	201-2 Financial implications and other risks and opportunities due to climate change				Section 5: P— Climate Change
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage				Section 5: T— Diversity and Equal Opportunity
	202-2 Proportion of senior management hired from the local community				Section 5 – T: Diversity and Equal Opportunity
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported				Section 5 – I: Asset Management and Acquisition
	203-2 Significant indirect economic impacts				Section 5 – C: Caring for Local Community
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers*	Supply Chain (Environmental), Supply Chain (Social)	Supply Chain Management	12	Section 5 – I: Procurement and Supply Chain
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption*	Anti-Corruption	Anti-Corruption	16	Section 5 – M: Business Ethics and Compliance
	205-2 Communication and training about anti-corruption policies and procedures				Section 5 – M: Business Ethics and Compliance
	205-3 Confirmed incidents of corruption and actions taken*				Section 5 – M: Business Ethics and Compliance
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization*	Climate Change	Energy Management	7, 13	Section 5 – P: Energy Management
	302-2 Energy consumption outside of the organization				Section 5 – P: Energy Management
	302-3 Energy intensity				Section 5 – P: Energy Management
	302-4 Reduction of energy consumption				Section 5 – P: Energy Management

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Bursa's Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Water Security	Water	6	Section 5 – P: Water Management
	303-2 Management of water discharge-related impacts				Section 5 – P: Water Management
	303-3 Water withdrawal				Section 5 – P: Water Management
	303-4 Water discharge				Section 5 – P: Water Management
	303-5 Water consumption*				Section 5 – P: Water Management
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions*	Climate Change, Pollution & Resources	Emission Management	13	Section 5: P – Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions*				Section 5: P – Climate Change
	305-3 Other indirect (Scope 3) GHG emissions*				Section 5: P – Climate Change
	305-4 GHG emissions intensity				Section 5: P – Climate Change
	305-5 Reduction of GHG emissions				Section 5: P – Climate Change
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Pollution & Resources	Waste Management	12	Section 5 – P: Waste Management
	306-2 Management of significant waste-related impacts				Section 5 – P: Waste Management
	306-3 Waste generated*				Section 5 – P: Waste Management
	306-4 Waste diverted from disposal*				Section 5 – P: Waste Management
	306-5 Waste directed to disposal*				Section 5 – P: Waste Management
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Supply Chain (Environmental)	Supply Chain (Environmental)/ Supplier Environmental Assessment	8, 11, 12, 13, 15, 16	Section 5 – I: Procurement and Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken				

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Bursa's Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover*	Labour Standards, Human Rights & Community	Labour Practices and Standards	5, 8, 10	Section 5 – T: Talent Attraction and Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				Section 5 – T: Talent Attraction and Retention
	401-3 Parental leave				Section 5 – T: Talent Attraction and Retention
<b>GRI 403: Occupational Health and Safety 2018</b>	403-2 Hazard identification, risk assessment, and incident investigation	Health & Safety	Health and Safety	3, 8	Section 5 – T: Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety				Section 5 – T: Health and Safety
	403-5 Worker training on occupational health and safety*				Section 5 – T: Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				Section 5 – T: Health and Safety
	403-9 Work-related injuries*				Section 5 – T: Health and Safety
	403-10 Work-related ill health				Section 5 – T: Health and Safety
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee*	Labour Standards	Labour Practices and Standards	4, 5, 8	Section 5 – T: Training and Education
	404-2 Programs for upgrading employee skills and transition assistance programs				Section 5 – T: Training and Education
	404-3 Percentage of employees receiving regular performance and career development reviews				Section 5 – T: Training and Education

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Bursa's Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees*	Labour Standards, Corporate Governance	Diversity	5, 8, 10	Section 5 – T: Diversity and Inclusion
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken				Section 8 – Sustainability Key Performance Data
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Human Rights & Community	Community/ Society	3 & 11	Section 5 – C: Community Engagement
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	Supply Chain (Social)	Supply Chain (Social)/ Supplier Social Assessment	8, 10, 11, 12, 16	Section 5 – I: Procurement and Supply Chain
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Risk Management	Data Privacy and Security	8, 9, 12, 16	Section 5 – M: Data Privacy and Cybersecurity

**Note:**

1. \*refers to Bursa Malaysia Common Indicators.