



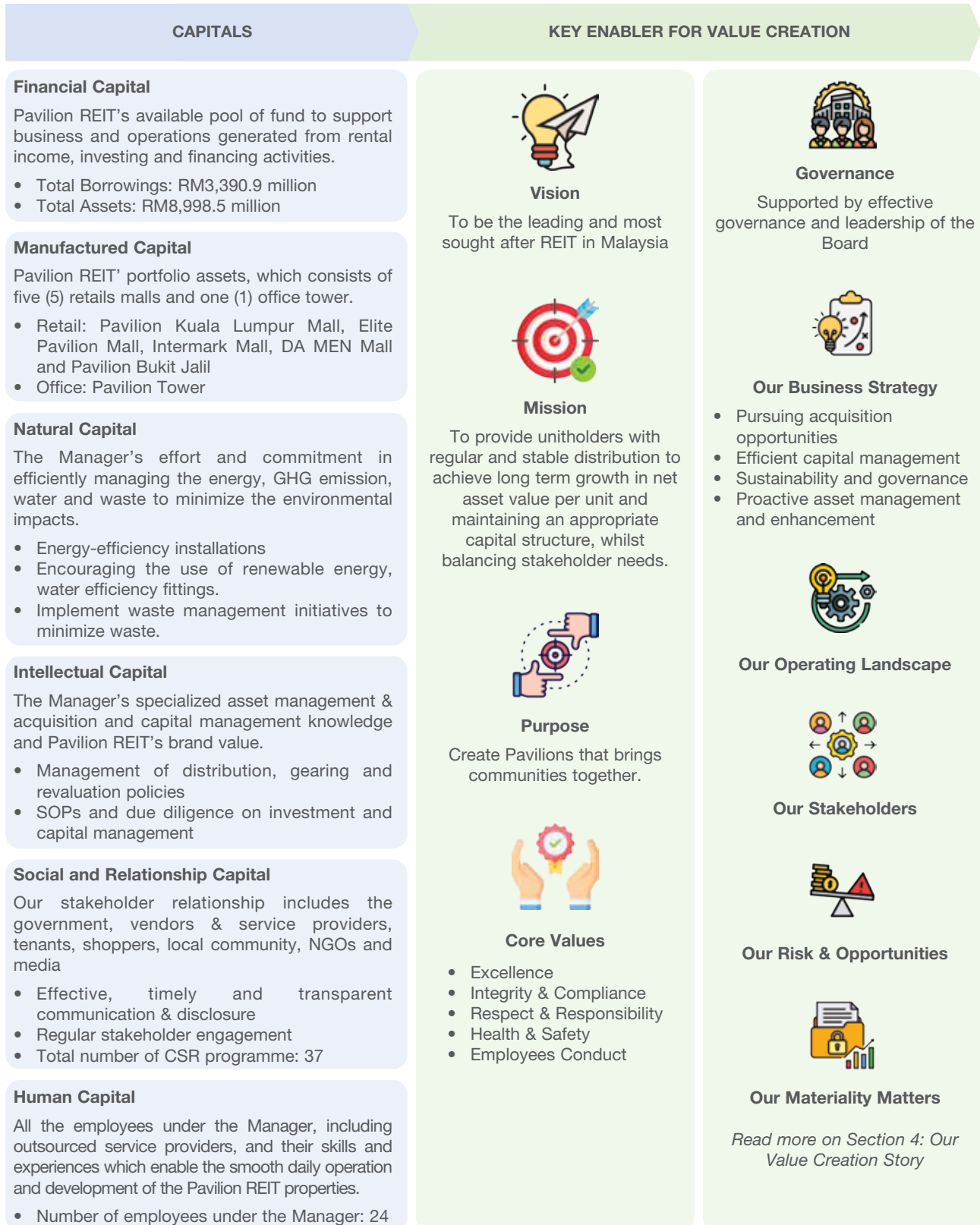
## Section 4:

# OUR VALUE CREATION STORY

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# OUR VALUE CREATION MODEL

At Pavilion REIT, its value creation model is driven by a business model that's on its six (6) capitals and converted by key enablers into value creation for its stakeholders.



# OUR VALUE CREATION MODEL

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Outputs	Value to Stakeholders	Outcome	Trade-offs
<p><b>Investing Strategically</b></p> <ul style="list-style-type: none"> <li>Gross Revenue: RM724 million (FY2022: RM551 million)</li> <li>Net Property Income: RM459 million (FY2022: RM364 million)</li> <li>Distribution per unit: 9.01 sen (FY2022: 8.37 sen)</li> <li>Distributable income: RM307 million (FY2022: RM256 million)</li> </ul> <p><i>Read more on Section 5 – I: Investing Strategically</i></p>	I	<ul style="list-style-type: none"> <li>Ranked 4th in the MREIT industry by Market Capitalisation: RM4.4 billion</li> <li>Property value: RM8.39 billion</li> </ul>	<p>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.</p>
<p><b>Maintaining Good Governance</b></p> <ul style="list-style-type: none"> <li>Zero cases of non-compliance on anti-bribery and corruption ("ABC") since FY2020</li> </ul> <p><i>Read more on Section 5 – M: Maintaining Good Governance</i></p> <ul style="list-style-type: none"> <li>Retail: 4.0 million sq.ft. NLA</li> <li>Office: 163,844 sq.ft. NLA</li> </ul>	M	<p><b>Occupancy Rate</b></p> <p><b>Retail</b></p> <ul style="list-style-type: none"> <li>Pavilion Kuala Lumpur Mall: 95.2%</li> <li>Intermark Mall: 89.8%</li> <li>DA MEN Mall: 73.4%</li> <li>Elite Pavilion Mall: 95.9%</li> <li>Pavilion Bukit Jalil: 88.1%</li> </ul> <p><b>Office</b></p> <ul style="list-style-type: none"> <li>Pavilion Tower: 72.2%</li> </ul>	<p>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.</p>
<p><b>Practicing Responsible Environment Stewardship</b></p> <ul style="list-style-type: none"> <li>Energy Intensity (kWh/m<sup>2</sup>/year): 282</li> <li>Water Intensity (m<sup>3</sup>/m<sup>2</sup>/year): 2.3</li> <li>20% of electricity generated from renewable energy sources for Pavilion Kuala Lumpur Mall and Intermark Mall</li> <li>Waste diverted from disposal: 247.2 tonnes</li> <li>Diverted 4.5% of landfill waste</li> </ul> <p><i>Read more on Section 5 – P: Practicing Responsible Environment Stewardship</i></p>	P	<ul style="list-style-type: none"> <li>Lowered carbon footprint and efficient resource management</li> <li>Progressively achieving the goal of Net Zero Carbon Emissions by 2050</li> </ul>	<p>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 &amp; Relationship and Manufactured Capitals over the mid and long term.</p>
<p><b>Acclaiming Trusted Brand Reputation</b></p> <p><i>Read more on- Section 5 – A: Acclaiming Trusted Brand Reputation</i></p> <ul style="list-style-type: none"> <li>Properly governed and balanced investment decision-making process</li> <li>Incorporated investment checklist into the screening of investment opportunities</li> <li>Optimise of debt/financing</li> </ul>	A	<ul style="list-style-type: none"> <li>Achieved 53 accolades from both local and international councils or associations for Pavilion Kuala Lumpur Mall</li> <li>Strong governance structure</li> </ul>	<p>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 &amp; Relationship Capitals over the mid and long term. This growth will stem from the benefits of improved wider coverage and recognition.</p>
<p><b>Caring for Local Community</b></p> <ul style="list-style-type: none"> <li>Total amount invested into communities: RM0.2 million</li> <li>Strong long-term relationships with business partners and stakeholders with integrity and fairness</li> </ul> <p><i>Read more on Section 5 – C: Caring for Local Community</i></p>	C	<ul style="list-style-type: none"> <li>Number of unitholders: 15,998</li> <li>Community enhancement and wellbeing</li> </ul>	<p>Cultivating strong relationships with its stakeholders while strictly adhering to corporate governance requirements will serve to improve all Capitals.</p> <p>Contributions and support programmes that require Financial Capital will also serve to improve its Social &amp; Relationship, Manufactured, Human and Intellectual Capitals over the longer term.</p>
<p><b>Transforming Talent Management</b></p> <ul style="list-style-type: none"> <li>Employee retention rate: 92.0%</li> <li>Total Training Hours: 234</li> <li>Zero cases of fatalities in 2023</li> </ul> <p><i>Read more on Section 5 – T: Transforming Talent Management</i></p>	T	<ul style="list-style-type: none"> <li>High talent attraction and retention</li> <li>Increased capability of employees</li> <li>Optimum shopper satisfaction achieved through excellence customer service delivered by skilled workforce</li> </ul>	<p>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.</p>

## OUR OPERATING LANDSCAPE

In 2023, the Malaysian REIT market experienced a mixed bag of events. While the year started with optimism due to China's reopening and a peak in the Bursa REIT Index, it faced headwinds from rising interest rates and inflation as well as risks from the impending luxury tax. Despite these challenges, the sector saw some positive developments, including a strong retail industry performance, a resilient housing market, and continued foreign tourist inflow. Overall, the outlook for Malaysian REITs remains cautiously optimistic, with healthy economic growth.

In this context, Pavilion REIT's operating landscape continues to be shaped by various factors, including the environment, real estate market, and global economy. To ensure business sustainability, the Manager constantly reconsidered and refined its approach in identifying potential impacts that may influence this ever-changing landscape for FY2024.

### Key Trend 1: Macroeconomy

What happened in FY2023	How it impacts Pavilion REIT	Actions/Strategies	FY2024 Outlook
<p>Malaysia's economic growth is expected to meet the government's target of 4% this year, driven by strong domestic spending, improving labour market conditions, and rising tourism.</p> <p>The central bank held its key interest rate unchanged at 3.00% as at 24 January 2024 amid moderating inflation, and warned of risks due to weaker-than-expected external demand and declines in commodity production.</p> <p>Headline inflation came in at 2% in the third quarter of 2023, and is expected to remain modest going into next year.</p>	<p>Increased consumer spending would translate to higher tenant sales, benefiting Pavilion REIT's rental income.</p> <p>As tourism recovers, Pavilion REIT stands to gain from increased tourist spending at its malls, particularly those located in high tourist areas.</p> <p>Maintaining the current interest rates would ensure the borrowing costs remain stable.</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>Despite the challenging global environment, the Malaysian economy is projected to expand by around 4% in 2023 and 4% – 5% in 2024.</p> <p>Growth will continue to be driven by the expansion in domestic demand amid steady employment and income prospects, particularly in domestic-oriented sectors. This growth performance along with other favourable economic developments would provide support to the ringgit, said by the BNM Governor in its BNM Quarterly Review for 3Q 2023.</p> <p>The Manager will continue to evaluate properties that are strategic and ensure efficient capital management, whilst maintaining proper risk management and strong governance.</p>

# OUR OPERATING LANDSCAPE

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## Key Trend 2: Evolving Consumer Behaviour

What happened in FY2023	How it impacts Pavilion REIT	Actions/Strategies	FY2024 Outlook
<p>Although shopping activity returned to pre-COVID-19 levels, the spending power was low, resulting from a higher cost of living.</p> <p>Despite a decrease in the average inflation rate during the third quarter, the prices of essential goods were higher than the pre-lockdown period.</p> <p>The weak ringgit during the quarter led to additional price increases due to higher import costs for raw materials, semi-finished goods and finished retail products.</p> <p>Retail Group Malaysia said the relatively high interest rates prompted Malaysian homeowners to pay higher monthly instalments, causing many to postpone purchases of discretionary consumer goods.</p> <p>In Budget 2024 tabled on 13 October 2023, the Prime Minister announced that the government would introduce High-Value Goods Tax at the rate of between 5% to 10% on luxury goods, effective 1 May 2024.</p>	<p>Despite the weakened spending power, the rebound in shopping activity indicates a continued demand and occupancy for retail space.</p> <p>As consumers prioritise own needs and wants, tenants within Pavilion REIT's assets that offer these items could see an increase in demand and potentially higher rents.</p> <p>A short-term surge in purchases before the luxury tax takes effect which lead to a boost in revenue for Pavilion REIT's tenants, which would translate to higher rental income for Pavilion REIT.</p>	<p>Curate unique physical retail experiences to attract shoppers.</p> <p>Targeting the right 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>Malaysia's retail industry is expected to grow by 3.0% to 3.5% in 2024, according to the Malaysia Retail Chain Association.</p> <p>This is based on a moderate and conservative estimation due to factors such as increase in the sales and service tax, rise in raw material costs and geopolitical issues.</p> <p>Pavilion REIT will continue 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 FY2023	How it impacts Pavilion REIT	Actions/Strategies	FY2024 Outlook
<p>Sustainability is at the core of Malaysia's development strategies as it does not just to ensure the country's survival but presents a chance for growth, said the Malaysia's Minister of Natural Resources.</p> <p>This is seen in the government's Malaysia Madani policy framework, Budget 2024, the National Energy Transition Roadmap and the New Industrial Master Plan that were released during the year.</p> <p>Furthermore, mandatory climate disclosure and detailed roadmaps from the government are crucial for building trust among private capital investors and unlocking climate investment opportunities.</p>	<p>Effectively measuring and reporting sustainability progress is crucial for building trust and demonstrating the impact of initiatives.</p> <p>Pavilion REIT will need to develop robust frameworks for data collection, analysis and reporting to meet stakeholder expectations.</p> <p>Transitioning to sustainable practices may involve changes to tenant operations, requiring clear communication and collaboration to ensure smooth implementation and minimise disruptions.</p> <p>Implementing sustainability initiatives may require upfront investments in technology, infrastructure, and operational changes. However, these investments can often yield long-term cost savings through reduce energy and resource consumption.</p>	<p>Pavilion REIT has subscribed to TNB's Green Tariff Scheme for Pavilion Kuala Lumpur Mall and Intermark Mall, providing each property with 20% renewable energy.</p> <p>In FY2023, Pavilion REIT began measuring Scope 1, 2, and 3 carbon emissions in preparation for more comprehensive climate-related disclosures.</p> <p>To further reduce its carbon footprint, Pavilion REIT offers electric vehicle (EV) charging ports at selected properties.</p> <p>The Manager has also set targets to decrease both water and energy consumption.</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>Installation of rainwater harvesting &amp; air handling unit condensate water recycling system to reduce water consumption.</p>	<p>Sustainability is rapidly becoming a key differentiator for retailers, significantly influencing consumer choices. Recognizing this trend, Pavilion REIT has integrated sustainability into its operations.</p> <p>Pavilion REIT plans to significantly increase its reliance on renewable energy by expanding its subscription to TNB's Green Tariff Scheme. This initiative aims to achieve a 50% renewable energy share in its overall consumption, demonstrating a strong commitment to environmental responsibility.</p> <p>The Manager is actively exploring ways to reduce waste and energy consumption across its properties. This includes the installation of innovative technologies such as food composter machines and solar panels. These initiatives will not only reduce environmental impact but also contribute to long-term operational cost savings.</p> <p>Pavilion REIT is committed to transparent and comprehensive climate-related disclosures. The Manager is actively planning, assessing, and gradually improving its reporting practices in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. This will further enhance transparency and accountability for stakeholders.</p>

# OUR OPERATING LANDSCAPE

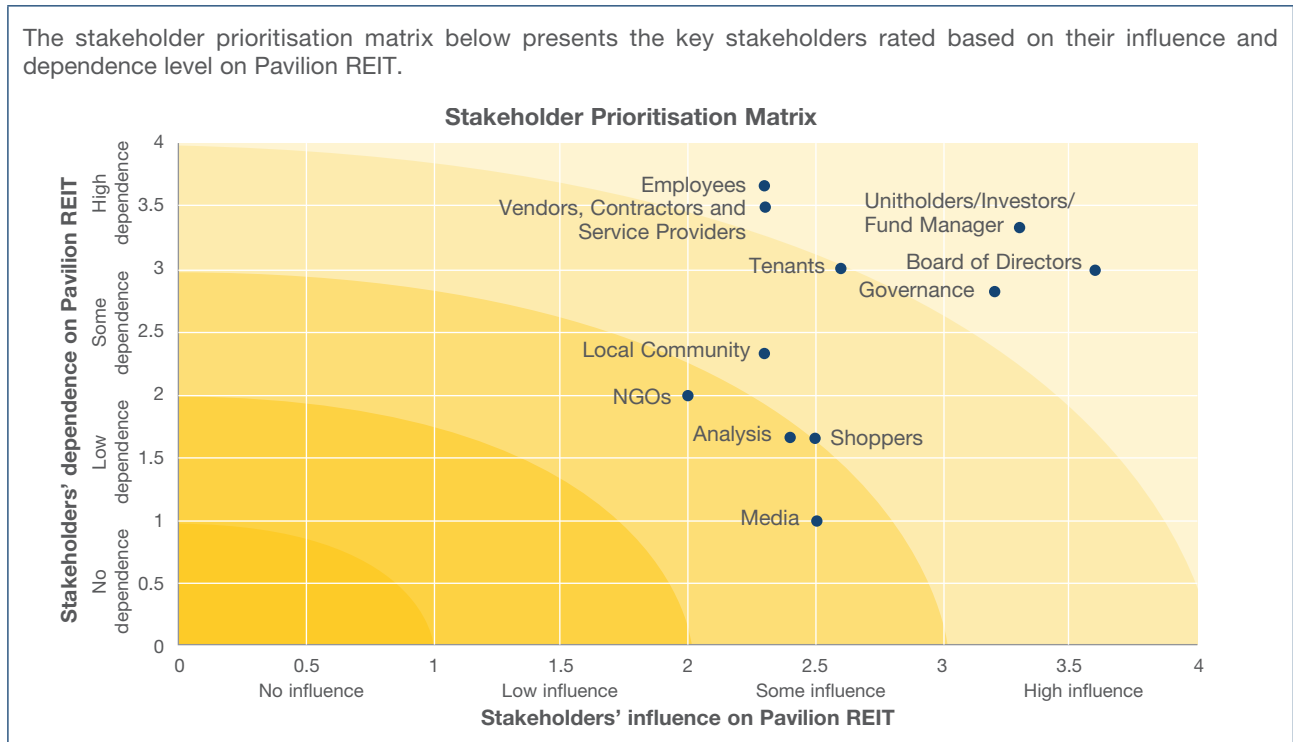
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## Key Trend 4: Technology and Digital Transformation

What happened in FY2023	How it impacts Pavilion REIT	Our Actions/ Strategies	FY2024 Outlook
<p>Southeast Asia is witnessing exponential growth in digital commerce, fuelled by factors like urban development, a burgeoning middle class, the surge in mobile phone usage and the spread of digital payment systems.</p> <p>While Malaysia has emerged as a dynamic player in the realm of digital transformation, it's far from perfect when it comes to handling cybersecurity incidents. Despite its robust cybersecurity measures, the country has faced challenges securing its vast digital landscape.</p> <p>The latest report from CyberSecurity Malaysia revealed a concerning statistic - a total of 3,837 recorded cyber incidents had occurred from January to August this year. These incidents consist of fraud, intrusion, content-related issues, and malicious code. Such statistics serve to underline the urgent need for solid cybersecurity systems, as Malaysians continue to fall victim to cyber threats.</p> <p>Such cyberattacks reveal that many Malaysian organizations lack proper cybersecurity measures, leaving them vulnerable to malware, ransomware, and phishing threats. Given the significant financial risks to enterprise value, cybersecurity is rightly seen as a governance issue and an indicator of management quality.</p>	<p>Digital technologies allow Pavilion REIT to personalise the customer experience by providing targeted offers, recommendations and loyalty programs.</p> <p>As digital platforms become increasingly integrated into Pavilion REIT's operations, the risk of cyberattacks increases. These attacks can disrupt operations, damage reputation and lead to financial losses.</p> <p>Pavilion REIT leverage the growing digital commerce market to attract shoppers beyond its physical locations. This can be achieved via mobile apps and social media marketing.</p>	<p>The Manager has embarked on digitalisation through Pavilion REIT's member mobile application to encourage mall patrons to utilise the functionality of a mobile application and keep up to date with the latest news from the mall.</p> <p>The Manager has also invested in cybersecurity measures to protect its digital assets and customer data. This includes adopting strong authentication protocols, anti-viruses' software, implementing data encryption, and investing in cybersecurity awareness training for employees.</p>	<p>Modernisation and optimisation top the cyber investment priorities for 2024. Nearly half (49%) of the business leaders selected technology modernisation, including cyber infrastructure, and 45% chose optimisation of existing technologies and investment, accordingly to Malaysia findings from 2024 Global Digital Trust Insights.</p> <p>The Manager plans to continue its effort of enhancing its IT systems and infrastructures to meet current trends of data governance and cybersecurity measures.</p> <p>The Manager also continuously innovate to stay ahead of the competition and meet the evolving needs of its stakeholders. This includes exploring new technologies and adapting to changing 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 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 stakeholder groups were analysed and presented in the table below.

Stakeholders	Why We Engage	Method of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response
Board of Directors	<ul style="list-style-type: none"> <li>Provides oversight of business directions and make overall decisions on the Pavilion REITs strategy</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Quarterly Board meeting</li> </ul>	<ul style="list-style-type: none"> <li>Focus on the needs of ageing society</li> <li>Giving back to local communities</li> <li>Cutting down electricity consumption</li> <li>Developing strategic decisions for Pavilion REIT</li> </ul>	<ul style="list-style-type: none"> <li>Partner with non-government organisation to give back to the local ageing communities</li> <li>Work closely with the Manager's CEO in developing strategic decisions for Pavilion REIT</li> </ul>



# OUR STAKEHOLDERS

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Stakeholders	Why We Engage	Method of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response
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> </ul>	<ul style="list-style-type: none"> <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>Ensure equal opportunity for all employees without discrimination</li> <li>Facilitate training programmes and seminars</li> <li>Provide performance and career development review</li> <li>Improve work-related benefits and remuneration</li> <li>Implementing human rights and grievance mechanism</li> </ul>
Government	<ul style="list-style-type: none"> <li>Sets the rules and regulations of the industry</li> </ul>	<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>Engagement with B40 and underprivileged communities</li> </ul>	<ul style="list-style-type: none"> <li>Engage with B40 and underprivileged communities through CSR events and sponsorship to promote social awareness</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>Green Energy</li> <li>Minimising carbon footprint</li> <li>Stable and sustainable returns</li> </ul>	<ul style="list-style-type: none"> <li>Intensify effort in reducing Scope 2 emission through energy management</li> <li>Increase efforts in implementing sustainable designs across all properties such as rainwater harvesting system at Pavilion Kuala Lumpur</li> <li>Focus on providing unitholders with stable and sustainable income streams</li> </ul>
Analysts	<ul style="list-style-type: none"> <li>Influences investor sentiment through industry and company analysis</li> </ul>	<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>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	<ul style="list-style-type: none"> <li>Provides supplies and services to support Pavilion REIT's operations</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Safety briefings and workshops</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>Implementing ABC Policy</li> </ul>

# OUR STAKEHOLDERS

cont'd

Stakeholders	Why We Engage	Method 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>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	<ul style="list-style-type: none"> <li>Provides revenue to Pavilion REIT</li> </ul>	<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>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	<ul style="list-style-type: none"> <li>Collaborative partnerships</li> </ul>	<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>Corporate Social Responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Increase collaboration with NGOs' for charity events or activities</li> </ul>
Local Community	<ul style="list-style-type: none"> <li>To generate long lasting positive impacts in community</li> </ul>	<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>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	<ul style="list-style-type: none"> <li>Generates impact through news coverage on Pavilion REIT</li> </ul>	<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>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

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## MEMBERSHIP IN ASSOCIATIONS

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

### Pavilion REIT's membership

- Asia Pacific Real Assets Association (APREA)

### Association involved:

Organisation	Pavilion REIT's Representative
Malaysian REIT Managers Association	Dato' Philip Ho Yew Hong, Chairman
Malaysia Shopping Mall Association	Dato' Joyce Yap Soh Ching, Honourable Members of Advisory Board Katy Teo, Committee Members of Sports

## TENANT ENGAGEMENT

### Improving Through Tenant Feedback: A Commitment to Tenant Satisfaction

Understanding and responding to tenants' needs is a core part of Pavilion REIT's success. Developing good relationships with tenants which allows the Manager to better anticipate, understand and respond to changing tenant requirements, thus strengthening tenant attraction and retention.

Hence, Pavilion REIT is committed to continuous improvement, valuing the feedback of its tenants through tenant satisfaction surveys, which will be conducted once every two years.

This year, Pavilion REIT invited its tenants to evaluate the performance of each property service in six areas: mall and office tower facilities, design and fit-out services, leasing and tenancy administration services, marketing services, credit control services, and operations and facilities management services. Overall, the services were rated as satisfactory.

### Key Findings

100% of tenants were covered in the survey.

The overall tenant satisfaction level was 75%.

The response rate was 54%.

In addition to assessing tenant satisfaction levels, Pavilion REIT also engaged tenants on sustainability-related matters and noted the feedbacks from tenants that communication is needed.

To enhance communication with tenants about ESG initiatives, here are the following steps:

- Provide tenants a centralised information hub to access information about Pavilion REIT's ESG initiatives.
- Keep tenants informed about Pavilion REIT on-going ESG efforts via newsletter or social media.
- Partner with tenants on ESG initiatives

### Moving Forward

Pavilion REIT appreciates the valuable feedback received from its tenants. The Manager will leverage this feedback to enhance its property services and further advance its sustainability efforts. The Manager have also developed a comprehensive action plan to address all the feedback received.

Pavilion REIT is committed to achieving a higher tenant satisfaction score and response rate in FY2025. By enhancing communication about Pavilion REIT's ESG initiatives, the Manager aim to inspire and empower tenants to actively participate in creating a more sustainable environment within its properties.

# OUR STAKEHOLDERS

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## VENDOR FEEDBACK ON SUSTAINABILITY

### Majority of Pavilion REIT's Vendors are Taking Steps to Improve Sustainability Practices

Pavilion REIT invited 320 vendors to complete a vendor sustainability questionnaire and received an impressive 97% response rate in completing the survey.

#### Objective of this Questionnaire

- The questionnaire is designed to gauge vendors' current position and readiness on ESG matters.
- This is important for Pavilion REIT because it wants to ensure that its supply chain is aligned with its own ESG goals.
- The questionnaire covers a wide range of topics, including environmental protection, social responsibility, and good governance. This shows that Pavilion REIT is committed to a holistic approach to sustainability.
- The questionnaire also makes it clear that Pavilion REIT is looking for vendors that are actively working to improve their ESG performance. This is evident in the questions that ask vendors about their policies, procedures, and targets.
- Pavilion REIT is also interested in learning about vendors' engagement with their suppliers and customers on ESG issues.

#### Sustainable Sourcing and Procurement Practices

Currently, only **a third of vendors purchase green supplies**, products, and/or materials. However, it is encouraging to see that **49% of vendors are considering** purchasing green products or materials in the near future. There is still room for improvement in terms of purchasing green supplies and materials as well as promoting sustainable sourcing and procurement practices.

#### Commitment to a Responsible Value Chain

Pavilion REIT is dedicated to fostering a responsible and ethical supply chain that aligns with Pavilion REIT's commitment to sustainability and social responsibility. The Manager strive to work with suppliers who share Pavilion REIT's values and adhere to high standards of ESG practices.

01

#### Zero cases of non-compliance among suppliers

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

02

#### Respect for human rights

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

03

#### Supplier risk assessment

Pavilion REIT **require all new suppliers** to complete a **comprehensive supplier risk assessment form**. This process helps to identify and mitigate potential risks associated with its supply chain. The Manager is continuously reviewing and enhancing its internal supplier risk management process to ensure its effectiveness

04

#### Sustainable procurement policy

To have a comprehensive **sustainable procurement policy** that guides its sourcing decisions and promotes responsible procurement practices. This policy serves as a communication tool for suppliers and vendors, helping them understand Pavilion REIT's expectations and fostering continuous improvement in sustainability performance

05

#### Encourage ESG disclosures

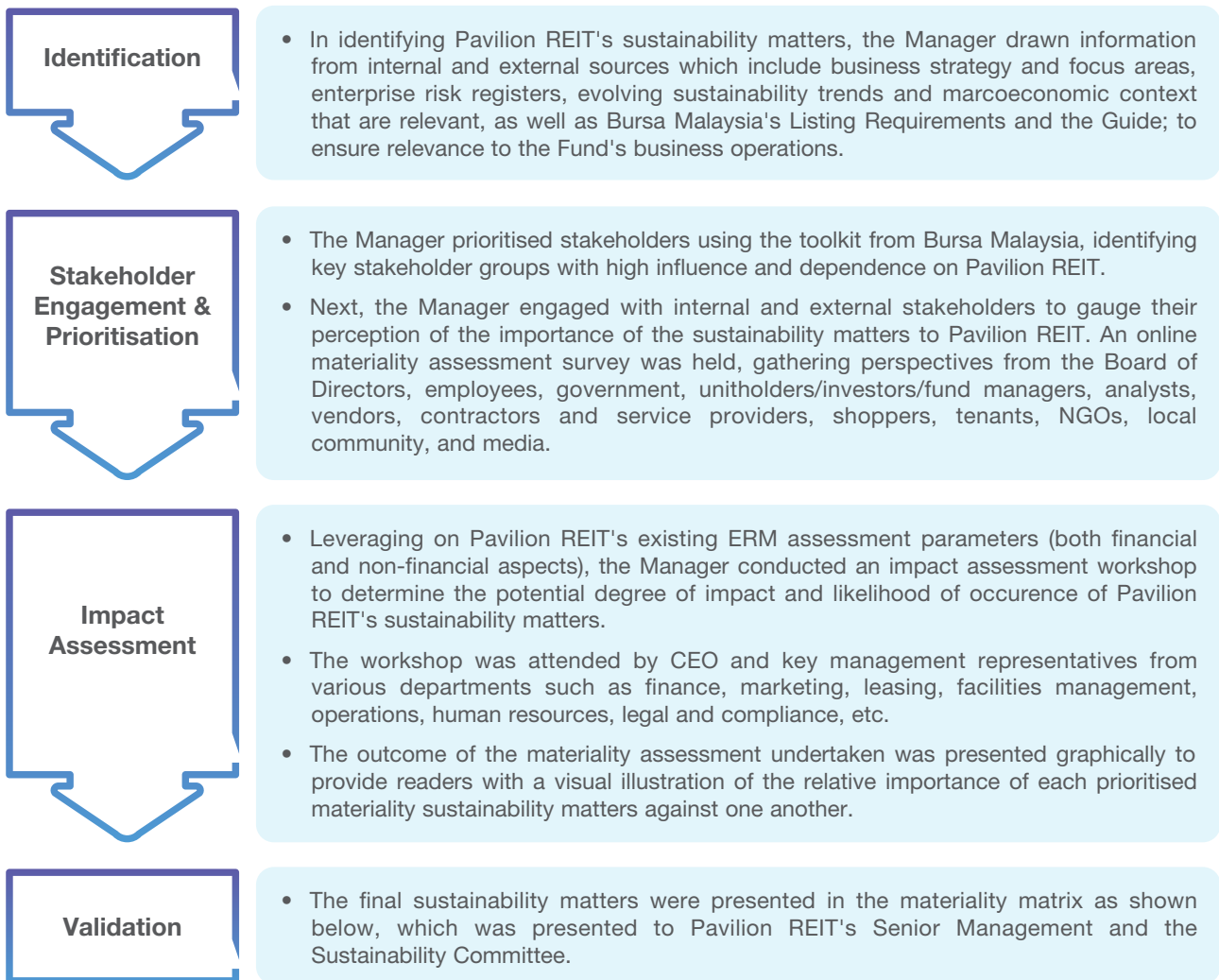
Pavilion REIT **encourage** its suppliers to **disclose relevant ESG information** in accordance with recognized ESG standards and frameworks. This transparency helps to assess vendors' sustainability performance and identify areas for improvement

By pursuing these and implementing responsible sourcing practices, Pavilion REIT aim to create a more sustainable and responsible value chain that benefits all stakeholders. The Manager believe that a responsible supply chain is essential for long-term success and will help Pavilion REIT create a more positive impact on the world.

# 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.

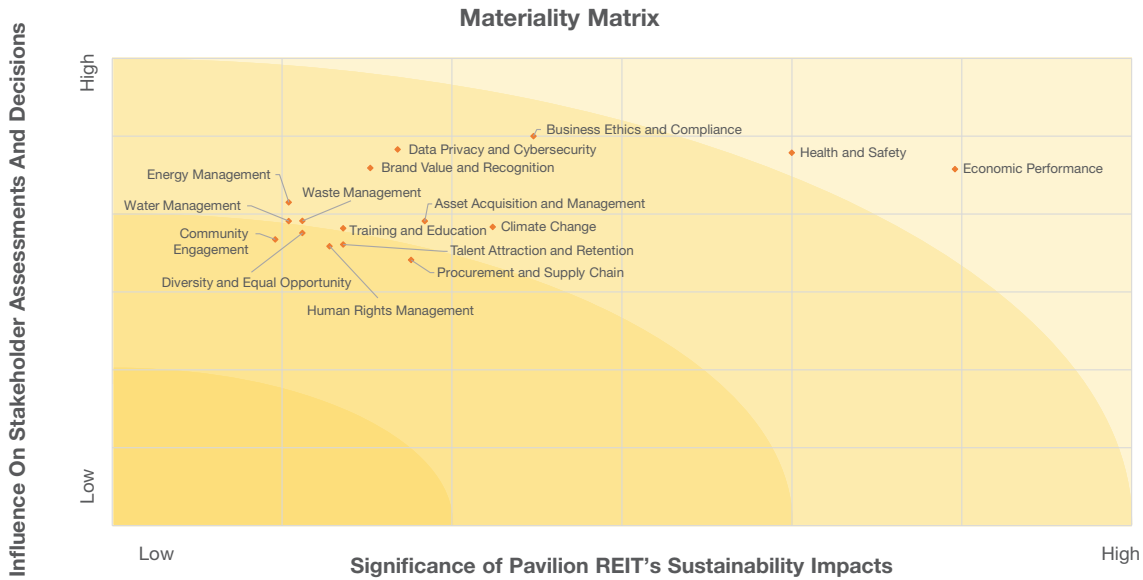
## Materiality Assessment Process



# 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
- Data Privacy and Cybersecurity
- Brand Value and Recognition
- Climate Change
- Asset Acquisition and Management
- Energy Management
- Training and Education
- Waste Management
- Water 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.

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.

## 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	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>Business Continuity</li> </ul>	SDG 8	
Economic, Social, Environmental, Governance	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>Business Continuity Plan</li> <li>Operational</li> </ul>	SDG 8 SDG 9	
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	
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	Please refer to Section 5; P: Practicing Responsible Environment Stewardship sub-section for further details on management approach.
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	

# 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 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>• T e n a n t 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.
Social	Talent Attraction and Retention	Enhancing efforts to attract, motivate and reduce employee turnover at work through providing a rewarding working environment	<ul style="list-style-type: none"> <li>• Staff Resource</li> </ul>	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	<ul style="list-style-type: none"> <li>• Staff Resource</li> </ul>	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	<ul style="list-style-type: none"> <li>• Operational</li> </ul>	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	<ul style="list-style-type: none"> <li>• Staff Resource</li> </ul>	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	<ul style="list-style-type: none"> <li>• Legal &amp; Regulatory Compliance</li> </ul>	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.

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	<ul style="list-style-type: none"> <li>Conduct thorough credit evaluation and due diligence on counterparties before accepting entering into letter of offer or agreement tenants.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure liquidity through reliable tenant payments.</li> </ul>	
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 Medium-Term Notes 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>	<ul style="list-style-type: none"> <li>Improved financial flexibility and reduced financing risk.</li> </ul>	
5	Interest Rate Risk	Risk refers to the potential unfavourable movement in floating interest rate that will affect income before taxation	<ul style="list-style-type: none"> <li>Manage the exposures arising from adverse market interest rates through appropriate hedging strategies.</li> </ul>	<ul style="list-style-type: none"> <li>Effective interest rate risk management.</li> </ul>	

# OUR RISK AND OPPORTUNITIES

cont'd

No.	Key Risks	Impact on Business	Mitigation Measures	Opportunities	Mapping to Sustainability Matters
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>	<ul style="list-style-type: none"> <li>Regular tenant engagements for continuous improvement to meet tenant expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Brand Value and Tenant Satisfaction</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>	<ul style="list-style-type: none"> <li>Robust cybersecurity and improved data management protect shopper data, maintaining trust.</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Data 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>Enhanced corporate governance and reputation.</li> <li>Strong human rights practices and safety culture.</li> <li>Sound procurement governance.</li> </ul>	<ul style="list-style-type: none"> <li>Business Ethics and Compliance</li> <li>Waste Management</li> <li>Health and Safety</li> <li>Procurement &amp; Supply Chain</li> <li>Human 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 Cyber-Security 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>• Human Rights 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>Talent 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:





Section 5:

# CREATING SUSTAINABLE IMPACT

<b>Section 5.1</b>	<b>I</b>	Investing Strategically	66
<b>Section 5.2</b>	<b>M</b>	Maintaining Good Governance	70
<b>Section 5.3</b>	<b>P</b>	Practicing Responsible Environment Stewardship	74
<b>Section 5.4</b>	<b>A</b>	Acclaiming Trusted Brand Reputation	86
<b>Section 5.5</b>	<b>C</b>	Caring For Local Community	89
<b>Section 5.6</b>	<b>T</b>	Transforming Talent Management	98

# PAVILION REIT'S SUSTAINABILITY STATEMENT

REITs and the real estate industry are fundamental in building up the infrastructures of our nation. We are 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.

**I**

## 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.*

**M**

## 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.*

**P**

## 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.*

**A**

## 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.*

**C**

## 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.*

**T**

## 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 Framework

Pavilion REIT adheres to the principles of economic, environmental, social, and governance (EESG) and prioritizes 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

EMPLOYEES  
CONDUCT

### 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



### Reporting Framework & Best Practices





# PAVILION REIT’S SUSTAINABILITY STATEMENT

cont’d

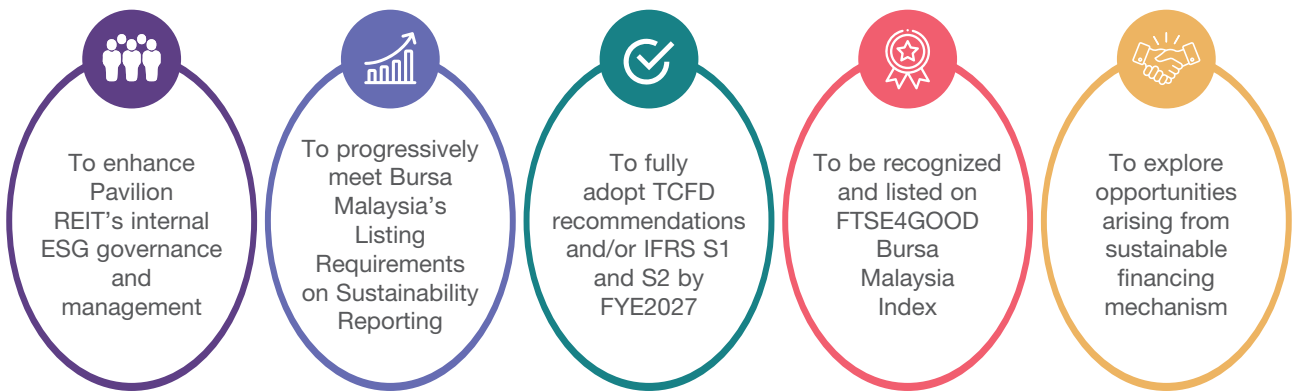
## Sustainability Policy

Based on the Sustainability Framework, Pavilion REIT has developed a Sustainability Policy, effective 24 January 2024. This Policy outlines Pavilion REIT’s framework for responsible environmental, social and governance (“ESG”) practices as well as covering climate-related aspects, ensuring long-term value for stakeholders and communities. This Policy serves as a roadmap for integrating sustainability into all aspect of Pavilion REIT’s business. It aims to:

- Provide clear direction for employees and stakeholders about Pavilion REIT’s commitment to sustainability and its strategic direction.
- Embed sustainability principles into all aspects of Pavilion REIT’s operations.
- Create Pavilions that bring communities together and contribute to a vibrant and inclusive society.

## Pavilion REIT’s 5 year ESG aspirations

Pavilion REIT’s 5-year ESG aspirations from FY2023 to FY2027:



Pavilion REIT is actively integrating sustainability into its business operations through five key focus areas:



These areas guide the Manager’s actions in achieving short, medium, and long-term sustainability goals. An overview of these actions and its contributions to Pavilion REIT’s progress in FY2023 is provided below. For detailed information, please refer to the Sustainability Highlights.

5 Focus Areas	Short Term (FY2023)	Medium Term (FY2024 <sup>(1)</sup> (2) to FY2027 <sup>(3)</sup> )	Long Term (FY2028 to FY2030)
<b>Governance</b>	<p>Formalized governance structure for sustainability and stated in new Sustainability Policy.</p> <p>Reviewed and updated Board Committee Terms of Reference to include climate-related matters.</p> <p>Continued regular board training on ESG-related topics.</p>	To enhance board oversight of sustainability performance and strategy.	To integrate sustainability considerations into all business decisions.

# PAVILION REIT'S SUSTAINABILITY STATEMENT

cont'd

5 Focus Areas	Short Term (FY2023)	Medium Term (FY2024 <sup>(1)</sup> / <sup>(2)</sup> to FY2027 <sup>(3)</sup> )	Long Term (FY2028 to FY2030)
<b>Strategy</b>	<p>Reviewed and enhanced Pavilion REIT's corporate business strategy to integrate sustainability considerations.</p> <p>Established time-bound targets and actionable plans to measure ESG performance.</p> <p>Incorporated budgeting for sustainability management into the annual budget cycle.</p> <p>Maintained ongoing dialogue with external stakeholders on ESG/sustainability strategy via initiatives including the Tenant Satisfaction Survey and Vendor Sustainability Questionnaire.</p>	<p>To communicate and assess ESG/sustainability-related strategy and targets effectively.</p> <p>To implement top-down communication and bottom-up feedback mechanisms for ESG strategies.</p> <p>To continue dialogue with external stakeholders on ESG/sustainability.</p>	<p>To further refine and enhance the integration of sustainability into all aspects of the business strategy.</p> <p>To set measurable long-term sustainability goals aligned with industry best practices.</p> <p>To foster a culture of sustainability awareness and engagement throughout Pavilion REIT.</p>
<b>Integrated Risk Management</b>	<p>Enhanced roles and responsibilities of the Board, Risk Management Committee (RMC), and Risk Management Working Committee (RMWC) to actively manage sustainability-related risks.</p> <p>No changes were made to the FY2023 Materiality Matrix. A comprehensive review is scheduled for FY2025, following the last assessment in FY2022.</p>	<p>To enhance and broaden ESG-related impact areas in risk assessment parameters.</p> <p>To explore climate scenario analysis and identify its risks and opportunities.</p>	<p>Proactively manage and mitigate both physical and transition risks identified.</p>
<b>Performance Monitoring</b>	<p>Improved data collection process. Established ESG metrics and targets and monitored its progress.</p> <p>Engaged external assurance for limited assurance on 2 indicators:</p> <ul style="list-style-type: none"> <li>• Scope 2 – Greenhouse Gas (GHG) Emissions (Purchase Electricity) (tCO<sub>2</sub>eq/MWh) for all Pavilion REIT's properties; and</li> <li>• Scope 3 GHG emission (generation of electricity that is purchased and then resold to end users) (tCO<sub>2</sub>eq/ MWh) for Pavilion Kuala Lumpur Mall and Pavilion Tower</li> </ul>	<p>To expand data collection including additional sustainability-related data beyond the current scope.</p>	<p>To refine metrics and targets including update and refine climate/ESG metrics and targets based on progress and industry trends.</p>

# PAVILION REIT'S SUSTAINABILITY STATEMENT

cont'd

5 Focus Areas	Short Term (FY2023)	Medium Term (FY2024 <sup>(1)(2)</sup> to FY2027 <sup>(3)</sup> )	Long Term (FY2028 to FY2030)
<b>Business Activities</b>	<p><b>Tenant satisfaction survey:</b> Conducted a survey with 629 tenants, receiving a 54% response rate and an overall satisfaction rating of 75%.</p> <p><b>Vendor sustainability questionnaire:</b> Implemented a questionnaire with 320 vendors, achieving a 97% response rate to assess their ESG practices.</p> <p><b>Code of Conduct and Ethics:</b> Enhanced the code to include clauses on human rights and elaborate on ESG commitments.</p> <p><b>ESG integration:</b> Integrated ESG factors into the due diligence process for asset acquisition and organized ESG training for employees.</p> <p><b>ESG culture:</b> Cultivated an ESG culture through various initiatives, including sharing policy updates with vendors.</p> <p><b>Zero corruption:</b> Reported no incidents of corruption in FY2023.</p>	<p><b>Customer satisfaction survey:</b> Scheduled for FY2024.</p> <p><b>Vendor evaluation:</b> To revise the vendor evaluation process to include ESG criteria.</p> <p><b>Asset enhancement:</b> To explore opportunities for asset enhancement through sustainable building features.</p> <p><b>Sustainable procurement:</b> To develop a formal policy for supply chain management and sustainable procurement by FY2025.</p>	<p><b>Green building certification:</b> To explore obtaining green building certifications like GBI or GreenRE.</p> <p>Continuously improve performance and transparency across all business activities.</p>

**Notes:**

- (1) Fully disclose all the Bursa's common sustainability matters in FYE 31 December 2024;
- (2) Disclosures of the TCFD-aligned disclosures in FYE 31 December 2025 – listed issuers which require more time may disclose progress and status towards meeting full disclosure of specific element;
- (3) By FYE 31 December 2027, all listed issuers must provide the full TCFD-aligned disclosure.

# PAVILION REIT'S SUSTAINABILITY STATEMENT

cont'd

## FY2023's Sustainability Highlights

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
I: INVESTING STRATEGICALLY	Procurement and Supply Chain	Zero incidents recorded resulting from Vendor Code of Conduct	In FY2023, 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 FY2023, 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.
M: MAINTAINING GOOD GOVERNANCE	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	<p>In FY2023:</p> <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 FY2023.
P: PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP	Climate Change	<ul style="list-style-type: none"> <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% 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>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 35.7 tonnes of CO<sub>2</sub>e in FY2023.</p> <p>Total Scope 2 emissions for FY2023 reached 94,757 tCO<sub>2</sub>eq. This increase includes Pavilion Bukit Jalil, acquired in June 2023. Excluding Pavilion Bukit Jalil, cumulative emissions for FY2023 fell to 71,472 tCO<sub>2</sub>e, representing a noteworthy 14.5% reduction as compared to FY2019.</p> <p>Pavilion REIT's total GHG emission intensity in FY2023 was 1.11 tCO<sub>2</sub>eq/sqm. Excluding Pavilion Bukit Jalil and Scope 3 emissions, compared to FY2019, Pavilion REIT achieved a 13.3% reduction in GHG emission intensity.</p> <p>With the subscription of Green Electricity Tariff from TNB, Pavilion Kuala Lumpur Mall and Intermark Mall manages to avoid 20,193 tonnes of CO<sub>2</sub>e emission in 2023.</p>

# PAVILION REIT'S SUSTAINABILITY STATEMENT

cont'd

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
	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 13.3% compared to FY2019. Excluding Pavilion Bukit Jalil, consumption would be only 94,290,181 kWh, representing a decrease of 14.5% as compared to FY2019.</p> <p>20% of Pavilion Kuala Lumpur Mall and Intermark Mall's energy supplies was generated by renewable electricity under TNB's GET.</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> <li>Beyond FY2027: Target of diverting 20% of waste from landfills.</li> </ul>	Pavilion REIT diverted 4.5% of waste from landfills in FY2023.
	Water Management	To achieve 2% reduction in landlord water consumption by 2030 compared to FY2019	<p>The total volume of water used by Pavilion REIT for landlord consumption stands at 1,055,816m<sup>3</sup>.</p> <p>Excluding Pavilion Bukit Jalil, the water usage drops to 763,875m<sup>3</sup>, representing a decrease of 5.4% as compared to FY2019.</p>
A: ACCLAIMING TRUSTED BRAND REPUTATION	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.	This year, Pavilion REIT invited its tenants to evaluate the performance of each property service in six areas: mall and office tower facilities, design and fit-out services, leasing and tenancy administration services, marketing services, credit control services, and operations and facilities management services. The services were rated as satisfactory with a rating of 75% in overall.

# PAVILION REIT'S SUSTAINABILITY STATEMENT

cont'd

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
<b>C: CARING FOR LOCAL COMMUNITY</b>	Community Engagement	To maximise positive impact on the communities around its properties.	1,386 pints of blood collected from blood donation campaigns across Pavilion REIT's properties
<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 2023, the Manager maintained a steady influx of new talent with a 15.4% new hire rate and employee retention climbed to 92.0%.
	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 38.2% 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 2023
	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>36% of Board of Directors in 2023 were women, which is higher than 30% recommendation by the MCCG</li> <li>75% of leadership roles are held by women at the management level in 2023</li> <li>75% of the Manager's employees in 2023 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 2023</li> <li>2 injuries reported in 2023 due to oversight of the injured parties. A thorough investigation was conducted, and prevention measures were defined to avoid recurrence.</li> </ul>

# 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 Chief Executive Officer (CEO) and includes its management team, reporting directly to the Sustainability Committee (SC). The SC oversees and reviews Pavilion REIT’s sustainability strategy, including climate-related considerations, 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.

# I : INVESTING STRATEGICALLY

## ECONOMIC PERFORMANCE

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.

### 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 Medium-Term Notes (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 areas with pop-up shops and energy efficiency upgrades include installing LED lighting and water-saving fixtures, along with an upgrade to the existing chiller system.	Pavilion REIT utilizes 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	FY2021 (RM'000)	FY2022 (RM'000)	FY2023 (RM'000)
<b>Direct Economic Value Generated</b>			
• Revenue <sup>(1)</sup>	480,084	557,872	735,216
<b>Economic Value Distributed</b>			
• Operating Costs	242,788	195,277	275,035
• Employee Wages and Benefits <sup>(2)</sup>	-	-	-
• Payments to Capital Providers <sup>(3)</sup>	220,853	346,166	439,939
• Payments to Government	16,245	16,263	20,223
<b>Total</b>	<b>479,886</b>	<b>557,706</b>	<b>735,197</b>
<b>Economic Value Retained</b>	<b>198</b>	<b>166</b>	<b>19</b>

**Note:**

(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.

Increased in economic value generated and distributed in FY2023 are mainly due to acquisition of Pavilion Bukit Jalil during the year.

## ASSET ACQUISITION AND MANAGEMENT

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 Kuala Lumpur and Elite 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

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. The Manager is confident that this acquisition will contribute positively to its long-term growth while aligning with Pavilion REIT's commitment to sustainable practices through energy efficiency initiatives and community engagement programs.

## 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 in 2023. 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.

## PROCUREMENT AND SUPPLY CHAIN

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 plans to embark 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 established the Vendor Code of Conduct which outlines its expectation to ensure business integrity and ethics 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 RET vendors are required to comply with Pavilion REIT's ABC SOP and Policy by acknowledging our "Declaration of Integrity". Vendors are also encouraged to report all misconduct through an independent platform operated by a third party.

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

In FY2023, there are zero (0) cases of non-compliance incidents recorded resulting from Vendor Code of Conduct.

# I : INVESTING STRATEGICALLY

cont'd

## Vendor evaluation

In line with the effort to enhance transparency in vendor selection and to ensure a sustainable value chain, the Manager is considering the inclusion of ESG related factors as part of the overall assessment of existing and new vendors. All contractors would be required to undergo a pre-evaluation process and 'know your customer' background check to evaluate their financial stability and ensure ethical business conducts.

Due diligence has been conducted based on the following criteria:

1. Quality & compliance – technical expertise and specifications requirements, product certification
2. Price – competitiveness of price, potential cost variations
3. Prompt delivery – prompt and reliable delivery
4. Service – requirements and suitability, past experiences and track record
5. Support – product and service delivery, capability to provide support
6. ESG factors – vendors who are aligned to Pavilion REIT's requirements/expectations on ESG-related factors such as climate change, labour practices, data privacy and community development will be preferred.

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. This year, the Manager also conducted a vendor sustainability questionnaire. The findings can be found in Section 4.3, Our Stakeholders.

## 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 FY2023, 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.

### Total procurement from local suppliers

*Proportion of spending on local suppliers*

**> 99% since FY2019**

Moving forward, Pavilion REIT will continue to engage its business partners to improve commitment towards a sustainable supply chain by setting up policies and procedures for vendors/suppliers/contractors to declare their commitment related to ESG initiative program. Pavilion REIT will also monitor new and existing suppliers from an ESG perspective and prioritize suppliers with best practices during the vendor evaluation assessment.

## M : MAINTAINING GOOD GOVERNANCE

### BUSINESS ETHICS AND COMPLIANCE

The Manager recognises that upholding strong governance, ethics and integrity is critical 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.

As part of our 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.

ABC Policy, Anti-Money Laundering and Counter Financing of Terrorism, Whistleblowing Policy and Code of Conduct & Ethics are made publicly available and appropriately communicated to all parties, which are also available on Pavilion REIT's website, i.e. [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 of directors, 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.



#### Anti-Money Laundering and Counter Financing of Terrorism 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 will be conducted at least once every 2 years.



#### Whistleblowing Policy

- Provides a proper avenue and mechanism for stakeholders to raise concerns about improper conduct.
- In cases that require further investigation, the Manager will ensure the reporting stakeholder will be protected from retaliation or subsequent discrimination for whistleblowing in good faith.
- Employees and parties who have dealings with the Manager who suspects incidents of corporate wrongdoing can report through a dedicated website: <https://bdoethics.com/v1/r/QxgwQn00Eyx5cz2z6DILF LAGx4xDL6x9>



#### Code of Conduct & Ethics

- Serves as guidance for all parties when dealing with Pavilion REIT.
- Promotes and guides Pavilion REIT's Directors, management and employees in embracing our objectives.
- Briefing on Code of Conduct for all new joiners and existing employees.

### 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.

# M : MAINTAINING GOOD GOVERNANCE

cont'd

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)

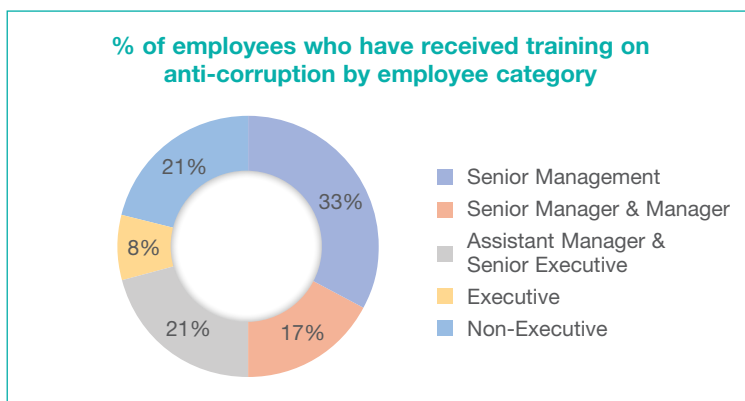
### Corruption-related training

Throughout the reporting year, the Manager demonstrated a strong commitment to anti-corruption initiatives. All members of the Board (100%) completed training sessions, and 100% of employees participated in anti-corruption training.

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.

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.

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



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

### Corruption Risk Assessment FY2023

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

		2023
% of operations that underwent corruption risk assessments		100%

Target: 100% of operations assessed for corruption risks.

# M : MAINTAINING GOOD GOVERNANCE

cont'd

## Corruption incidents

As of 31 December 2023, the Manager recorded zero incidents of corruption across Pavilion REIT's properties' business operations.

	2021	2022	2023
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 FY2023, 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.

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

## DATA PRIVACY AND CYBERSECURITY

Businesses have been focusing on Data Privacy and Cybersecurity as digitalisation has become an integral part of any business to adapt to the ever-changing world. An increasingly connected global economy coupled with the rapid advancement of digital technology has also amplified concerns around the risk of cybersecurity threats as well as security of data information processed by the organisation.

With the aim to protect Pavilion REIT's business and stakeholder's data and information against cyber-attacks, the Manager is working towards strengthening the in-house cybersecurity system and procedures through enhancement or development of policies on areas such as data classification and retention, webinar policy, equipment refreshment policy and procedures, etc. The Manager understands that the key to protecting data privacy and cybersecurity is through good cybersecurity governance and strong IT infrastructure.

IT infrastructure and information systems are the heart of Pavilion REIT's operations. The IT department ensures that in-house IT equipment, systems and data are well managed and secured. All employee is responsible for protecting Pavilion REIT against cybersecurity risks. All employees are not allowed to expose confidential information to external parties without authorisation. Additionally, vendors who wish to make changes to any IT aspects and system parts should come from certified and professional entities with an authorisation given by Pavilion REIT.

# M : MAINTAINING GOOD GOVERNANCE

cont'd

## Key Initiatives to Protect Pavilion REIT’s Data

The Manager strives to enhance Pavilion REIT’s information security system to safeguard its data against cyber threats. Hence, the Manager has conducted periodic review of system and user access, or privileges of information system and IT infrastructure to ensure technology in-use are secured and managed by authorised personnel to ensure the efficient running of the IT system. System patches are also applied onto most IT servers and computers to improve the security and to mitigate all possible security gaps.

The Manager recognizes the importance of IT security awareness and communication to staff across all levels. Hence training programmes or seminars on cybersecurity are to be organised annually. As Pavilion REIT encourages the use of digital copies for viewing, approving and digital signing of working documents, IT will ensure that the training programmes should foster a strong cybersecurity awareness among employees which can prevent any potential data privacy breach. Currently, knowledge sharing articles are sent out all year round to keep all employees updated on any in-trend topics about cybersecurity and new technology.

Through understanding about the existence of new technologies and the benefits of the IT tools helps the organization in streamlining its business processes to achieve better productivity.

## Protecting Against the Rising Cyber Risks

As the COVID-19 pandemic has accelerated the digitalisation of businesses, the risks of cybersecurity threats are unprecedentedly high. It is essential that the Manager acts strongly in mitigating these risks. Therefore, the Manager has envisioned numerous plans across short, medium and long-term:

Short-term plan (FY2023)	Medium-term plan (FY2024-FY2027)	Long-term plan (>FY2027)
<ul style="list-style-type: none"> <li>➢ Review, update and strengthen IT security policies, physical security &amp; end-point protection solution to reflect current business adoption.</li> <li>➢ Conduct penetration testing exercises.</li> <li>➢ Conduct cybersecurity awareness training to educate employees on importance of cybersecurity.</li> <li>➢ To have a centralized and standardized data governance practice.</li> <li>➢ To explore the implementation of network management solution for better IT overview and management.</li> </ul>	<ul style="list-style-type: none"> <li>➢ To apply more of multi-factor authentication (MFA) or two-factor authentication (2FA) methods to most core information systems for security tightening.</li> <li>➢ Explore and plan to implement more e-Services for better productivity.</li> <li>➢ To maintain continuous improvement on cybersecurity portion to meet audit compliances.</li> </ul>	<ul style="list-style-type: none"> <li>➢ To gradually migrate enterprise-based system to cloud.</li> <li>➢ To create a paperless business environment.</li> <li>➢ To lower Pavilion REIT’s IT assets ownerships.</li> </ul>

## 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 2023, Pavilion REIT’s properties achieved zero reported of substantiated complaints regarding shopper privacy breaches or data loss. This achievement speaks volumes about Pavilion REIT’s robust data security framework and its dedication to protecting its shopper information.

## Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

There were no complaints concerning breaches of customer privacy and losses of customer data in FY2023.

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

## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

### CLIMATE CHANGE

The Manager is aware that climate change is a pressing issue, impacting livelihoods across Malaysia through increasingly frequent and intense weather changes. At COP28, Malaysia reaffirmed its commitment to combating climate change, developing a Long-Term Low Emissions Development Strategy (LT-LEDS) and Nationally Determined Contribution (NDC) Roadmap to achieve net-zero emissions by 2050.

Pavilion REIT is dedicated to supporting Malaysia's sustainability goals. The Manager has established a sustainability committee at the Board level, met quarterly to discuss and implement ESG initiatives. The Manager actively minimize environmental impact through sustainable practices within Pavilion REIT's properties, exploring avenues to reduce carbon emissions, energy and water consumption, and waste generation.

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.

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

Pavilion REIT is dedicated to playing its part in combating climate change. As part of this commitment, the Manager has set a goal to achieve net zero carbon emissions for Scope 1 and 2 by 2050 as compared to its baseline year of FY2019 for its existing properties. Whereas for newly acquired property, the baseline year will be based on first full financial year operational data.

To navigate this path towards net zero, the Manager has developed a comprehensive climate transition strategy. This strategy, alongside its 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**
  - Implementing measures like LED lighting and new chiller system that are more energy efficient to reduce electricity consumption across its properties.
  - Subscribing to Tenaga Nasional Berhad's Green Energy Tariff scheme for cleaner energy sources.
  - Conducting regular energy audits to identify and address energy waste.
- **Integrating Sustainable Practices**
  - Encouraging responsible waste management and water conservation initiatives.
  - Partnering with green suppliers and service providers.

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

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

#### 3. Leveraging on Partnerships and Collaboration

##### Engaging Stakeholders:

Partnering with tenants, suppliers, and industry players to promote climate action.

##### Participating in Sustainability Initiatives:

Collaborating with relevant organizations and associations to advance sustainable practices.



# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

cont'd

## 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 Tenaga Nasional Berhad's (TNB) Green Electricity Tariff (GET) scheme for Pavilion Kuala Lumpur Mall 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.

## Scope 1 GHG Emissions

Pavilion REIT reports its owned or controlled generator sets usage as Scope 1 emission, contributing approximately 35.7 tonnes of CO<sub>2</sub>e in FY2023. 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> eq/gallon) <sup>(1)</sup>	Description
Pavilion Kuala Lumpur Mall	8.9	6 diesel gensets, total fuel consumption: 3,300 liters.
Elite Pavilion Mall	4.6	1 diesel genset, total fuel consumption: 1,700 liters.
Pavilion Tower	22.1	1 diesel genset, total fuel consumption: 8,200 liters (high consumption due to TNB maintenance)
Intermark Mall	0	3 diesel gensets, There was no fuel consumption for FY2023.
DA MEN Mall	-	Genset is owned and managed by DA MEN management corporation and not DA MEN Mall.
Pavilion Bukit Jalil	0.1 <sup>(2)</sup>	7 diesel gensets, monitored via meters, total kWh usage: 67 kWh
<b>Total</b>	<b>35.7</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.

## Scope 2 GHG Emissions

Pavilion REIT is dedicated to reducing its environmental footprint, with a particular focus on Scope 2 emissions. The Manager has demonstrably intensified its efforts, implementing various energy management initiatives that have yielded positive results.

Pavilion REIT's Scope 2 emissions encompass landlord-controlled electricity consumption within common areas of Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall, and DA MEN Mall. For FY2023, emissions from Pavilion Bukit Jalil, acquired in June 2023, are also included.

Scope 2 GHG emission (tCO <sub>2</sub> eq/MWh)	FY2019 (Base Year)	FY2021	FY2022	FY2023
	83,628	62,544	71,336	94,757 <sup>(1)</sup>

### Note:

- (1) The GHG emission data for Scope 2 in FY2023 has been assured externally by KPMG.

## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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The emission factor used for Scope 2 GHG emissions (purchased electricity) has been updated from 0.585 to 0.758. This change reflects a shift from using the 2017 CDM Electricity Baseline provided by Malaysia Green Technology Corporation (MGTC) to the more recent 2021 Grid Emission Factor from the Malaysia Energy Commission.

Total Scope 2 emissions for FY2023 reached 94,757 tCO<sub>2</sub>eq as compared to 83,628 tCO<sub>2</sub>e in FY2019. This increase includes Pavilion Bukit Jalil, acquired in June 2023.

Excluding Pavilion Bukit Jalil, cumulative emissions for FY2023 fell to 71,472 tCO<sub>2</sub>e, representing a noteworthy 14.5% reduction as compared to FY2019. This achievement highlights the effectiveness of Pavilion REIT's energy management initiatives.

### Scope 3 GHG Emissions

This year, Pavilion REIT took a significant step towards increased environmental transparency by commencing the reporting of its tenants and consumers electricity consumption as a Scope 3 emission. The scope of this reporting covers electricity consumption at Pavilion Kuala Lumpur Mall (including Pavilion Hotel, Pavilion Suite and Elite Pavilion Mall) and Pavilion Tower. The Manager only discloses data for properties where Pavilion REIT is the direct electricity supplier. This enables stakeholders to gain a more comprehensive understanding of Pavilion REIT's indirect environmental impact and its commitment to responsible operations.

Based on electricity sold to tenants and consumers in 2023, The Manager estimated total Scope 3 emissions of 38,267 tonnes of CO<sub>2</sub>, with 37,802 tonnes from Pavilion Kuala Lumpur Mall and 465 tonnes from Pavilion Tower. The Manager will establish a baseline year for annual comparisons once three years of data are available.

Recognizing the importance of addressing all relevant sources of indirect emissions, the Manager intends to explore other Scope 3 information in future. This includes emissions associated with business travel and employee commuting through data collection methods like fuel consumption, mileage, and mode of transportation.

The GHG emission data for Scope 3 in FY2023 of Pavilion Kuala Lumpur Mall (including Pavilion Hotel, Pavilion Suite and Elite Pavilion Mall) and Pavilion Tower has been assured externally by KPMG. Pavilion REIT's Scope 3 GHG emission refers to generation of electricity that is purchased and then resold to end users.

### GHG Emission Intensity

Pavilion REIT is committed to responsible operation and minimizing its environmental impact. Tracking its greenhouse gas (GHG) emission intensity is a crucial metric in monitoring progress towards this goal.

GHG emission intensity measures the amount of GHG emissions released per unit of activity or output. Lower intensity indicates improved efficiency and less environmental impact. The Manager tracks intensity per square meters of gross floor space to account for its growing portfolio, ensuring a fair comparison across the years.

Pavilion REIT's total GHG emission intensity in FY2023 was 1.11 tCO<sub>2</sub>eq/sqm, compared to 0.98 tCO<sub>2</sub>eq/sqm in FY2019. While this represents an increase of 13.3%, it's important to consider the impact of Pavilion Bukit Jalil's integration in FY2023 and the inclusion of Scope 3 emissions in that year.

Total GHG Emission Intensity (tCO <sub>2</sub> eq/sqm)	FY2019	FY2021	FY2022	FY2023
		0.98	0.74	0.83

Note: The above table covers Scopes 1, 2, and 3 of Pavilion REIT's properties.

Excluding Pavilion Bukit Jalil and Scope 3 emissions, Pavilion REIT's intensity would have remained stable between FY2021 and FY2023, demonstrating its ongoing commitment to emission reduction even amid portfolio expansion. Compared to FY2019, Pavilion REIT achieved a 13.3% reduction in GHG emission intensity.

Scope 1 & 2 GHG Emission Intensity (tCO <sub>2</sub> eq/sqm)	FY2019	FY2021	FY2022	FY2023
		0.98	0.74	0.83

Note: The above table excludes Pavilion Bukit Jalil and Scope 3 emissions.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

cont'd

## CO2 Emission Avoidance

Pavilion REIT is committed to a sustainable future and actively explores innovative energy-efficient applications and initiatives. This year, a major step forward was taken through the Green Electricity Tariff (GET) scheme. Intermark Mall sourced 20% of its electricity from renewable sources, marking a significant shift towards cleaner energy.

As outlined in Pavilion REIT's carbon emission targets, the Manager aims to achieve 50% renewable energy utilization by 2040. This goal will significantly increase Pavilion REIT's reliance on clean energy sources, further reducing its environmental footprint. Currently, both Pavilion Kuala Lumpur Mall and Intermark Mall benefit from the GET program, paving the way for expanding its renewable energy portfolio across other properties.

The adoption of GET has already yielded substantial environmental benefits. In FY2022, Pavilion Kuala Lumpur Mall avoided 15,033 tonnes of CO2 emissions, supported by Malaysia Renewable Energy Certificate (mREC) received from TNB. With full-year subscription in FY2023, the avoidance is expected to reach 19,553 tonnes. Intermark Mall, which began its subscription in August 2023, is estimated to avoid 640 tonnes of CO2 emissions for the year.

### Properties Participating in the GET Energy Program

Properties	CO2 emission avoidance (tco2e/MWh)	
	FY2022	FY2023
Pavilion Kuala Lumpur Mall	15,033 <sup>(1)</sup>	19,553
Intermark Mall	-	640 <sup>(2)</sup>

#### Notes:

- (1) CO2 emission avoidance for Pavilion Kuala Lumpur Mall in FY2022 is based on March to December 2022 of GET subscription.  
 (2) CO2 emission avoidance for Intermark Mall in FY2023 is based on a partial year of GET subscription, as the subscription began in August 2023.

## Sustainability Targets for FY2024 - FY2030

### Carbon Emissions

- **Net Zero Carbon by 2050 (Scope 1 & 2):** 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 for its existing properties. Whereas for newly acquired property, the baseline year will be based on first full financial year operational data.
- **20% Carbon Reduction by 2030:** To reduce Pavilion REIT's Scope 2 carbon emissions by 20% compared to FY2019 levels by the year 2030.
- **50% Renewable Energy by 2040:** To increase Pavilion REIT's utilization of renewable energy sources to 50% of its total electricity consumption by 2040.

### Carbon Intensity

20% Intensity Reduction (Scope 1 & 2): 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.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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

Pavilion REIT has begun aligning its climate-related disclosures with the TCFD recommendations across the four key areas of governance, strategy, risk management, and metrics and targets. The Manager is committed to continuously improving its disclosures over time.

### Governance

The Sustainability Committee (SC), established in May 2022, supports the Board in strategically integrating sustainability, including climate considerations, across Pavilion REIT’s properties.

Comprised of five independent directors, the SC oversees climate-related risks, opportunities, initiatives, and target setting, ensuring alignment with Pavilion REIT’s sustainability strategy.

The Sustainability Working Committee (SWC), chaired by the Manager’s CEO and comprising property representatives, executes climate strategies, monitors performance, and reports to the SC.

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

### Strategy

Climate change and emission reduction are critical material issues for Pavilion REIT, recognized as both physical and transition risks.

Plans are underway to fully integrate sustainability into the corporate strategy and develop dedicated channels for communicating targets and progress to stakeholders.

Pavilion REIT’s focus includes improving building energy efficiency through systematic performance metrics and exploring renewable energy opportunities.

### Risk Management

Climate change and environmental stewardship are key priorities. Pavilion REIT is actively assessing climate-related risks for inclusion in its enterprise risk management framework.

Regular risk assessments include risk owners from different department to identify, evaluate, and mitigate climate risks across all operating assets.

Pavilion REIT considers physical risks (such as storms, floods, droughts, wildfires) and transition risks (such as policy shifts, technology changes, reputation) while evaluating climate impacts and implementing mitigation strategies.

*Please refer to Our Risk and Opportunities section in this report.*

### Metrics and Targets

In FY2023, Pavilion REIT has developed its sustainability roadmap with targets to address climate change.

These targets encompass energy and water usage reduction, waste generation minimization and emission tracking, detailed in the “Creating Sustainable Impact” section. The Manager tracks emissions from Pavilion REIT’s properties and strive to disclose its environmental performance in the integrated annual report.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

cont'd

## ENERGY MANAGEMENT

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.

Measure and Inspect	Fix and Maintain	Monitor	Compliance
<p>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.</p> <p>1</p>	<p>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.</p> <p>2</p>	<p>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.</p> <p>3</p>	<p>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).</p> <p>4</p>

### Key Initiative 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. Additionally, the energy consumption data presented here reflects landlord consumption with the inclusion of green electricity usage.

Overall energy consumption across all properties showed an increase of 13.3% compared to FY2019. However, this rise is primarily due to the inclusion of Pavilion Bukit Jalil acquired in June 2023. Excluding Pavilion Bukit Jalil, consumption would be only 94,290,181 kWh, representing a decrease of 14.5% as compared to FY2019.

This decrease is attributed to our ongoing energy efficiency efforts, including:

- **LED light upgrades across malls:** Reducing lighting energy consumption.
- **Green electricity usage:** Increasing reliance on renewable energy sources.
- **Constant energy checks:** Minimizing energy waste through proactive monitoring.

Total Energy Usage	FY2019	FY2021	FY2022	FY2023	Target
<b>Landlord Energy Consumption (kWh)</b>	110,328,076	82,513,538	94,111,270	125,009,245	3% reduction in landlord electricity consumption by 2030 vs FY2019
<b>Green Electricity Usage</b>	-	-	19,272,717	25,888,000	50% renewable electricity by 2040 by all Pavilion REIT assets under operational control

The Manager remains committed to Pavilion REIT's energy management goals. Pavilion REIT will continue to implement innovative solutions and initiatives to reduce its environmental footprint and achieve its target of a 3% reduction in landlord electricity consumption by 2030 as compared to FY2019. Additionally, the Manager is actively pursuing its long-term vision of utilizing 50% renewable electricity across all operational assets by 2040.

## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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### Building Energy Intensity: Measuring Efficiency and Progress

This section delves into the Building Energy Intensity (BEI) of Pavilion REIT's properties, a crucial metric for measuring energy efficiency. BEI is calculated as the total energy consumption per square meter of building floor area per year.

This report covers landlord energy consumption for all six properties under 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, disclosures is also made for electricity sold by Pavilion Kuala Lumpur Mall to Pavilion Hotel and Elite Pavilion 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, we strive for transparency and aim to provide the most comprehensive data possible.

Additionally, for this year's report, The Manager has shifted from using Net Lettable Area (NLA) to Gross Floor Area (GFA) for BEI calculations to ensure greater comparability with industry benchmarks.

Sector	Building Energy Intensity (kWh/m <sup>2</sup> /year)			
	FY2019	FY2021	FY2022	FY2023
Retail	311	230	309	288
Office	83	66	75	100
Overall BEI	297	220	295	282

The changes in BEI for FY2023 can be attributed to two key factors:

- **Inclusion of 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 and Pavilion Tower 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 100 kWh/m<sup>2</sup>/year already meets the Green Building Index (GBI) baseline minimum of 150.
- **Retail:** The current BEI of 288 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.

### WATER MANAGEMENT

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.

## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

cont'd

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 adopted new approaches to optimize water usage and minimize water disruptions within Pavilion REIT. These initiatives include installing rainwater harvesting systems at Pavilion Kuala Lumpur Mall, Pavilion Tower, and Intermark Mall, and installing air handling unit (AHU) condensate water recycling systems at Pavilion Kuala Lumpur Mall and Intermark Mall. The Manager will continue to evaluate the viability of these installations at 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	FY2021	FY2022	FY2023	
Water Consumption (Landlord)	807,408	537,805	699,372	1,055,816	To achieve 2% reduction in landlord water consumption by 2030 compared to FY2019.
Water Consumption (Tenant)	435,215	247,260	358,828	599,750	

The total volume of water used by Pavilion REIT for landlord consumption stands at 1,055,816m<sup>3</sup>, compared to 807,408m<sup>3</sup> in FY2019.

This increase is partly due to the inclusion of Pavilion Bukit Jalil figures, acquired in June 2023. Excluding Pavilion Bukit Jalil, the water usage drops to 763,875m<sup>3</sup>, representing a decrease of 5.4% as compared to FY2019.

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 part of facility by landlord.

#### Water Intensity

	Water Intensity (m <sup>3</sup> /m <sup>2</sup> /year)			
	FY2019	FY2021	FY2022	FY2023
Retail	3.5	2.2	2.9	2.4
Office	1.1	0.5	0.7	0.7
Overall Water Intensity	3.3	2.1	2.8	2.3

Note: water intensity measure changed from NLA to GFA in FY2023, making direct comparisons with previous years less accurate.

Despite the change in measurement and the addition of Pavilion Bukit Jalil and tenant consumption, retail water intensity decreased from 3.5 m<sup>3</sup>/m<sup>2</sup>/year in FY2019 to 2.4 m<sup>3</sup>/m<sup>2</sup>/year in FY2023. Office water intensity also exhibited a positive trend, dropping from 1.1 m<sup>3</sup>/m<sup>2</sup>/year to 0.7 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 2.3 m<sup>3</sup>/m<sup>2</sup>/year in FY2023.

The positive water intensity trends can be attributed to the implementation of sustainability initiatives such as rainwater harvesting and AHU condensate recycling in selected Pavilion REIT's properties.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

cont'd

## Demonstrating Commitment to Water Conservation

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

This table showcases Pavilion REIT's commitment to water conservation by utilizing secondary water sources, contributing to a 5.4% 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 Kuala Lumpur Mall: Collected rainwater used for toilets, loading bay and washing compactor room.
- Pavilion Tower: Recycled rainwater used to top up the cooling tower water.

### AHU Condensate Harvesting

- Pavilion Kuala Lumpur Mall & Elite Pavilion Mall: Condensate used for loading bay and washing compactor room.
- Intermark Mall: Condensate used for washing grease trap and refuse chamber.

### Groundwater Utilization

- Pavilion Kuala Lumpur Mall: Collected groundwater piped to all lifting station rooms for weekly cleaning.

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:

- **AHU condensate water recycling system installation:** Currently underway at DA MEN Mall in FY2024, this system will further reduce its overall water consumption and dependence on freshwater sources.
- **Continuous improvement:** The Manager is constantly reviewing and exploring new water-saving technologies and methods to enhance water management efficiency at all its properties.

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.

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

- **Expanding water-saving initiatives:** The Manager plans to implement similar AHU condensate recycling systems in other properties throughout its portfolio.
- **Exploring alternative water sources:** The Manager is investigating the feasibility of utilizing rainwater harvesting to further diversify its water supply.
- **Promoting water conservation awareness:** The Manager is committed to educating tenants and employees about water conservation practices and encouraging their participation in its initiatives.

The implementation of these initiatives, coupled with a continuous dedication to improvement, serves to solidify the commitment of Pavilion REIT to responsible water management and environmental sustainability.



# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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## WASTE MANAGEMENT

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.

### Waste Disposal Data

Pavilion REIT has consistently reduced its waste generated along with reduction on the waste directed to disposal at all their properties. The Manager plans to increase the waste diverted from landfill, which includes the recycling of food waste.

	Weight of waste (Tonnes)			
	FY2019	FY2021	FY2022	FY2023
<b>Waste generated</b>	5,368.8	2,174.5	4,264.1	5,445.2
<b>Waste directed to disposal</b>	5,172.2	2,095.6	4,098.4	5,198.0
<b>Waste diverted from disposal</b>	196.6	78.9	165.8	247.2

#### Notes:

1. Percentage of reduction is calculated based on the comparison with pre-pandemic position – FY2019 to allow a full set of data which is complete and representative without being affected by COVID-19 pandemic.
2. Waste generated are inclusive of non-hazardous waste (general waste) and hazardous waste (scheduled waste).
3. Waste directed to disposal are disposed to landfill by licensed waste contractor.
4. Data on waste diverted from disposal are extracted from the weight of hazardous waste and non-hazardous waste recovered for re-use and recycling purposes.
5. Data stated in the table above covers across Pavilion Kuala Lumpur Mall, Elite Pavilion Mall and Pavilion Tower
6. To ensure consistency and accurate comparisons, we have transitioned to reporting all waste measurements in tonnes.

Total waste generated by Pavilion Kuala Lumpur Mall, Elite Pavilion Mall and Pavilion Tower reached 5,445.2 tonnes in FY2023. This includes 0.3 tonnes of hazardous waste undergoing other recovery operations and 246.8 tonnes of non-hazardous waste recycled, primarily plastic, paper, and metal.

Diversion efforts yielded positive results, with 247.2 tonnes of waste diverted from landfills in FY2023, a significant increase of 25.8% compared to 196.6 tonnes in FY2019. However, landfilled waste remained relatively stable at 5,198 tonnes, representing a slight increase of 0.5% from 5,172 tonnes in FY2019.

Encouragingly, the overall diversion rate from landfills climbed to 4.5% in FY2023, up from 3.7% in FY2019.

To further accelerate progress, Pavilion REIT is exploring the implementation of food waste recycling composter machines, which can significantly reduce landfill contributions and address a specific waste stream. 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.

## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

cont'd

### Waste Diverted from Disposal

#### Hazardous Waste

	Weight of hazardous waste (tonnes)			
	FY2019	FY2021	FY2022	FY2023
Other recovery operations	1.3	0.3	0.2	0.3

#### Notes:

- The percentage reduction is calculated based on the pre-pandemic year (FY2019) for accurate comparison.
- The data in the table represents hazardous waste from Pavilion Kuala Lumpur Mall, Elite Pavilion Mall and Pavilion Tower.

Pavilion REIT has made significant strides in diverting hazardous waste from landfills. As the above table shows, the weight of hazardous waste undergoing other recovery operations has remained consistent at around 0.3 tonnes over the past three years, despite a slight decrease in FY2021. This indicates a successful shift towards responsible disposal practices for hazardous materials.

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

		Weight of non-hazardous waste (tonnes)			
		FY2019	FY2021	FY2021	FY2023
Recycling	Plastic	1.7	0	0	4.3
	Paper	191.9	77.5	164.6	239.5
	Metal	1.7	1.1	1.0	3.1
<b>Total Waste Recycled</b>		<b>195.3</b>	<b>78.6</b>	<b>165.6</b>	<b>246.9</b>

#### Notes:

- The percentage reduction is calculated based on the pre-pandemic year (FY2019) for accurate comparison.
- The data in the table represents hazardous waste from Pavilion Kuala Lumpur Mall, Elite Pavilion Mall and Pavilion Tower.

Pavilion REIT continues to prioritize non-hazardous waste reduction and recycling across its properties. While the pandemic affected recycling efforts in FY2021, The Manager has since seen a commendable rebound. In FY2023, Pavilion REIT malls recycled 246.9 tonnes of non-hazardous waste, representing a 26.4% increase compared to FY2019. Plastic recycling saw the most significant growth, increasing from zero in FY2021 to 4.3 tonnes in FY2023. Paper and metal recycling also showed positive trends, contributing to the overall success.

This commitment to responsible waste management is evident in the increased diversion of non-hazardous materials from landfills. The Manager is confident that through continuous efforts and innovative solutions, Pavilion REIT will continue to make significant strides toward a more sustainable future.

### Demonstrating Progress in Waste Prevention

	Unit of measurement	FY2019	FY2021	FY2022	FY2023
Waste Prevented	tonnes	196.6	78.9	165.8	247.2
Waste collected and recycled	%	3.7	3.6	3.9	4.5

While Pavilion REIT's focus remains on minimizing waste generation at the source, the Manager also prioritizes diverting existing waste from landfills. Its efforts saw consistent growth in total waste prevented, increasing from 196.6 tonnes in FY2019 to 247.2 tonnes in FY2023, representing a 25.8% rise. This translates to a cumulative improvement in its waste collection and recycling rate, which climbed from 3.7% in FY2019 to 4.5% in FY2023.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

cont'd

## Waste Directed to Disposal

	Weight of waste (Tonnes)			
	FY2019	FY2021	FY2022	FY2023
<b>Dry Waste</b>	547.1	297.9	606.1	500.7
<b>Wet Waste</b>	4,625.1	1,797.7	3,492.3	4,697.4
<b>Waste directed to disposal</b>	5,172.2	2,095.6	4,098.4	5,198.0

While actively reducing waste generation, Pavilion REIT ensures responsible disposal of unavoidable waste through proper channels. While landfilled waste remained relatively stable over the years, fluctuating between 5,000 and 5,200 tonnes, it's important to note the significant shift within this category. The Manager saw a reduction in dry waste sent to landfills, decreasing from 547.1 tonnes in FY2019 to 500.7 tonnes in FY2023. This demonstrates Pavilion REIT's commitment to responsible waste management, even for the waste that remains.

All waste directed to disposal is sent to designated landfills by licensed and authorized contractors, ensuring adherence to environmental regulations and proper handling practices. The Manager believe in minimizing waste generation, besides in ensuring responsible disposal.

## Our Future Plans for Waste Reduction

Pavilion REIT remains committed to minimizing waste generation and maximizing landfill diversion. In line with this commitment, the Manager is currently installing food composting machine in its selected properties, with an estimated launch in early FY2024. This machine will significantly reduce food waste at its malls by transforming it into nutrient-rich compost. Looking ahead, the Manager has also established a clear roadmap for waste diversion progress:



## A : ACCLAIMING TRUSTED BRAND REPUTATION

### BRAND VALUE AND TENANT SATISFACTION



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.

Leveraging innovative marketing campaigns, strategic collaborations, and targeted sponsorships, Pavilion REIT made significant strides in 2023 to increase footfall and tenants sales across its malls. These investments have yielded positive results, solidifying Pavilion REIT's brand value, reputation, and stakeholder trust.

The Manager believes that extensive marketing activities will strengthen Pavilion Malls' positioning as Malaysia's premier shopping destination for fashion, dining, and urban leisure. To date, Pavilion Kuala Lumpur Mall has achieved 53 accolades from both local and international councils or associations. These awards stand as a testament to the mall's dedication to providing an exceptional experience for its shoppers.

Further demonstrating this commitment, DA MEN Mall recently captured the prestigious Best Experiential Marketing Awards 2022-2023 – Platinum Award – Category A, recognizing its captivating "Hundreds of Flourish Drums" campaign. Additionally, the mall secured a place in the Malaysia Book of Records for "The Most Seasonal Drums in a CNY Theme Decoration." Pavilion Bukit Jalil, newly added into Pavilion REIT's portfolio, has already claimed its own share of recognition, where it received the well-deserved Parents Choice Award 2023: Best Shopping Mall for Families.



# A : ACCLAIMING TRUSTED BRAND REPUTATION

cont'd

## Our Initiatives In Promoting Tourism And Community Development



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 BBKLCC 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.

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.

Pavilion Kuala Lumpur Mall hosted several notable events throughout the year, strengthening its position as a center for community engagement and cultural celebration. The prestigious Oscars 2023 viewing party honored Tan Sri Michelle Yeoh’s achievements, attracting dignitaries and media. The “Raya Togetherness” campaign showcased traditional and modern Raya art, while the “Michelle Yeoh: The Pride of Malaysia - Homecoming Public Fan Meet” drew over 5,000 fans to celebrate her historic Oscar win. Additionally, the Tesla Model Y SUV launch marked a first-ever collaboration, solidifying Pavilion Kuala Lumpur Mall’s commitment to innovation. These diverse events garnered positive publicity, fostered community spirit, and solidified Pavilion KL’s reputation as a destination for celebrating Malaysian success and innovation. Finally, its “Pavilion Loves Sustainability” initiative demonstrated Pavilion REIT’s dedication to ESG principles through partnerships, tenant participation, and community engagement.



## A : ACCLAIMING TRUSTED BRAND REPUTATION

cont'd

Pavilion REIT's dedication to community engagement is evident in its malls, each embodying a unique spirit and fostering distinct relationships. Intermark Mall, for instance, embraces its diverse clientele with vibrant festive celebrations like Qi Pao Dance by Taylor's International School with Chinese Drum, Merdeka Workshop including Fan and Batik Painting and Deepavali Ghee Ball making workshops, fostering a sense of belonging among expats and working professionals.

DA MEN Mall being a community-friendly mall in the heart of Subang engages its shopper profile by driving holistic and inclusive marketing activities in collaboration with the local council, educational institutions in the vicinity and various NGOs in the community to drive purposeful and loyal footfall. Their recent "Rentak Irama Raya" celebration, showcasing traditional Malay culture through kompang drum performances and Raya crafts workshops, is a testament to their commitment to cultural exchange.

Pavilion Bukit Jalil continues to innovate, partnering with Warner Bros. for a "Joyful Reunion" featuring iconic Looney Tunes characters. This playful partnership, adorned with student-created "108 DIYA Light Art," showcased cultural significance and artistic expression. Moreover, their international armwrestling tournament, raising funds for children with Down Syndrome, exemplifies their dedication to social responsibility.

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 tenant satisfaction survey, detailed in Section 4.3, is a testament to Pavilion REIT's commitment to continuously improving and aligning with the needs of our stakeholders.

# C : CARING FOR LOCAL COMMUNITY

## COMMUNITY ENGAGEMENT

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.

### Engaging with our local communities

Throughout FY2023, 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 our commitment to social responsibility, Pavilion REIT invested approximately RM0.2 million in community investments in FY2023, addressing important areas like arts & culture, education & young people, environment, health, and social welfare. Pavilion REIT malls hosted a variety of community initiatives, including:

### Arts & Culture



Property	Initiative	Details	Outcome	Target Group
DA MEN Mall	SEDAR Autism Prosperity Rabbit Art Exhibition	To showcase the creative talents of individuals with autism, raise awareness about autism spectrum disorders, promote inclusion and acceptance, and provide a platform for these artists to achieve recognition and prosperity through their artwork.	<ul style="list-style-type: none"> <li>• 10 artists participated</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> </ul>
DA MEN Mall	UITM with National Autism Society of Malaysia. The Art of Autism + Autism Awareness	Art display, FREE early autism screening, sharing sessions from guest speakers, Special performances, Autism product innovations presentation, Sales booth from autism entrepreneurs	<ul style="list-style-type: none"> <li>• 30 autism artists participated</li> <li>• 200 guests attended</li> <li>• 60 pieces art displayed</li> <li>• 20 pieces art sold</li> <li>• Raised RM8,000</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• UiTM</li> <li>• National Autism Society of Malaysia</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

cont'd

Property	Initiative	Details	Outcome	Target Group
Pavilion Bukit Jalil	500-metre long Tie Dye Batik Dress by UCSI for Merdeka	Celebrate Malaysia's 66th National Day through a creative fashion art installation, and inspire positivity, solidarity, and unity in the community with a message of hope and togetherness including Charity Drive for Tong Sim Senior Citizens Care Centre	<p>RM2,500 raised from 100m fabric sold at booth at Pavilion KL for the duration of Pavilion Loves Sustainability launch.</p> <p>Pavilion Bukit Jalil supported further by purchasing the remaining 400m fabric at RM25.00 per/m, bringing the total amount raised to RM12,500</p>	<ul style="list-style-type: none"> <li>Local community</li> <li>Tong Sim Senior Citizen's Care Centre</li> </ul>

### Education & Young People

Property	Initiative	Details	Outcome	Target Group
DA MEN Mall	STEM Fest 2023	To inspire, educate, and engage participants in the world of science, technology, engineering, and mathematics, with a focus on promoting diversity, innovation, and lifelong learning in these crucial fields.	<ul style="list-style-type: none"> <li>30 corporate booth participants including MRANTI</li> <li>1200 guests</li> <li>Drone competition, science shows, Diorama miniature STEM project, Programming and coding workshops</li> <li>Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Local community</li> <li>Students</li> <li>STEM 4 All Makerspace and Malaysian Association of Creativity &amp; Innovation (MACRI)</li> </ul>
DA MEN Mall	Movie Screening for Orphanage	To provide an enjoyable and memorable experience for the orphaned children by offering them the opportunity to watch a film, fostering a sense of community and happiness while creating a positive and supportive environment for their well-being.	<ul style="list-style-type: none"> <li>130 orphans ages 6 - 18 attended</li> <li>Free movie 'Elements' cartoon viewing</li> <li>150 pack lunch for orphans and volunteers</li> </ul>	<ul style="list-style-type: none"> <li>Local community</li> <li>Children and Youth</li> </ul>
DA MEN Mall	Katapult Robotics Workshop	To learn the types of robots and market opportunities, learn about the components of a mobile robots, learn to assemble a mobile robot and program a mobile robot	30 participants signed up	Local community



# C : CARING FOR LOCAL COMMUNITY

cont'd

Environment



Property	Initiative	Details	Outcome	Target Group
Pavilion Kuala Lumpur Mall	Pavilion Loves Sustainability	The “Pavilion Loves Sustainability” campaign, launched on 30 August 2023, aimed to raise awareness among public and employees about sustainability through various activities and initiatives. These included encouraging individuals to actively participate in plastic bottle recycling at Spritzer’s pop-up at Connection in Pavilion Kuala Lumpur Mall. The campaign also featured a number of sustainable activities and presentations by tenants and partners such as WWF Malaysia, Lush, and The Body Shop.	<ul style="list-style-type: none"> <li>• The collaboration with Spritzer allows Pavilion Kuala Lumpur Mall to reach out:</li> <li>• 28,800 shoppers</li> <li>• 1,493 shoppers participated in recycling</li> <li>• 13,814 total number of plastic bottles collected</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• Shoppers</li> <li>• Tenants</li> <li>• Employees</li> </ul>
DA MEN Mall	W W F Fundraising and Awareness	WWF’s fundraising and awareness objectives encompass securing financial sustainability, engaging donors and the public, advocating for policies, and demonstrating measurable impact to protect biodiversity and natural resources.	<ul style="list-style-type: none"> <li>• Raised RM 1100</li> <li>• Educated 300 peoples endangered wildlife</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• Shoppers</li> <li>• Tenants</li> </ul>

# C : CARING FOR LOCAL COMMUNITY

cont'd

## Health



Property	Initiative	Details	Outcome	Target Group
DA MEN Mall	15KM Cycling for Mental Health by Pusat Wanita Berdaya and ADUN Subang Jaya	To raise awareness about mental health issues, promoting physical activity as a means to improve mental well-being, reducing stigma associated with mental health	<ul style="list-style-type: none"> <li>• 100 cyclists attended</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• Pusat Wanita Berdaya and ADUN Subang Jaya</li> </ul>
DA MEN Mall	Lions Club of KL North Blood Donation	To contribute to the community's well-being by organizing regular blood donation drives to ensure a steady and sufficient supply of blood for medical emergencies and treatments, ultimately saving lives and promoting health awareness.	<ul style="list-style-type: none"> <li>• 69 Blood bags collected</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• National Blood Centre</li> </ul>
DA MEN Mall	Malaysia Timber Industry Club & Sendora (Blood Donation)	To encourage members of the timber industry and the community at large to donate blood, thereby contributing to the local blood supply and ultimately saving lives while fostering a sense of corporate social responsibility within the industry.	<ul style="list-style-type: none"> <li>• 107 turned up to donate blood</li> <li>• 70 Blood bags collected</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• Malaysia Timber Insutry Club &amp; Sendora</li> </ul>
DA MEN Mall	National Kidney Foundation Campaign	To raise awareness about kidney health, prevention of kidney disease, and the importance of organ donation while also fundraising to support kidney disease research, patient care, and advocacy efforts	<ul style="list-style-type: none"> <li>• Raised RM700</li> <li>• Approached 90 people</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local Community</li> <li>• National Kidney Foundation</li> </ul>
Intermark Mall	Power of Red, Power of Life Blood Donation Campaign	To create awareness and drive blood donation from the public	<ul style="list-style-type: none"> <li>• 206 registered donors</li> <li>• 153 packs of donated blood</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local Community</li> <li>• National Blood Bank</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

cont'd

Property	Initiative	Details	Outcome	Target Group
Pavilion Bukit Jalil	Healthy Body Happy Soul - Blood Donation Campaign	Raising awareness of the necessity of safe transfusion of blood and its components, and imparting knowledge regarding the importance of unpaid, voluntary blood donation.	<ul style="list-style-type: none"> <li>• Venue Sponsorship</li> <li>• 200 pint of blood donated</li> </ul>	<ul style="list-style-type: none"> <li>• Local Community</li> <li>• National Blood Bank</li> <li>• Life Line Association Malaysia</li> <li>• Persatuan Penganut Agama Buddha Shan Dao Malaysia, Lions Club of Selangor Unique</li> </ul>
	Be A Blood Hero 2.0		<ul style="list-style-type: none"> <li>• 211 pint of blood donated</li> </ul>	
	Blood Donation by Life Line Associates		<ul style="list-style-type: none"> <li>• 162 pint of blood donated</li> </ul>	
	KWANGSI Care Helath Carnival		<ul style="list-style-type: none"> <li>• 100 pint of blood donated</li> </ul>	
	Donate Blood Save Soul by WEREG WE Real Estate Group		<ul style="list-style-type: none"> <li>• 54 pint of blood donated</li> </ul>	
	Blood Donation Campaign by Life Line Association Malaysia		<ul style="list-style-type: none"> <li>• 50 pint of blood donated</li> </ul>	
	Health Carnival and Blood Donation		<ul style="list-style-type: none"> <li>• 110 pint of blood donated</li> </ul>	
	SENHENG Blood Donation		<ul style="list-style-type: none"> <li>• 77 pint of blood donated</li> </ul>	
	Bispoint Group of Account Blood Donation		<ul style="list-style-type: none"> <li>• 49 pint of blood donated</li> </ul>	
	BUC Leo Club Blood Donation		<ul style="list-style-type: none"> <li>• 81 pint of blood donated</li> </ul>	
Pavilion Kuala Lumpur Mall	Pink October – Partnership with EL&N London	<p>Breast Cancer Awareness campaign – A first time Collaboration and partnership with Malaysia Most Instagramable café, EL&amp;N London to create a special curated diamond cut pink heart shape cake and EL&amp;N signature Spanish Rose Latte set at RM100 each.</p> <p>All proceeds will be donated to the Breast Cancer Welfare Association.</p>	<ul style="list-style-type: none"> <li>• Raised RM12,888</li> </ul>	<ul style="list-style-type: none"> <li>• Shopper</li> <li>• Local Community</li> <li>• Breast Cancer Welfare Association</li> </ul>

# C : CARING FOR LOCAL COMMUNITY

cont'd

## Social Welfare



Property	Initiative	Details	Outcome	Target Group
DA MEN Mall	Rumah Kids Treasure Hunt	A fund-raising treasure hunt for orphaned, the abused, abandoned, and neglected children.	<ul style="list-style-type: none"> <li>• Raised RM45,000</li> <li>• 200 Attendees</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• Persatuan Rumah K.I.D.S</li> </ul>
DA MEN Mall	Extending Gratitude to Our Cleaning Services and Security Frontliners	To express appreciation and recognition for the dedicated efforts and contributions of cleaning services and security personnel. The event aims to highlight the importance of their roles in maintaining a safe and clean environment, while also fostering a sense of gratitude and acknowledgment for their frontline work.	<ul style="list-style-type: none"> <li>• 42 goodie bags consisting of packed lunch and Dadi movie tickets to the frontliners.</li> <li>• Goodie bag that consists of 2 Dadi movie tickets, 3 RM10 food court vouchers, and 1 packet of Nasi Kandar with fried chicken.</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• Cleaning and Security Frontliners</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

cont'd

Property	Initiative	Details	Outcome	Target Group
DA MEN Mall	MBSJ singing competition	To cultivate a vibrant and enjoyable workplace culture, fostering an environment where MBSJ's employees can express themselves creatively and experience moments of joy and camaraderie. Additionally, the competition serves as a platform for staff to showcase their talents, thereby promoting a sense of recognition and appreciation within the organization	<ul style="list-style-type: none"> <li>• 200 attendees from municipal councils in Selangor</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local community</li> <li>• MBSJ</li> </ul>
DA MEN Mall	MBSJ Hari Terbuka Sempena Raya Aidilfitri	Raya Buka Puasa for B40 - to foster community solidarity, provide social support, and promote inclusivity by offering a cost-free iftar meal during the Ramadan season.	<ul style="list-style-type: none"> <li>• 2000 multi-ethnic attendees</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Local Community</li> </ul>
Intermark Mall	CNY Senses of Prosperity	Hosted CNY open house for senior citizens from Rumah Kasih	<ul style="list-style-type: none"> <li>• CNY celebration for old folks home residents with lion dance, children performance and angpao</li> <li>• 20 people with free hair cuts</li> <li>• 20 sets of goodie bags</li> <li>• 20 sets of CNY luncheon</li> <li>• Handicraft workshop</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Rumah Kasih</li> </ul>
Intermark Mall	Weaving Raya	Hosted Raya Buka Puasa dinner for orphans and underprivilege children from Rumah Anak-Anak Yatim Dan Asnaf Qaseh Ibu.	<ul style="list-style-type: none"> <li>• Buka puasa dinner for the children</li> <li>• 20pax of free hair cuts</li> <li>• 60 sets of goodie bags</li> <li>• 20 sets of buffet dinner</li> <li>• Handicraft workshop</li> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Rumah Anak-Anak Yatim Dan Asnaf Qaseh Ibu</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

cont'd

Property	Initiative	Details	Outcome	Target Group
Intermark Mall	Sehati Sejiwa Merdeka Campaign	<p>To celebrate the spirit of Malaysia with a heritage product through a local brand.</p> <p>To create awareness to reduce the usage of plastic foodware.</p> <p>To create awareness and opportunity for the deaf and mute artist.</p>	<ul style="list-style-type: none"> <li>The mute and deaf artist was able to sell her artwork to purchase new painting materials.</li> </ul>	<ul style="list-style-type: none"> <li>Tiffins Jeiwa</li> <li>Nur Amiratul Farahin Ab Rahman</li> <li>Local Community</li> </ul>
Intermark Mall	Book Your Christmas Campaign	To create awareness of the importance of literacy and reduce wastage of books for the environment.	<ul style="list-style-type: none"> <li>620 books were donated by shoppers.</li> <li>Books donated by Tsutaya Bookstore worth RM10,000.</li> <li>RM10,000 cash donation to Rumah Hope (RM5,000 each from Intermark Mall and Tsutaya Bookstore)</li> </ul>	<ul style="list-style-type: none"> <li>Shoppers</li> <li>Local Community</li> <li>Rumah Hope</li> </ul>
Pavilion Bukit Jalil	Make A Wish (KID) Come True	To put a smile to children's outlook given the hardships from undergoing extensive treatments at a young age	<ul style="list-style-type: none"> <li>Gifts for 4 children including tickets to Blue Ice Snow Park and Lunch at Madam Kwan's</li> </ul>	<ul style="list-style-type: none"> <li>Make A Wish Malaysia</li> </ul>
Pavilion Bukit Jalil	'Dream Come True' Charity Art Exhibition	Art Exhibition to raise funds for charity	<ul style="list-style-type: none"> <li>RM 170,000 collected</li> <li>The Malaysia Book Records award for The Most Donors in a Children Charity Art Exhibition (4,280 donors)</li> </ul>	<ul style="list-style-type: none"> <li>Shoppers</li> <li>Local Community</li> <li>15 children's homes, uplifting indigenous children in Perak, and strengthening the monthly charity fund of the Women's Division</li> </ul>
Pavilion Bukit Jalil	Pesta Mid-Autumn 2023 CSR Activity & Lantern Parade	<p>Mid-Autumn Celebration with Padmasambhava Children Home, Hiichikok Children Home, Persatuan Kebajikan Kanak kanak Istimewa Insan, Rumah Charis, Spring Single Mother Association, Jing Sun Children Welfare Home, Rainbow Home</p> <p>To encourage, support and provide an environment for local entrepreneurs to showcase their products</p>	<ul style="list-style-type: none"> <li>Mid - Autumn celebration for orphans</li> <li>300 sets of goodie bags</li> <li>Lantern-making workshop</li> <li>Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Shoppers</li> <li>Local Community</li> <li>200 Invited Orphans</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

cont'd

Property	Initiative	Details	Outcome	Target Group
Pavilion Kuala Lumpur Mall	Chinese New Year 2023 - Support Underprivilege	Giving back Abundance of Prosperity to the Orphanage community by organizing a day out at Pavilion KL, lunch and movie treat at Dadi Cinema	<ul style="list-style-type: none"> <li>• 77 beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Shelter Home (Petaling Jaya)</li> <li>• House of Joy (Puchong)</li> </ul>
Pavilion Kuala Lumpur Mall	Lion-Parkson Foundation - Fund-Raising Drive	The Grand Gala concert aims to raise fund for the Lion-Parkson Foundation, which was set up by the Lion Group of Companies with funds contributed by the Group's operating companies and business associates during their fund-raising drives, such as welfare homes, orphanages, schools, hospitals, disaster funds and community projects.	<ul style="list-style-type: none"> <li>• Venue Sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>• Lion-Parkson Foundation</li> </ul>
Pavilion Kuala Lumpur Mall	Y a y a s a n Tuanku Nur Z a h i r a h - Support Underprivilege	Donation to single mother for the purpose of "Improving Lives through Heritage". This is for supporting weavers including single mothers, and creating more opportunities for the local art who are living below the poverty line.	<ul style="list-style-type: none"> <li>• Donation of RM20,000</li> <li>• 100 beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Underprivilege single mother in Terengganu, Perak.</li> </ul>

# T : TRANSFORMING TALENT MANAGEMENT

## TALENT ATTRACTION AND RETENTION

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 92.0% 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
Pre-employment health screening
Employee Health Screening
COVID-19 Care Kit
Sports and recreational activities
Company trip
Festive gatherings/dinners
Meal allowance
<ul style="list-style-type: none"> <li>• Annual leave</li> <li>• Maternity leave</li> <li>• Paternity leave</li> <li>• Medical/Hospitalization leave</li> <li>• Compassionate leave</li> <li>• Marriage leave</li> <li>• Examination leave</li> </ul>



# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## Improving Our Benefits

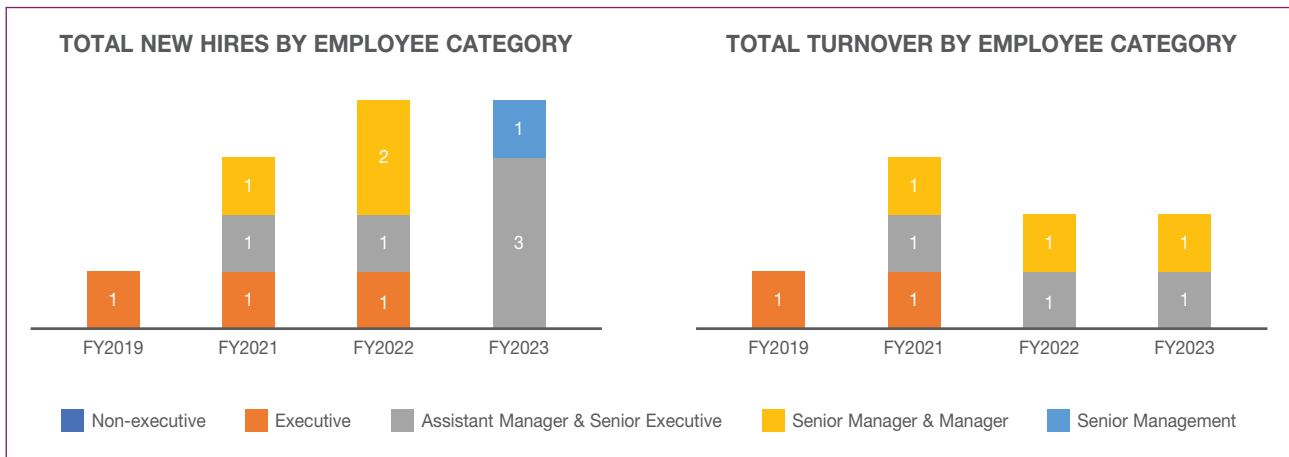
The Manager is proactively reviewing salary structures, employee benefits and company best practices against industry peers. There has been a proposal to increase the salaries of entry-level position, review the salaries of employees with a particular focus on non-executives and senior executives and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



## Employee Retention and Attrition

### Employee New Hires and Turnover



	2019	2021	2022	2023
New hire rates (%)	3.7	12.5	16.7	15.4
Turnover rates (%)	3.7	12.5	8.3	7.7
Employee retention rate (%)	96.3	88.0	91.7	92.0

In 2023, Pavilion REIT continued its commitment to fostering a thriving and engaged workforce. While strategically scaling back recruitment compared to 2021’s peak, the Manager maintained a steady influx of new talent with a 15.4% new hire rate. This focus on quality recruitment, coupled with effective retention strategies, resulted in a sustained decline in turnover rates to 7.7%. Consequently, employee retention climbed to 92.0%. This dedication to its people positions Pavilion REIT for continued success in attracting and retaining top talent, driving long-term value for its stakeholders.

# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## Parental Leave

### GRI 401-3

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

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:

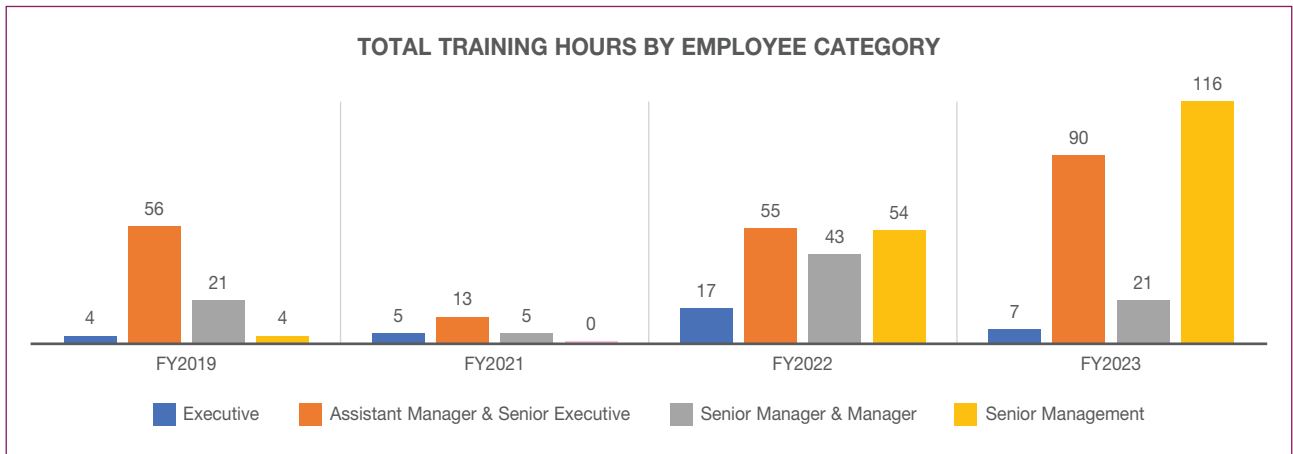
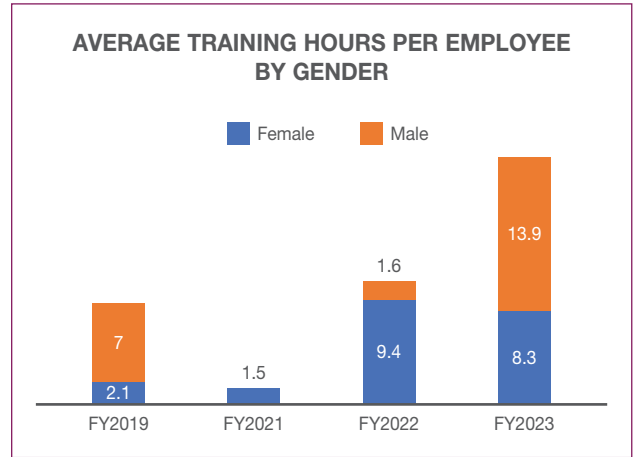
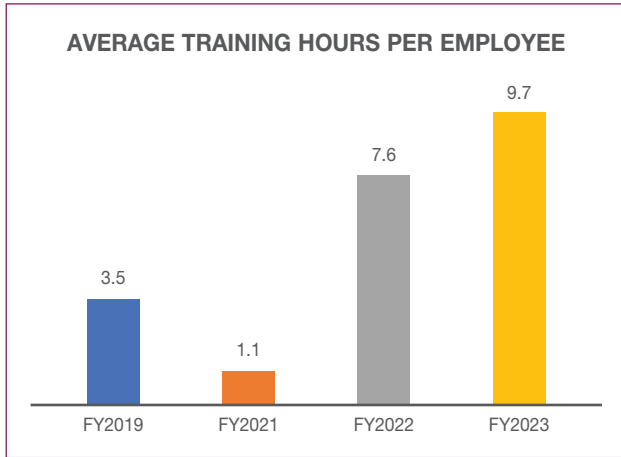
# TRAININGS

Preparation of the 2022 Employers Return Form E	REINVENTING SHOPPING MALLS - The Paradigm Shift
HASiL-MEF Tax Seminar 2023 Towards Sustainable Recovery	Bomb Threat
Emergency First Aid, CPR and AED	Best Practices for Managing Staff Performance, Attitudinal Issues and Major Misconducts
Anti - Bribery And Corruption Refresher Training	MIA WEBINAR SERIES: Valuation on Mergers and Acquisitions
Cybersecurity Training	Mastering Year End Reporting and Budget 2024 Tax Insights Affecting the Employer and Employee
Counter Terrorism	HR2000 System Refresher Training
Public Liability Insurance	Anti-Bribery and Corruption Policies
Employer's Responsibilities in Managing Immigration and Expatriate Tax Compliance in Malaysia	Orientation (For New Joiners)

# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## Training and Education Data



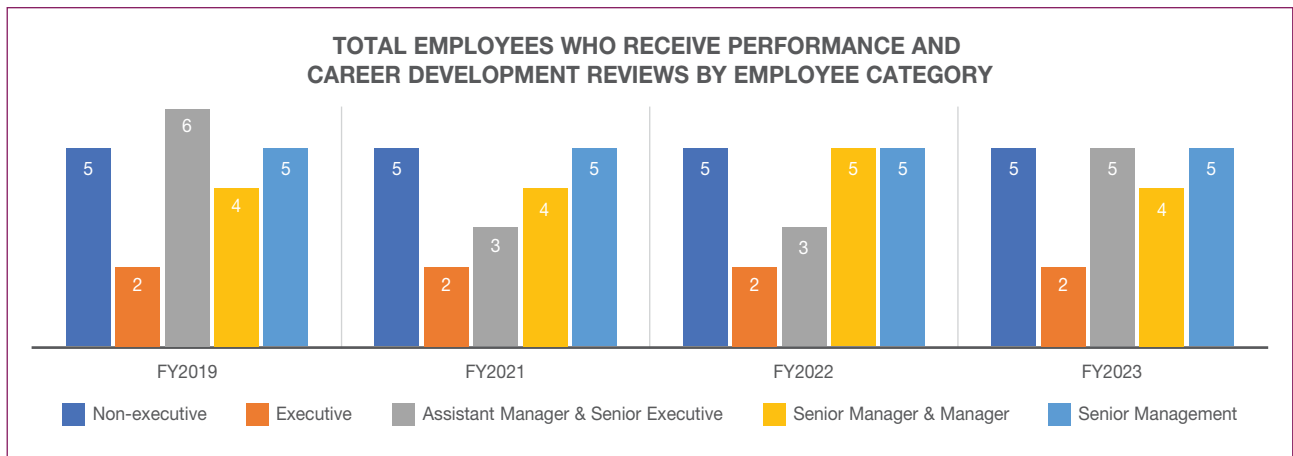
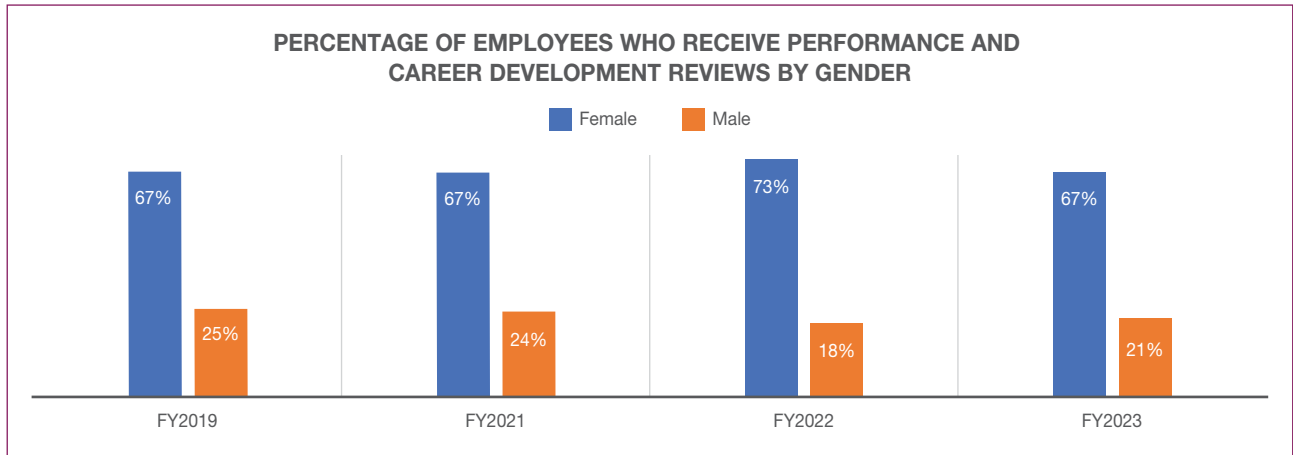
In 2023, 234 hours was spent on training, recorded an increase of 38.2% in total training hours compared to previous financial year.

# T : TRANSFORMING TALENT MANAGEMENT

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## 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.



The Manager plans to increase the number of Learning & Development programmes and to focus on development of new skills acquisition programmes for all employees.

**Short term plan**  
 (1 - 2 years)

- Learning and development programmes for enhancement of employees' performances
- Support employees' career growth and progression

**Medium term plan**  
 (2 - 5 years)

- Focus on new development and new skills acquisition programmes

# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## DIVERSITY AND EQUAL OPPORTUNITY

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 2022 which increases the new minimum wage to RM1,500 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 consists of a total of seven (7) men and four (4) women. The percentage of women board member is at 36%, which is above the recommendations of the MCCG which states that the board members should comprise at least 30% women.

Board Diversity by Gender (%)	FY2019	FY2021	FY2022	FY2023
Male	83%	83%	67%	64%
Female	17%	17%	33%	36%

Board Diversity by Age (%)	FY2019	FY2021	FY2022	FY2023
<30	8%	0%	0%	0%
30-39	17%	17%	17%	18%
40-50	8%	17%	25%	18%
>50	67%	67%	58%	64%

# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## 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 24 in 2023

Gender Diversity - Employees (%)	FY2019	FY2021	FY2022	FY2023
Male	29%	29%	23%	25%
Female	71%	71%	77%	75%

Age Diversity - Employees (%)	FY2019	FY2021	FY2022	FY2023
<30	4%	5%	9%	12%
30-39	25%	24%	18%	17%
40-50	42%	33%	32%	29%
>50	29%	38%	41%	42%

Ethnic Diversity (%)	FY2019	FY2021	FY2022	FY2023
Malay	17%	19%	18%	17%
Chinese	83%	81%	82%	83%
Indian	-	-	-	-
Others	-	-	-	-

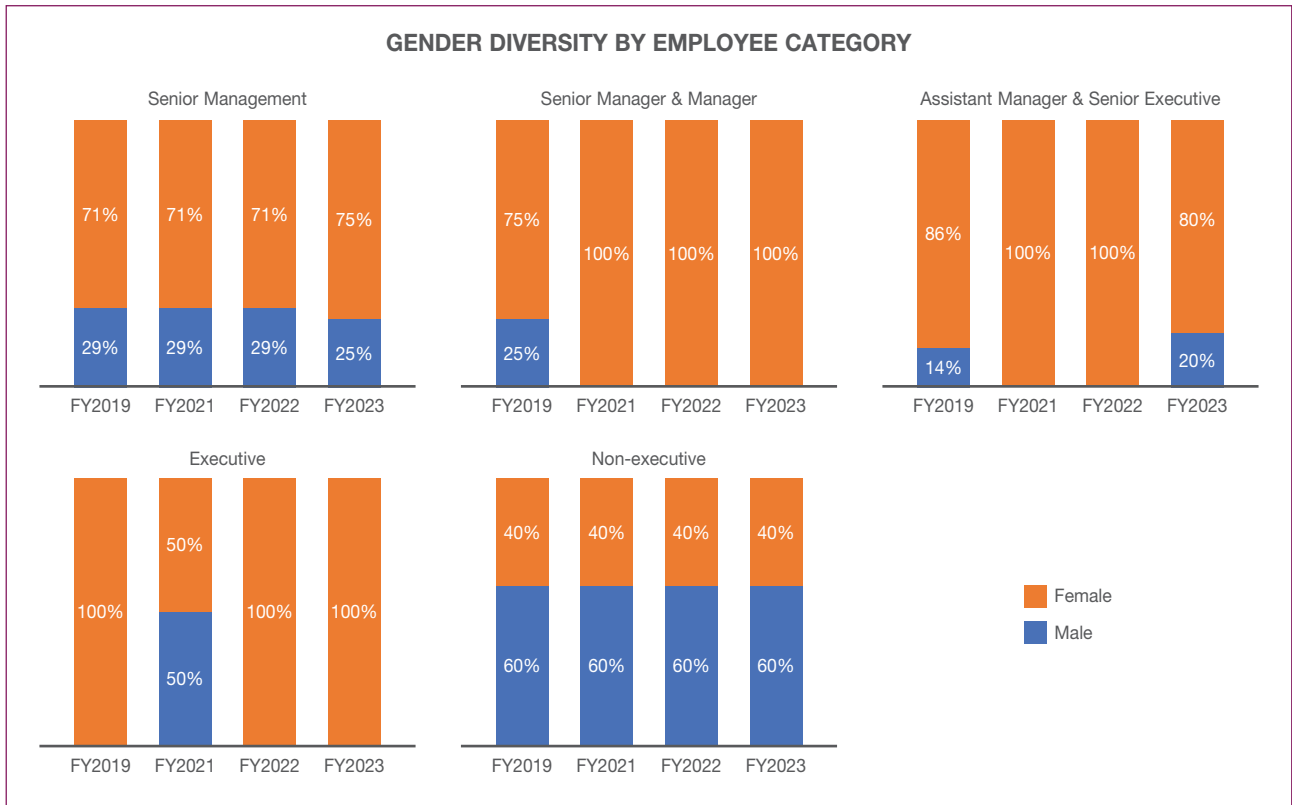
### Employee Composition

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

# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## Gender Diversity by Employee Category



## Age Diversity by Employee Category



# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## HUMAN RIGHTS MANAGEMENT

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.

	FY2021	FY2022	FY2023
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 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; and
- (g) protection of the rights of children.

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>.



# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## HEALTH AND SAFETY

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.

Pavilion REIT’s Environmental, Safety and Health (EHS) policy governs the safe conduct when carrying out business activities across all of its properties to prevent any possible incident or injury from occurring during the business activities. The EHS policy comprises of prevention and continuous improvement measures as well as the duties of employees to ensure all employees adhere to the occupational health and safety (OHS) requirements at work.

This year, the Safety & Health Committee meetings and the bi-weekly Operations meetings included discussion of occupational safety & health matters to improve current efforts. The Manager also held quarterly meetings to discuss and review potential risks and their ratings under the ERM process.

### Annual 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 this 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.

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:

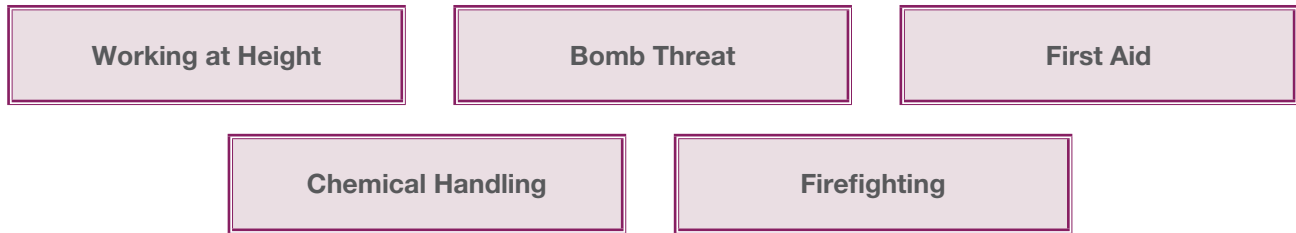
- SOPs**
  - Review and update when required to keep updated on the current operations requirements
- Training**
  - Plan and conduct annual training programmes for non-employees to ensure they are updated and well trained to attend and handle any situation

# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## 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.



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.

## Health and safety training

In 2023, a total of 111 participants were given trainings on health and safety standards.

Number of employees trained on health and safety standards	FY2021	FY2022	FY2023
-> Employees	0	2	5
-> Non-employees <sup>(1)</sup>	0	128	106
<b>Total</b>	<b>0</b>	<b>130</b>	<b>111</b>

### Note:

(1) Non-employees refer to Kuala Lumpur Pavilion Sdn Bhd’s staff stationed in Pavilion Kuala Lumpur Mall and Elite Pavilion Mall.

## Health and Safety Data

	FY2021		FY2022		FY2023	
	Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
Total Hours Worked	44,512	663,104	46,592	657,280	50,752	591,136
Number of Fatalities	0	0	0	0	0	0
Number of Lost Time Injuries	0	1	0	0	0	2
Lost Time Incident Rate (“LTIR”) <sup>(1)</sup>	0	0.30	0	0	0	0.68
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.

# T : TRANSFORMING TALENT MANAGEMENT

cont'd

## **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 FY2023.

However, in FY2023, there were two incidents of lost-time injuries involving non-employees. These incidents included a fall from height and hand injuries due to the affected persons' oversight. Preventive measures were implemented, including reinforcement of safety and compliance procedures with more regular training and briefing.

Moving forward, the Manager plans to continue pre-pandemic efforts such as training staff on OHS procedures and training tenants on the use of fire extinguisher to reduce any potential 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

### EESG Performance Indicators

#### Climate Change and Energy Management

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>Scope 1 GHG Emission</b>					
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> eq/MWh				9
Elite Pavilion Mall					5
Pavilion Tower					22
Intermark Mall					0
DA MEN Mall					-
Pavilion Bukit Jalil					0
<b>Total</b>					<b>36</b>

<b>Scope 2 GHG Emission</b>					
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> eq/MWh	53,584	40,887	45,595	44,755
Elite Pavilion Mall		11,146	6,878	8,485	9,250
Pavilion Tower		1,417	1,123	1,280	1,249
Intermark Mall		8,040	7,161	7,638	6,971
DA MEN Mall		9,441	6,495	8,338	9,247
Pavilion Bukit Jalil		-	-	-	23,285
<b>Total</b>		<b>83,628</b>	<b>62,544</b>	<b>71,336</b>	<b>94,757<sup>(1)</sup></b>

Note: (1) The GHG emission data for Scope 2 in FY2023 has been assured externally by KPMG.

<b>Scope 3 GHG Emission</b>					
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> eq/MWh				37,802
Elite Pavilion Mall					
Pavilion Tower					465
Intermark Mall					
DA MEN Mall					
Pavilion Bukit Jalil					
<b>Total</b>					<b>38,267<sup>(1)</sup></b>

Note:

(1) The GHG emission data for Scope 3 of Pavilion Kuala Lumpur Mall (including Pavilion Hotel, Pavilion Suite and Elite Pavilion Mall) and Pavilion Tower has been assured externally by KPMG. The Manager only disclosed data for properties where Pavilion REIT is the direct electricity supplier. Pavilion REIT's Scope 3 GHG emission refers to generation of electricity that is purchased and then resold to end users.

<b>GHG Intensity (Scope 1 &amp; 2)</b>					
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> eq/sqm	0.26	0.20	0.21	0.20
Elite Pavilion Mall		0.26	0.16	0.20	0.23
Pavilion Tower		0.06	0.05	0.06	0.06
Intermark Mall		0.26	0.23	0.24	0.22
DA MEN Mall		0.14	0.10	0.12	0.14
Pavilion Bukit Jalil		-	-	-	0.07
<b>Total</b>		<b>0.98</b>	<b>0.74</b>	<b>0.83</b>	<b>0.92</b>

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

cont'd

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>GHG Intensity (Scope 3)</b>					
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> eq/sqm				0.17
Elite Pavilion Mall					
Pavilion Tower					0.02
Intermark Mall					
DA MEN Mall					
Pavilion Bukit Jalil					
<b>Total</b>					

<b>Energy Consumption (Landlord)</b>					
Pavilion Kuala Lumpur Mall	kWh	70,691,732	53,941,271	60,152,226	59,043,173
Elite Pavilion Mall		14,704,134	9,073,441	11,194,093	12,202,799
Pavilion Tower		1,869,281	1,481,472	1,688,618	1,647,964
Intermark Mall		10,607,385	9,447,435	10,076,841	9,197,162
DA MEN Mall		12,455,544	8,568,919	10,999,492	12,199,083
Pavilion Bukit Jalil		-	-	-	30,719,065
<b>Total</b>			<b>110,328,076</b>	<b>82,512,538</b>	<b>94,111,270</b>

<b>Energy Consumption (Tenants and Consumers)</b>					
Pavilion Kuala Lumpur Mall	kWh				49,870,470
Elite Pavilion Mall					
Pavilion Tower					613,772
Intermark Mall					
DA MEN Mall					
Pavilion Bukit Jalil					
<b>Total</b>					

<b>Energy Consumption (Green Electricity)</b>					
Pavilion Kuala Lumpur Mall	kWh			19,272,717	25,068,000
Pavilion Tower					
Intermark Mall					820,000
DA MEN Mall					
Pavilion Bukit Jalil					
<b>Total</b>				<b>19,272,717</b>	<b>25,888,000</b>

<b>Building Energy Intensity</b>					
<b>Retail</b>	kWh/m <sup>2</sup> /year	<b>311</b>	<b>230</b>	<b>309</b>	<b>288</b>
Pavilion Kuala Lumpur Mall		338	258	363	612
Elite Pavilion Mall		341	210	259	308
Intermark Mall		338	301	321	320
DA MEN Mall		190	126	162	179
Pavilion Bukit Jalil		-	-	-	92
<b>Office</b>			<b>83</b>	<b>66</b>	<b>75</b>
Pavilion Tower		83	66	75	100
<b>Overall Energy Intensity</b>		<b>297</b>	<b>220</b>	<b>295</b>	<b>282</b>

# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators  
cont'd

## Water Management

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>Water Consumption (Landlord)</b>					
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	529,388	344,928	462,686	508,442
Elite Pavilion Mall		123,114	62,505	89,909	104,180
Pavilion Tower		24,502	10,884	14,991	16,583
Intermark Mall		46,167	45,150	56,819	59,011
DA MEN Mall		84,237	74,238	74,967	75,659
Pavilion Bukit Jalil		-	-	-	291,941
<b>Total</b>			<b>807,408</b>	<b>537,705</b>	<b>699,372</b>

<b>Water Consumption (Tenants)</b>					
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	252,037	137,020	208,516	292,694
Elite Pavilion Mall		65,028	37,902	60,027	72,407
Pavilion Tower					
Intermark Mall		68,227	42,287	52,400	54,637
DA MEN Mall		49,923	30,051	37,885	37,507
Pavilion Bukit Jalil		-	-	-	142,505
<b>Total</b>			<b>435,215</b>	<b>247,260</b>	<b>358,828</b>

<b>SECONDARY SOURCE</b>					
<b>Water Withdrawn from Fresh Water – Rain Water Harvesting</b>					
Pavilion Kuala Lumpur Mall	m <sup>3</sup>				139
Elite Pavilion Mall					
Pavilion Tower					87
Intermark Mall					
DA MEN Mall					
Pavilion Bukit Jalil					
<b>Total</b>					

<b>Recycled/Reused Water – Condensate Harvesting</b>					
Pavilion Kuala Lumpur Mall	m <sup>3</sup>				2,320
Elite Pavilion Mall					458
Pavilion Tower					
Intermark Mall					134
DA MEN Mall					
Pavilion Bukit Jalil					
<b>Total</b>					

<b>Water Withdrawn from Groundwater</b>					
Pavilion Kuala Lumpur Mall	m <sup>3</sup>				165
Elite Pavilion Mall					
Pavilion Tower					
Intermark Mall					
DA MEN Mall					
Pavilion Bukit Jalil					
<b>Total</b>					

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

cont'd

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>Water Use Intensity</b>					
<b>Retail</b>	m <sup>3</sup> /m <sup>2</sup> /year	<b>3.5</b>	<b>2.2</b>	<b>2.9</b>	<b>2.4</b>
Pavilion Kuala Lumpur Mall		3.7	2.3	3.1	3.7
Elite Pavilion Mall		4.4	2.3	3.5	4.5
Intermark Mall		3.6	2.8	3.5	3.6
DA MEN Mall		2.0	1.5	1.7	1.7
Pavilion Bukit Jalil		-	-	-	1.3
<b>Office</b>		<b>1.1</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>
Pavilion Tower		1.1	0.5	0.7	0.7
<b>Overall Water Use Intensity</b>		<b>3.3</b>	<b>2.1</b>	<b>2.8</b>	<b>2.3</b>

### Waste Management

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>Waste Management</b>					
<b>Total Waste Generated</b>	tonnes	5,368.8	2,174.5	4,264.1	5,445.2
<b>Total Waste Diverted from Disposal</b>					
<b>Hazardous Waste</b>					
Other recovery operations	tonnes	1.3	0.3	0.2	0.3
<b>Non-Hazardous Waste (Total Waste Recycled)</b>					
Recycling: Plastic	tonnes	1.7	-	-	4.3
Recycling: Paper		191.9	77.5	164.6	239.5
Recycling: Metal		1.7	1.1	1.0	3.1
<b>Total</b>		<b>195.3</b>	<b>78.6</b>	<b>165.6</b>	<b>246.9</b>
<b>Total Waste Diverted from Disposal</b>	<b>tonnes</b>	<b>196.6</b>	<b>78.9</b>	<b>165.8</b>	<b>247.2</b>
<b>Total Waste Directed to Disposal</b>					
Landfilling	tonnes	5,172.2	2,095.6	4,098.4	5,198.0
<b>Waste Collected &amp; Recycled</b>	<b>%</b>	<b>3.7</b>	<b>3.6</b>	<b>3.9</b>	<b>4.5</b>

### Social Pillar

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>Employee Count (excluding Board of Directors)</b>					
Number of Employees	Number	24	21	22	24
<b>Board of Directors</b>					
Number of Board members	Number	12	12	12	11
<b>Gender of Board of Directors</b>					
Male	Number	10	10	8	7
Female		2	2	4	4

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

cont'd

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>Nationality of Board of Directors</b>					
Malaysian	Number	8	8	8	8
Foreign		4	4	4	3
<b>Age group of Board of Directors</b>					
< 30	Number	1	0	0	0
30 to 39		2	2	2	2
40 to 50		1	2	3	2
>50		8	8	7	7
<b>Ethnicity of Board of Directors</b>					
Malay	Number	3	3	3	3
Chinese		5	5	4	4
Indian		0	0	0	0
Others		4	4	5	4
<b>Total Employees By Category, Age and Gender</b>					
<b>Senior Management - Male</b>					
<30	Number	0	0	0	0
30 – 39		0	0	0	0
40 – 50		0	0	0	0
>50		2	2	2	2
<b>Senior Manager and Manager - Male</b>					
<30	Number	0	0	0	0
30 – 39		1	0	0	0
40 – 50		0	0	0	0
>50		0	0	0	0
<b>Assistant Manager and Senior Executive - Male</b>					
<30	Number	0	0	0	0
30 – 39		0	0	0	1
40 – 50		1	0	0	0
>50		0	0	0	0
<b>Executive - Male</b>					
<30	Number	0	1	0	0
30 – 39		0	0	0	0
40 – 50		0	0	0	0
>50		0	0	0	0
<b>Non-Executive - Male</b>					
<30	Number	0	0	0	0
30 – 39		1	1	1	1
40 – 50		2	1	1	1
>50		0	1	1	1



# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

cont'd

Unit of Measurement		FY2019	FY2021	FY2022	FY2023
<b>Senior Management - Female</b>					
<30	Number	0	0	0	1
30 – 39		0	0	0	0
40 – 50		4	3	2	1
>50		1	2	3	4
<b>Senior Manager and Manager - Female</b>					
<30	Number	0	0	1	0
30 – 39		1	2	2	2
40 – 50		1	1	1	1
>50		1	1	1	1
<b>Assistant Manager and Senior Executive - Female</b>					
<30	Number	1	0	0	1
30 – 39		3	1	0	0
40 – 50		2	2	3	3
>50		0	0	0	0
<b>Executive - Female</b>					
<30	Number	0	0	1	1
30 – 39		0	0	0	0
40 – 50		0	0	0	0
>50		1	1	1	1
<b>Non-Executive – Female</b>					
<30	Number	0	0	0	0
30 – 39		0	1	1	0
40 – 50		0	0	0	1
>50		2	1	1	1
<b>Total Turnover</b>					
<b>Turnover - Gender</b>					
Male	Number	0	1	0	0
Female		1	2	2	2
<b>Turnover – Age</b>					
<30	Number	0	0	0	0
30 - 39		0	0	2	1
40 - 50		0	3	0	1
>50		1	0	0	0

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

cont'd

Unit of Measurement		FY2019	FY2021	FY2022	FY2023
<b>Turnover – Ethnicity</b>					
Malay	Number	1	0	0	0
Chinese		0	3	2	2
Indian		0	0	0	0
Others		0	0	0	0
<b>Turnover - Category</b>					
Senior Management	Number	0	0	0	0
Senior Manager and Manager		0	1	1	1
Assistant Manager and Senior Executive		0	1	1	1
Executive		1	1	0	0
Non-Executive		0	0	0	0
<b>Total New Hire</b>					
<b>New Hire - Gender</b>					
Male	Number	0	1	0	1
Female		1	2	4	3
<b>New Hires - Age</b>					
<30	Number	0	1	2	2
30 - 39		1	2	1	1
40 - 49		0	0	1	1
>50		0	0	0	0
<b>New Hires - Ethnicity</b>					
Malay	Number	0	0	0	0
Chinese		1	3	4	4
Indian		0	0	0	0
Others		0	0	0	0
<b>New Hires - Category</b>					
Senior Management	Number	0	0	0	1
Senior Manager and Manager		0	1	2	0
Assistant Manager and Senior Executive		0	1	1	3
Executive		1	1	1	0
Non-Executive		0	0	0	0
<b>Total Temporary Staff</b>					
<b>By gender</b>					
Male	Number	0	0	0	0
Female		0	0	0	0
<b>Employee Training Hours</b>					
Average training hours per employee	Hour	3.5	1.1	7.6	9.7
<b>Number of Training Hours By Gender</b>					
Male	Hour	49	0	8	84
Female		36	23	160	150

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

cont'd

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>Number of Training Hours By Category</b>					
Senior Management	Hour	4	0	54	116
Senior Manager and Manager		21	5	43	21
Assistant Manager and Senior Executive		56	13	55	90
Executive		4	5	17	7
<b>Employees Receiving Performance and Career Development Reviews</b>					
<b>By Gender</b>					
Male	%	25	24	18	21
Female		67	67	73	67
<b>By Category</b>					
Senior Management	Number	5	5	5	5
Senior Manager and Manager		4	4	5	4
Assistant Manager and Senior Executive		6	3	3	5
Executive		2	2	2	2
Non-Executive		5	5	5	5
<b>Total Number of Discrimination Incidents</b>					
Total number of incidents of discrimination during reporting period	Number	0	0	0	0
Status of incidents and action taken		0	0	0	0

# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators  
cont'd

	Unit of Measurement	FY2019	FY2021	FY2022	FY2023
<b>Parental Leave</b>					
Total number of employees	Number	24	21	22	24
Employees entitled for parental leave					
• Male		7	6	5	6
• Female		17	15	17	18
Employees that took parental leave					
• Male		2	0	0	0
• Female		0	1	1	0
Employees returned to work after parental leave ends					
• Male		2	0	0	0
• Female		0	1	1	0
Employees that were still employed 12 months after their return to work					
• Male		2	0	0	0
• Female		0	1	1	0
Return to work rate		Percentage			
• Male	100%		N/A	N/A	N/A
• Female	N/A		100%	100%	N/A
Retention rate					
• Male	N/A	N/A	N/A	N/A	
• Female	N/A	N/A	100%	0%	
Number of days applied for paternity leave	Number	6	0	0	0
Number of days applied for maternity leave		0	60	60	0

# SUSTAINABILITY PERFORMANCE REPORT

(Bursa LINK)

Indicator	Measurement Unit	2019	2020	2021	2022	2023
<b>Bursa (Anti-corruption)</b>						
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category						
Senior Management	Percentage	-	-	-	-	33.00
Senior Manager and Manager	Percentage	-	-	-	-	17.00
Assistant Manager and Senior Executive	Percentage	-	-	-	-	21.00
Executive	Percentage	-	-	-	-	8.00
Non-Executive	Percentage	-	-	-	-	21.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	-	-	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	-	-	-	0
<b>Bursa (Community/Society)</b>						
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	-	-	-	188,627.40
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	-	-	5,294
<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	0.00	0.00	0.00	13.00
Senior Management Between 30-39	Percentage	0.00	0.00	0.00	0.00	0.00
Senior Management Between 40-49	Percentage	57.00	43.00	43.00	29.00	13.00
Senior Management Above 50	Percentage	43.00	57.00	57.00	71.00	75.00
Senior Manager and Manager Under 30	Percentage	0.00	0.00	0.00	20.00	0.00

Internal assurance

External assurance

No assurance

(\*) Restated

# SUSTAINABILITY PERFORMANCE REPORT

(Bursa LINK)

cont'd

Indicator	Measurement Unit	2019	2020	2021	2022	2023
Senior Manager and Manager Between 30-39	Percentage	50.00	50.00	50.00	40.00	50.00
Senior Manager and Manager Between 40-49	Percentage	25.00	25.00	25.00	20.00	25.00
Senior Manager and Manager Above 50	Percentage	25.00	25.00	25.00	20.00	25.00
Assistant Manager and Senior Executive Under 30	Percentage	14.00	25.00	0.00	0.00	20.00
Assistant Manager and Senior Executive Between 30-39	Percentage	43.00	25.00	33.00	0.00	20.00
Assistant Manager and Senior Executive Between 40-49	Percentage	43.00	50.00	67.00	100.00	60.00
Assistant Manager and Senior Executive Above 50	Percentage	0.00	0.00	0.00	0.00	0.00
Executive Under 30	Percentage	0.00	0.00	50.00	50.00	50.00
Executive Between 30-39	Percentage	0.00	0.00	0.00	0.00	0.00
Executive Between 40-49	Percentage	0.00	50.00	0.00	0.00	0.00
Executive Above 50	Percentage	100.00	50.00	50.00	50.00	50.00
Non-Executive Under 30	Percentage	0.00	0.00	0.00	0.00	0.00
Non-Executive Between 30-39	Percentage	20.00	40.00	40.00	40.00	20.00
Non-Executive Between 40-49	Percentage	40.00	40.00	20.00	20.00	40.00
Non-Executive Above 50	Percentage	40.00	20.00	40.00	40.00	40.00
Gender Group by Employee Category						
Senior Management Male	Percentage	29.00	29.00	29.00	29.00	25.00
Senior Management Female	Percentage	71.00	71.00	71.00	71.00	75.00
Senior Manager and Manager Male	Percentage	25.00	25.00	0.00	0.00	0.00
Senior Manager and Manager Female	Percentage	75.00	75.00	100.00	100.00	100.00
Assistant Manager and Senior Executive Male	Percentage	14.00	0.00	0.00	0.00	20.00

Internal assurance

External assurance

No assurance

(\*) Restated

# SUSTAINABILITY PERFORMANCE REPORT

(Bursa LINK)

cont'd

Indicator	Measurement Unit	2019	2020	2021	2022	2023
Assistant Manager and Senior Executive Female	Percentage	86.00	100.00	100.00	100.00	80.00
Executive Male	Percentage	0.00	0.00	50.00	0.00	0.00
Executive Female	Percentage	100.00	100.00	50.00	100.00	100.00
Non-Executive Male	Percentage	60.00	60.00	60.00	60.00	60.00
Non-Executive Female	Percentage	40.00	40.00	40.00	40.00	40.00
Bursa C3(b) Percentage of directors by gender and age group						
Male	Percentage	83.00	83.00	83.00	67.00	64.00
Female	Percentage	17.00	17.00	17.00	33.00	36.00
Under 30	Percentage	8.00	0.00	0.00	0.00	0.00
Between 30-39	Percentage	17.00	25.00	17.00	17.00	18.00
Between 40-49	Percentage	8.00	8.00	17.00	25.00	18.00
Above 50	Percentage	67.00	67.00	67.00	58.00	64.00
<b>Bursa (Energy management)</b>						
Bursa C4(a) Total energy consumption	Megawatt	100,328.08	90,673.14	82,512.54	94,111.27	125,009.24
<b>Bursa (Health and safety)</b>						
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.30	0.00	0.68
Bursa C5(c) Number of employees trained on health and safety standards	Number	142	28	0	130	111
<b>Bursa (Labour practices and standards)</b>						
Bursa C6(a) Total hours of training by employee category						
Senior Management	Hours	4	22	0	54	116
Senior Manager and Manager	Hours	21	3	5	43	21
Assistant Manager and Senior Executive	Hours	56	4	13	55	90
Executive	Hours	4	2	5	17	7
Non-Executive	Hours	0	6	0	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00	0.00	0.00

Internal assurance

External assurance

No assurance

(\*) Restated

# SUSTAINABILITY PERFORMANCE REPORT

(Bursa LINK)

cont'd

Indicator	Measurement Unit	2019	2020	2021	2022	2023
Bursa C6(c) Total number of employee turnover by employee category						
Senior Management	Number	0	0	0	0	0
Senior Manager and Manager	Number	0	0	1	1	1
Assistant Manager and Senior Executive	Number	0	4	1	1	1
Executive	Number	1	0	1	0	0
Non-Executive	Number	0	1	0	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0	0
<b>Bursa (Supply chain management)</b>						
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	-	-	99.00	99.00
<b>Bursa (Data privacy and security)</b>						
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0	0
<b>Bursa (Water)</b>						
Bursa C9(a) Total volume of water used	Megalitres	807.408000	684.717000	537.705000	699.372000	1,055.816000
<b>Bursa (Waste management)</b>						
Bursa C10(a) Total waste generated	Metric tonnes	5,368.80	3,030.80	2,174.50	4,264.10	5,445.20
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	196.60	121.10	78.90	165.80	247.20
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	5,172.20	2,909.70	2,095.60	4,098.40	5,198.10
<b>Bursa (Emissions management)</b>						
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	-	-	-	36.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	83,629.00	68,730.00	62,545.00	71,336.00	94,757.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	-	-	38,267.00

Internal assurance

External assurance

No assurance

(\*) Restated



# SUSTAINABILITY ASSURANCE STATEMENT

## 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

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Website [www.kpmg.com.my](http://www.kpmg.com.my)

The Manager  
Pavilion Real Estate Investment Trust  
Level 10, Pavilion Kuala Lumpur  
168, Jalan Bukit Bintang  
55100 Kuala Lumpur

Dear Sirs,

### **Independent Limited Assurance Report on Selected Sustainability Information of Pavilion Real Estate Investment Trust (“Pavilion REIT”) for the financial year ended 31 December 2023**

We, KPMG PLT (“KPMG”), were engaged to provide limited assurance on Pavilion REIT’s Selected Sustainability Information (the “Subject Matter”), published in Pavilion REIT’s Integrated Annual Report for the financial year ended 31 December 2023 (the “Integrated Annual Report”), in the form of an independent limited assurance conclusion as to whether anything has come to our attention that would cause us to believe that the Subject Matter, in all material respects, has not been prepared in accordance with Pavilion REIT’s definition and calculation methodologies which are disclosed in the Integrated Annual Report, including any significant inherent limitations (the “Applicable Criteria”).

### **Subject Matter**

The Selected Sustainability Information covered by our limited assurance engagement is as follows:

- (i) Scope 2 greenhouse gas (“GHG”) emissions (purchased electricity) (tCO<sub>2</sub>eq/ MWh) (“Scope 2”); and
- (ii) Scope 3 GHG emissions (generation of electricity that is purchased and then resold to end users) (tCO<sub>2</sub>eq/ MWh) (“Scope 3”).

The boundary of the limited assurance engagement by KPMG on the Selected Sustainability Information are as follows:

- (i) Scope 2 – All Pavilion REIT’s properties; and
- (ii) Scope 3 – Pavilion Kuala Lumpur Mall and Pavilion Tower.

### **Board of Directors and Management’s Responsibilities**

The Board of Directors (the “Directors”) of Pavilion REIT Management Sdn. Bhd. (the “Manager”), and the management of the Manager (the “Management”) are responsible for the preparation and presentation of the Subject Matter in accordance with the Applicable Criteria, and the information and assertions contained within it; for determining that the criteria is appropriate to meet their needs; and for establishing and maintaining appropriate performance management and internal control systems from which the Subject Matter is derived.

The Directors and the Management are responsible for the prevention and detection of fraud and error mainly through the implementation and continued operation of an adequate system of internal control.

# SUSTAINABILITY ASSURANCE STATEMENT

cont'd



*Pavilion Real Estate Investment Trust ("Pavilion REIT")  
Independent Limited Assurance Report on Selected Sustainability  
Information of Pavilion REIT for the financial year ended 31 December 2023  
24 January 2024*

## Board of Directors and Management's Responsibilities (cont'd)

The Directors and the Management are also responsible for ensuring that staff involved with the preparation and presentation of the description of the Subject Matter in the Integrated Annual Report are properly trained, ensuring that information systems are properly updated and that any changes in reporting encompass all significant business units.

The Directors and the Management are responsible for disclosing to us their knowledge of: (i) known, actual or possible non-compliance with laws or regulations that have or may have a material effect on the Subject Matter; and (ii) allegations of or suspected fraud or dishonesty committed against Pavilion REIT.

The Directors and the Management are responsible to make available to us the Subject Matter and any other information timely to facilitate the completion of the engagement within the required time frame.

The Directors and the Management are responsible for disclosing to us facts that may affect the Subject Matter, of which they may become aware up to the date of the independent limited assurance report.

## Our Responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a limited assurance opinion based on the work performed and evidence obtained.

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*. This standard requires that we plan and perform procedures to obtain limited assurance that nothing has come to our attention that causes us to believe that the Subject Matter, in all material respects, is not prepared in accordance with the Applicable Criteria.

## Procedures Performed

Our limited assurance engagement on the Subject Matter consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matter, and applying analytical and other evidence gathering procedures, as appropriate. These procedures, amongst others, included:

- Enquired Management to gain an understanding of the processes established from which the Subject Matter is derived;
- Interviewed relevant staff responsible for preparing and presenting the Subject Matter in the Integrated Annual Report;
- Compared the Subject Matter presented in the Integrated Annual Report to underlying sources on a sample basis to determine whether the relevant information has been appropriately disclosed; and
- Read the Subject Matter presented in the Integrated Annual Report 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 and 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 Limited Assurance Report on Selected Sustainability  
Information of Pavilion REIT for the financial year ended 31 December 2023  
24 January 2024*

## Our Quality Management and Independence

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.

## Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the 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, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the limited assurance procedures performed and evidence obtained, as described above, nothing has come to our attention that would cause us to believe that the Subject Matter for the financial year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Applicable Criteria.

## Restriction on distribution and use of our report

In accordance with the terms of our engagement, this report on the Subject Matter has been prepared for the Directors of the Manager for the purpose as described in the first paragraph of this report and for no other purpose. Our report should also not be regarded as suitable to be used or relied on by any other party.

We consent to the inclusion of this report in Pavilion REIT's Integrated Annual Report in respect of the financial year ended 31 December 2023, to assist the Directors of the Manager in responding to their governance responsibilities by obtaining independent limited assurance report on the Subject Matter. We will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

## KPMG PLT

(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 24 January 2024

# 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 2023 to 31 December 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD 3	DISCLOSURE	F4GBM ESG Themes	Bursa's Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 2: General Disclosures 2021</b>	<b>The organisation and its reporting practices</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 6: Audit Committee Report, Statement of Risk Management and Internal Controls  Section 7: Financials  Section 8: Sustainability Assurance Statement
	<b>Activities and workers</b>				
	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
	<b>Governance</b>				
	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 3	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	
	<b>Strategy, policies and practices</b>					
	2-22 Statement on sustainable development strategy				Section 5: Creating Sustainable Impact	
	2-23 Policy commitments				Section 5 – I: Procurement and Supply Chain, 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	
	<b>Stakeholder engagement</b>					
	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	

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GRI STANDARD 3	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: Brand Value and Tenant Satisfaction			
<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			

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GRI STANDARD 3	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 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

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GRI STANDARD 3	DISCLOSURE	F4GBM ESG Themes	Bursa's Common Sustainability Matter	UN SDG	LOCATION
<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



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GRI STANDARD 3	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 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:**

- \* refers to Bursa Malaysia Common Indicators.