



Our Sustainability Review

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OUR SUSTAINABILITY JOURNEY

OUR SUSTAINABILITY JOURNEY

SUSTAINABILITY HIGHLIGHTS

Sustainability is front and centre in our pursuit to build sustainable communities and enrich lifestyles. In 2022, we strengthened our sustainability journey and adopted a holistic approach that enables us to strategically integrate sustainability goals into business practices and respond to change. Our goal is to create value for all stakeholders and generate long-lasting positive impacts for people and planet. We are pleased to report that we implemented various initiatives that created Economic, Environmental and Social (“EES”) impacts in the year under review. Our Sustainability Highlights provide an overview of the key impacts that we have made across the three sustainability themes:

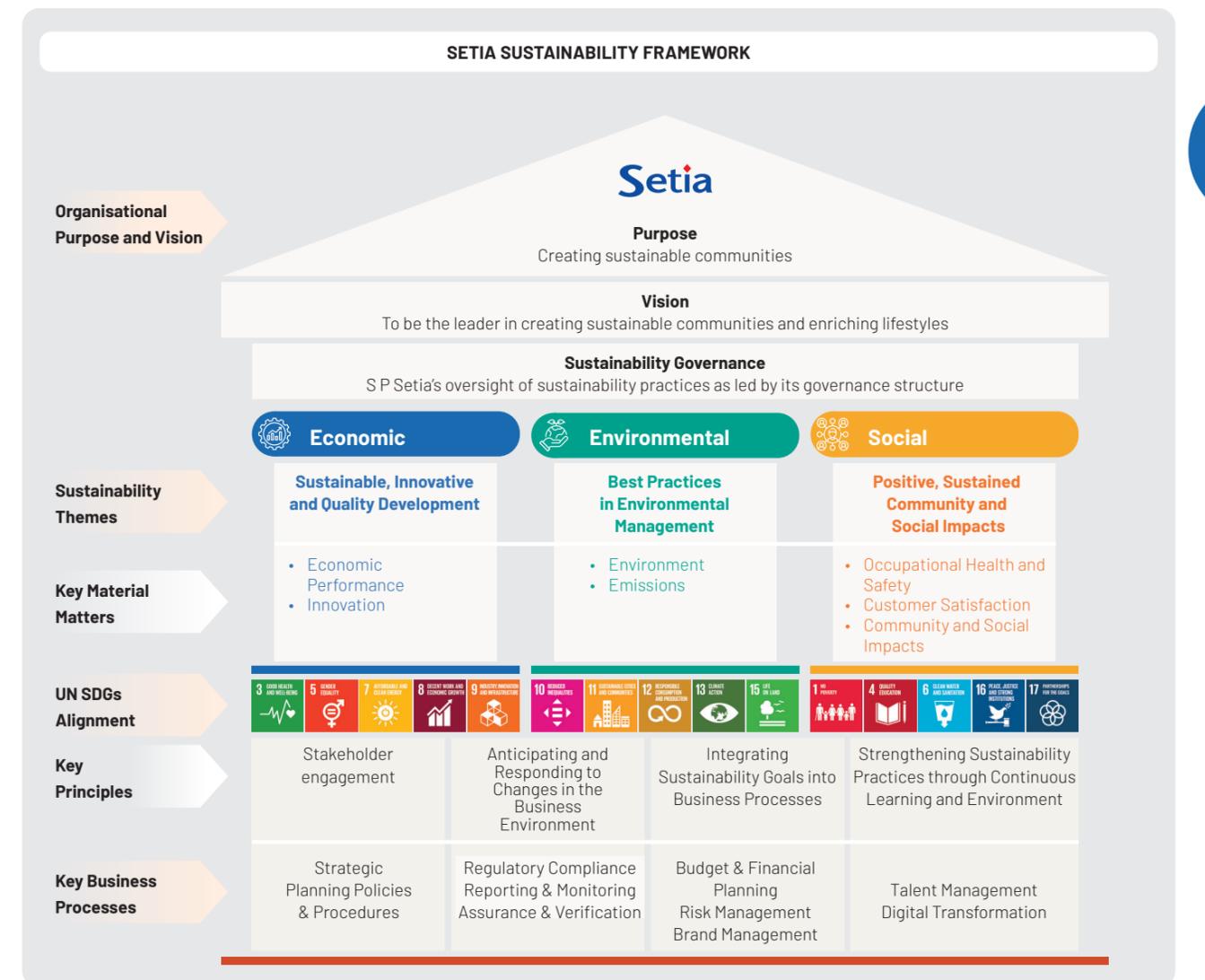


SUSTAINABILITY FRAMEWORK

Sustainability is core to our business decision-making and activities, as we seek to create long-term positive impacts on people and the planet. As such, we strive to embed EES considerations in our business management and daily operations. We also review our sustainability approach from time to time to ensure that our strategy remains relevant to current trends in order to mitigate risks and identify opportunities.

In 2022, we bolstered our sustainability approach with a new Sustainability Framework and enhanced our Sustainability Governance to include sustainability oversight at the Board level. The Board Sustainability Committee was established to look into S P Setia’s strategic direction, and oversees sustainability strategy, direction, performance and risks. The new sustainability approach will pave the way for S P Setia to prepare and respond to changes in the market and stakeholder expectations. This includes enabling the organisation be ready to implement a circular economy as part of the Group’s overall sustainability plan and ensuring compliance with regulatory requirements.

The new Sustainability Framework aims for the Group to better drive sustainability to create sustainable communities. Approved and validated by S P Setia’s Senior Management and the Board, the new Sustainability Framework is anchored on three robust pillars, with each pillar aligned with identified key material matters. We have also selected 15 United Nations Sustainable Development Goals (“UN SDGs”) that are aligned with the key material matters and the pillars. Going forward, we will keep reviewing and updating our sustainability approach to align with the rapid development of the sustainability landscape, and to mitigate risks and identify opportunities to ensure the sustainability of the business.



OUR SUSTAINABILITY JOURNEY

OUR SUSTAINABILITY JOURNEY

OUR ENVIRONMENT, SOCIAL AND GOVERNANCE (“ESG”) ASPIRATIONS

Taking into account the current market landscape and trends, we have reassessed our sustainability matters in tandem with our revised materiality matrix. We have identified our seven key priority material matters and developed Group-level targets with the intention of driving Team Setia to achieve these objectives.

ECONOMIC
Sustainable, Innovative and Quality Development



MATERIAL MATTER	TARGETS
Economic Performance	<ul style="list-style-type: none"> Promoting sales of property with green features Secure green loan for end-financing Promote circular economy in our development processes
Innovation	<ul style="list-style-type: none"> Incorporate green features within projects (Green features include, but are not limited to, solar panels, green switches, green-certified materials, etc) Inculcate a continuous culture of innovation as a catalyst for S P Setia's sustainability solutions

ENVIRONMENTAL
Best Practices in Environmental Management



MATERIAL MATTER	TARGETS
Environment	<ul style="list-style-type: none"> Maintain zero cases of monetary fines for non-compliance with all environmental laws and regulations Less than five cases of Notice of Improvement and zero cases of Notice of Prohibition 100% building and major infrastructure contractors to obtain ISO 14001 and ISO 45001 certification Real-time monitoring of environmental pollutants (for active construction sites and within 500m of residential and commercial areas)
Emissions	<ul style="list-style-type: none"> Establish emissions inventory for S P Setia's operations Charting pathways towards Carbon Neutrality and Net Zero aspirations – Setia Green Roadmap

SOCIAL
Positive, Sustained Community and Social Impacts



MATERIAL MATTER	TARGETS
Occupational Health and Safety	<ul style="list-style-type: none"> Zero work-related incidents Stop-work order by authorities related to occupational health and safety regulations Continuous safety and health campaign for Setia's employees, contractors and community
Customer Satisfaction	<ul style="list-style-type: none"> Minimum 75% satisfaction rate from housebuyers Quarterly community engagement programme to promote neighbourhood unity 75% CIDB scoring on Quality Assessment System in Construction ("QLASSIC") on annual development basis
Community and Social Impacts	<ul style="list-style-type: none"> Establishing a more comprehensive Setia Labour Rights Policy Maintain at least 40% women's representation in Setia's Senior Management Introduce volunteerism leave to promote employee well-being and community engagement

We aim to disclose our ESG Scorecard against these targets alongside other materiality matters, in alignment with the UN SDGs.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

As a leading property developer in Malaysia, S P Setia is focused on ensuring that our developments and quality product offerings generate long-term value creation to benefit our stakeholders, while responsibly maintaining positive social impacts and environmental sustainability.



Material Matters:

- Economic Performance
- Innovation
- Market Presence
- Procurement Practices
- Climate-Related Financial Risks and Opportunities
- Indirect Economic Impacts
- Anti-Corruption
- Anti-Competitive Behaviour

Notes:
For information on:
i. **Market Presence**, please refer to We Consider Our Operating Environment from pages 32 to 38.
ii. **Indirect Economic Impacts**, please refer to Community and Social Impacts on pages 140 to 144.
iii. **Anti-Competitive Behaviour**, please refer to Corporate Governance Overview Statement from pages 170 to 195.

[Artist's Impression] **Aspire Tower, KL Eco City, Bangsar, Kuala Lumpur**

A ECONOMIC PERFORMANCE

REGAINING MOMENTUM

The gradual recovery of the country's economy, relaxation of movement restrictions and overall return to normalcy in 2022 enabled the Group to drive strong sales performance, building on the momentum gained in 2021. In 2022, we also launched a total of 44 phases of projects, comprising 2,391 residential and commercial units with a gross development value ("GDV") of RM3.08 billion domestically and internationally. The major milestone was the launch of the Battersea Power Station. In addition, we continued strengthening our capital structure, optimising land bank utilisation, clearing unsold product offerings and expanding existing townships.



IMPROVING LIFESTYLES THROUGH INFRASTRUCTURE INVESTMENT

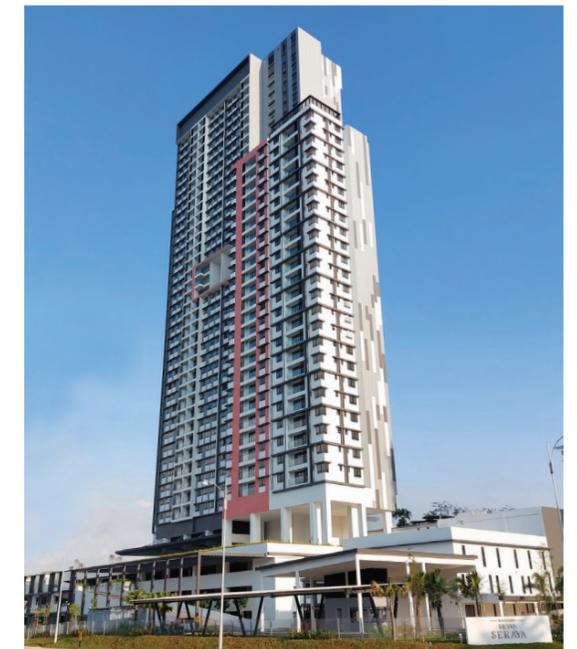
One of Team Setia's contributions towards nation building is the upgrading of public infrastructure and facilities. We believe that through meaningful projects, we are able to uplift the lives of communities, fight against inequalities, create more job opportunities and heighten positive social interactions. The following infographic illustrates our contributions as of the end of 2022.

TRIO By Setia



Infrastructure Investment:
➤ **Road widening and upgrading stormwater drainage**
Amount:
➤ **RM1.07 million**

Setia Seraya Residences



Infrastructure Investment:
➤ **Resurfacing main road**
Amount:
➤ **RM490,600**



SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

B INNOVATION

DELIVERING QUALITY PRODUCTS THROUGH INNOVATION

At SP Setia, our customers' needs are always met through exceptional service and quality products. Our culture of excellence encompasses a strong sense of commitment to quality, teamwork and professionalism. These values and practices are further embedded through our compliance with the SIRIM ISO 9001 Quality Management System ("QMS").

As a leading property developer, we leverage innovation to remain competitive, achieve steady growth and seek sustainable solutions. Innovation in SP Setia spreads throughout the organisation, from operations to project implementation and support services, and even to Senior Management.

Throughout the years, we have seen great transformations in the way we do business, from ideation to implementation and recently, sustainability. Internally, we have digitalised the Group Human Resource systems, finance processes, procurement contracts and credit administration and increased the use of digital marketing platforms. Taking it a step further, completed developments are now handed over via apps and we even render after-sales service through digital means.

Technical Excellence Committee ("TEC")

Innovation is best reflected in the establishment of our Technical Excellence Committee ("TEC") in 2018. The TEC ensures that our housing developments are constantly undergoing quality improvements and product innovation. In addressing the future with innovation and technology, we incorporate updated knowledge of construction techniques and processes as well as sharpen our acumen to foresee, avoid or address issues promptly. The TEC covers six elements of the Technical Excellence Framework, namely Planning & Design, Contractor & Product Quality, Consultant, Landscape, People Development and Sustainable Smart Development. These elements help the Committee to monitor customers' expectations and facilitate the development and implementation of technical excellence strategies and initiatives.

Presently, SP Setia has two main core teams, the TEC and the Customers Excellence Committee ("CEC"), and both are activated to pitch innovation ideas until implementation for processes, products and customer experience. In view of its functions and scope, the TEC is led by an Executive Vice President ("EVP") consisting of leaders from Contracts Administration, Project Planning & Development, Project Implementation and Landscape and Quality Assurance & Quality Control ("QAQC"). It is well supported by other units including the Group Contracts Department ("GCD") and Group Quality Management ("GQM"). Each key BU and Department is represented in our TEC, which directs its respective units to achieve market-leading product quality.

Technical Excellence Committee ("TEC")			
Objective To achieve Technical Excellence			
Led by EVP consisting of leaders from	Contracts Administration	Project Planning & Development	Project Implementation
	Landscape and QAQC	Group Contracts Department	Group Quality Management
Technical Excellence Framework covering six areas	Planning & Design	Contractor & Product Quality	Consultant
	Landscape	People Development	Sustainable Smart Development

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

Spotlight Story

SMART AND SUSTAINABLE DEVELOPMENT IN OUR PROJECTS

At SP Setia, we aim to create thriving communities by developing buildings based on the latest trends in design, technology and our customers' needs, focusing on sustainability. The TEC has been driving Smart and Sustainable Developments ("SSD"), a subset of the Setia Digital Transformative Initiative, across the Group. Key personnel and representatives from each project are responsible for working towards a common goal of providing a living environment infused with "smart" technology and ensuring this lifestyle can be continued through a "sustainable model".

Six SSD framework pillars serve as the foundation for the TEC's innovation strategies, which include smart innovation in the property construction and project development sectors, research and development on new technologies as well as identifying the latest sustainability initiatives. These six pillars are as follows:



Guided by the six pillars above, the TEC has identified 11 key topics and various initiatives under each topic.

Sustainability	Smart
<ul style="list-style-type: none"> Energy Efficiency Water Efficiency Indoor Environment Quality Site Planning / Master Layout Planning 	<ul style="list-style-type: none"> Smart Community / Lifestyle Smart Safety Smart Mobility Smart Wellness / Healthcare

- Smart Energy
- Smart House / Building
- Smart Digital Infrastructure ICT



SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

MANAGING THE DELIVERY OF QUALITY PRODUCTS

Our framework to deliver quality products is premised on the QCLASSIC framework. QCLASSIC, a standard created by the Construction Industry Development Board (“CIDB”) acts as a guideline and benchmark for our project team when it comes to the quality workmanship of our construction projects. With this framework, we are able to consistently monitor workmanship and at the same time, ensure stringent quality control.

GQM further monitors product quality performance via regular In-process Construction Quality (“ICQ”) Assessment and CPA site audits. The ICQ assessment measures the in-process construction product quality of building projects. The assessment is held on a bimonthly basis and is in compliance with S P Setia’s Quality Standard and specifications.

On another note, the Construction Performance Assessment (“CPA”) is a quality-level measure of the architectural work of a completed project. Based on S P Setia’s Quality Standard, contractors are required to achieve a minimum CPA score of 75% to obtain the Certificate of Practical Completion. Post-assessment, contractors will receive their results together with feedback on areas that need improvement.

In FY2022, our property developments successfully achieved an average score of more than 86.5% for both ICQ and CPA:



Spotlight Story

DEFECT COMPLAINT MANAGEMENT

Team Setia is proactive when it comes to making sure that our developments and product lifecycles revolve around the parameters of our Project Quality Plans. We are disciplined in executing our monitoring programmes, with an effective defect management system to track and manage defects across projects with the support of the teams in charge. In 2022, we continued to boost the efficacy of our defect management system with the implementation of the SNAGR system. The automation of the inspection process allows instant reporting and information exchange between our Customer Relations Unit and involved parties, including customers, contractors and consultants.

All BUs in S P Setia have implemented SNAGR as the Defect Management System to facilitate the efficiency in managing customer feedbacks. We have seen improvement in our response in which we were able to resolve 70.29% of defect complaint cases within 14 days in 2022, compared to 64.5% in 2021.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

PRODUCT SAFETY FEATURES FOR PEACE OF MIND

We are committed to fulfilling the requirements of Sustainable Cities and Communities under UN SDG 11 in the design of our properties. We implement this by incorporating sustainable and resilient safety features into our sales galleries, commercial buildings and residential buildings.

Product Safety Features		
Business Unit	Project	Safety Features
Setia Eco Templer	Phase 2A	<ul style="list-style-type: none"> Lightning arrestors to protect residents and household electrical appliances from lightning strikes Home alarm systems
Setia EcoHill	Setia EcoHill Walk	<ul style="list-style-type: none"> These safety features were for the following projects: Carnus, Frossa, Aronia, Allia and Kandara Motorcycle parking - bar and chain to secure bike Fire door with anti-panic function Traffic-related: wheel stopper, convex mirror, speed hump Floor tiles with minimum R11 rating in outdoor areas to prevent falls Movement joint to prevent tile pop-up Identifying edges of drops with different coloured nosing tiles / pebble wash finish Disabled-friendly features: ramp, parking, toilet, lift car
	Frossa	<ul style="list-style-type: none"> Disabled-friendly toilet attached to ground floor bedroom
Setia Eco Glades	Setia Botanika Hammock Club	<ul style="list-style-type: none"> Ramp for the elderly and persons with disabilities (“PWD”) at clubhouse Tac tiles for PWD at clubhouse
Setia Eco Gardens	Tenby School	<ul style="list-style-type: none"> Ramp for the elderly and PWD
	#15 Bungalow	<ul style="list-style-type: none"> AAC Block (Starken DuraPro5™) for internal building wall (GreenLabel Singapore)
Setia Trio	Trio Sales Gallery	<ul style="list-style-type: none"> Ramp and disabled-friendly toilet at Sales Gallery

CUTTING-EDGE TECHNOLOGY WITH INDUSTRIALISED BUILDING SYSTEM

To remain competitive and deliver quality products, we utilise the Industrialised Building System (“IBS”), a cutting-edge technology to ensure the timely delivery of our products. In comparison to the traditional construction methods, IBS aids us by shortening the timeframe of our project development and providing higher safety performance against external forces.

For example, our wholly-owned subsidiary, Setia Precast Sdn Bhd, adopts precast technology, which allows it to serve as a one-stop IBS centre specialising in constructing high-rise apartments, landed houses and commercial buildings.

We completed two commercial and apartment buildings in 2022 with the help of the IBS system:

No.	Project	Location	Completion Date
1	RSKu De Cemara Apartment	Bandar Setia Alam	28 July 2022
2	Bywater Auritum 2-storey Terrace House	Bandar Setia Alam	30 December 2022





SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

RESPECTING AND SAFEGUARDING CUSTOMER PRIVACY

We fully understand the importance of safeguarding customer privacy as a protective measure and strategic element in customer retention, brand growth and business opportunities. As a leading property developer, the Group continues to adhere to the Personal Data Protection Act ("PDPA"), enforced on 15 November 2013.

We protect the personal data of our customers against loss, theft, misuse and unauthorised access, usage, alteration and destruction through ethical administrative measures and technical precautions. Personal data is only stored for required periods to fulfil the various purposes outlined in our Privacy Policy. Customer privacy is further protected through the deployment of several cybersecurity measures.

Our set policies and procedures act as a directive to shield data from cyber threats. We create awareness and educate our Team Setia through the following programmes and activities:

- i** Talks and roadshows by qualified legal personnel for all BUs, raising awareness on data privacy, its importance and repercussions
- ii** Group Legal Department-led initiatives to review and update all relevant documents and correspondence affecting all parties, especially customers. The review ensures relevance and PDPA compliance by:
 - a) Providing customers with a clear privacy notice, including opt-out options for targeted advertising campaigns
 - b) Obtaining customer consent to process their sensitive data
- iii** Group Legal Department to carry out review of the exercise with updates and communications on PDPA via email to all staff across the Group in 2019

Notwithstanding the absence of a structured mechanism to review the effectiveness of the Management's approach, the BU Heads and Group Legal teams are collaborating closely to diligently trace any potential threats at the operational level. Our GQM Department is also responsible for highlighting any relevant findings during its regularly scheduled audits.

Cybersecurity-related Policies and Procedures

Document Title	Safety Features
Managing Windows and Application Systems and Passwords Policy	Manages application systems passwords and provides guidelines for information and system access
Managing Network System and Access Control Policy	Protects network system from unauthorised access and prevents damage to the Group's network system
Email and Internet Acceptable Use Policy	Defines the acceptable use of the Internet and email for the Group
Server and Network Equipment Password Management Policy	Establishes guidelines for managing passwords for servers and network
File Server Policy	Controls the access and storage of files in the file server to ensure information is preserved for confidentiality, integrity and availability

Team Setia also underwent training sessions on cybersecurity via an eLearning platform from September 2022 to December 2022. A total of 1,990 team members attended the sessions, which shared topics from basic security to more complex skills such as securing passwords and scammer identification.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

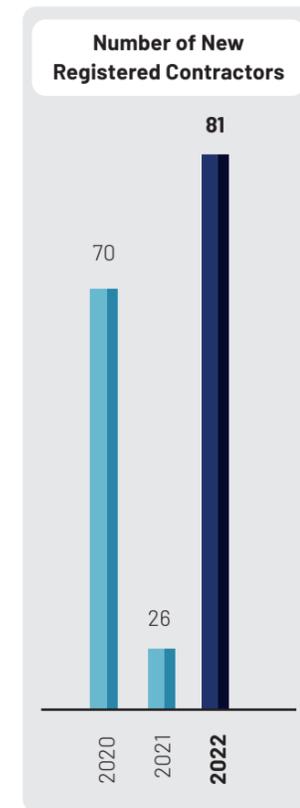
C PROCUREMENT PRACTICES

As a leading property developer, we work with vendors from various industries to assist us in achieving and maintaining quality excellence in our products and services. Our suppliers, contractors and specialised consultants contribute throughout our project lifecycle, from before the commencement of each project right up to delivery and after-sales services. Therefore, a robust supply chain is important for us as it ensures that our daily operations are uninterrupted.

In 2022, we engaged 128 contractors throughout our project developments across Malaysia:

Location (Based on Contractor's Location)	Number of Contractors Awarded with Contracts			Monetary Value of Payment		
	Year 2020	Year 2021	Year 2022	Year 2020	Year 2021	Year 2022
Penang	26	9	13	13.6%	8.2%	8.2%
Klang Valley	104	92	80	64.2%	84.5%	69.3%
Johor	21	17	32	21.9%	6.7%	21.9%
Other Areas	5	3	3	0.3%	0.6%	0.6%

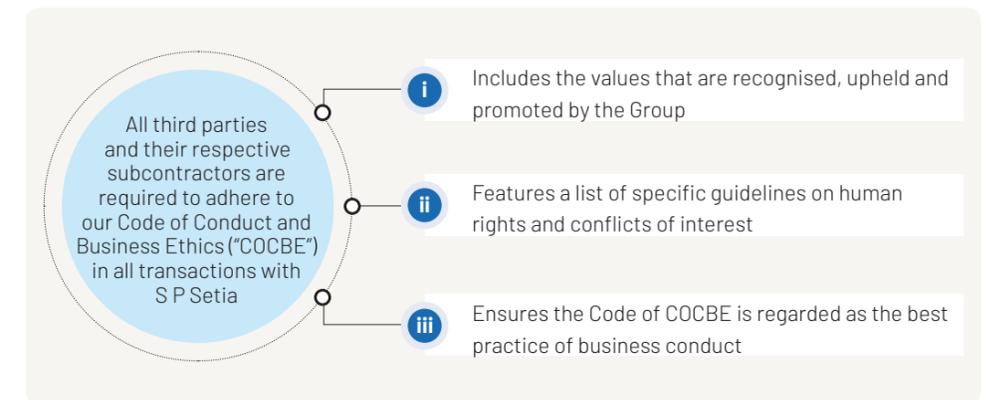
On a yearly basis, S P Setia sources for new contractors to expand our pool of suppliers. In 2022, the number of new registered contractors increased to 81 compared to 26 in the previous year.



ESTABLISHING A RESPONSIBLE SUPPLY VALUE CHAIN

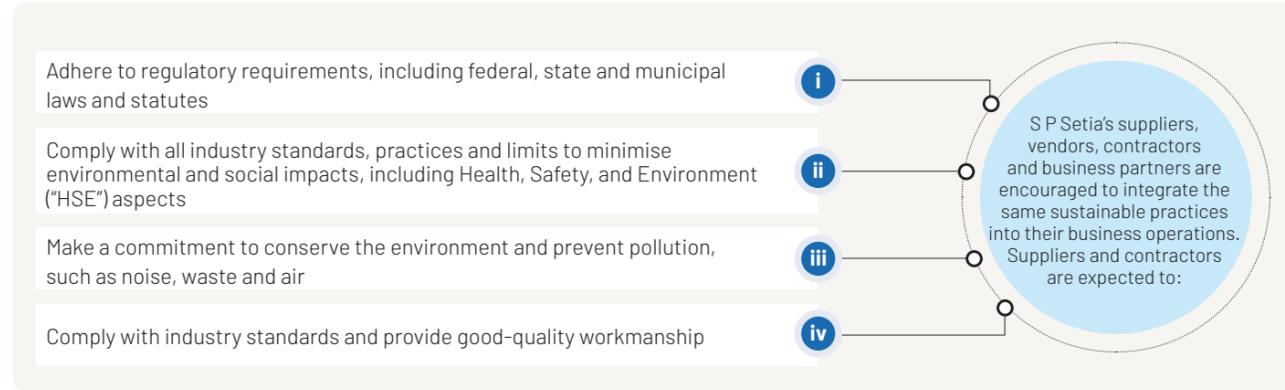
We remain committed to maintaining a fully sustainable supply chain and have incorporated key social and environmental aspects into the management of our supplier relationships. In our endeavour to build trust and generate long-term benefits for all stakeholders across our supply chain, the Group's values and principles are extended to all third parties. We strive to ingrain integrity and transparency in all that we do, by cultivating a safe and healthy workplace, implementing environmental practices and strictly complying with all the relevant laws and regulations in the areas where we operate.

An efficient procurement process is important to us because it is one of the main processes that will contribute to lowering costs, improving our bottom line and ultimately, the quality of our products. Robust procurement processes also directly contribute to economic growth, generate employment opportunities and increase social value through township developments that support quality of life.





SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT



To fulfil these requirements, it is compulsory for our contractors to go through a structured pre-qualification process with HSE as one of the criteria and commit to a service level agreement. Moreover, S P Setia appoints a team to conduct monthly audits across all our project sites and a Yearly Contractor Performance Evaluation ("CPE"), to ensure that our engaged contractors comply with applicable laws and regulations. Contractors are also required to submit monthly progress reports to S P Setia for monitoring, including HSE management on-site.

It is necessary for our business partners to be aware of the importance of sustainability in order for S P Setia to advance with our sustainability goals. We continue to actively engage with our business partners and associates to raise awareness and share knowledge through briefings before work commences, construction team meetings and the submission of progress reports to S P Setia and the Chief Executive Officer ("CEO") / Chief Operating Officer ("COO") dialogues.

SELECTING AND ASSESSING SUITABLE VENDORS

In the goods and services procurement process, a formal assessment of suppliers and vendors is essential to measure their performance against various criteria, and to determine if they are equipped to meet the Company's needs. S P Setia has implemented stringent tender processes and annual performance evaluations for its contractors.

A Supplier Environmental Assessment

While quality, pricing, performance and timeliness are important factors in our selection, the sustainability practices of our vendors' businesses are decisive. Our supplier environmental assessment ensures that all building contractors engaged by S P Setia will be evaluated on their registration with certification bodies (ISO 14001) in the Pre-Qualification of Contractors process and on HSE criteria during site visits conducted by the Project Implementation Personnel. HSE audit is conducted on a monthly basis to ensure compliance with requirements. Environmental Impact Assessment ("EIA") is carried out for applicable developments to ensure compliance with regulatory requirements.

B Supplier Social Assessment

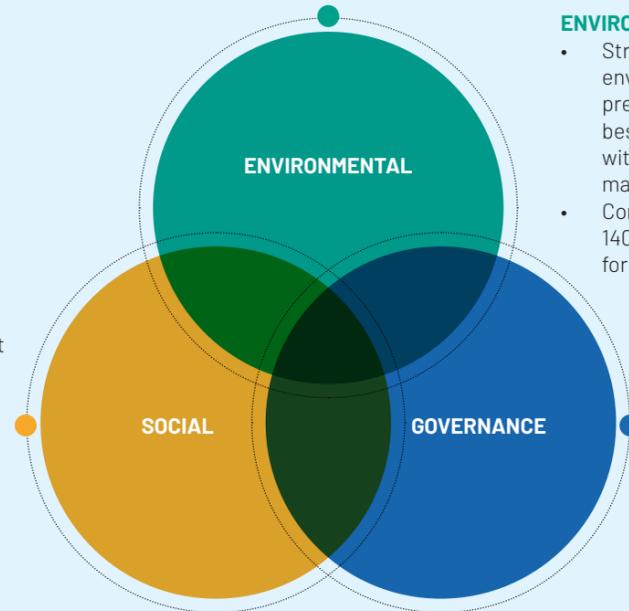
All building contractors are assessed on their registration with certification bodies (ISO 45001) and the number of accidents/incidents reported over the last three years. All major contractors are evaluated on the HSE criteria during the site visits by the Project Implementation Personnel for Pre-Qualification of Contractors. Additionally, to minimise negative social impacts on the supply chain and actions taken, S P Setia conducts a monthly HSE audit per project parcel for all properties.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

Our entire vendor assessment process is also aligned with the following ESG criteria:

SOCIAL

- Insurance for workers
- Health, safety and environment
- Compliance with laws and regulations for foreign workers
- Provide decent accommodation to foreign workers according to the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019
- Meet or exceed Malaysia's minimum wage
- Prevention of forced labour and child labour
- Compliance with all applicable labour laws where we operate



ENVIRONMENTAL

- Strictly comply with all applicable environmental legislation, preventing pollution and adopting best practices in accordance with the Group environmental management system
- Comply with and maintain ISO 14001 and ISO 45001 certifications for HSE monitoring

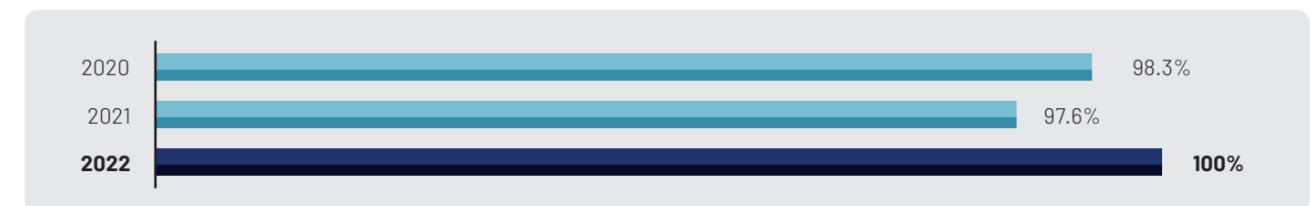
GOVERNANCE

- Compliance with laws
- Act with integrity
- Maintain accountability
- Avoid conflicts of interest
- Maintain confidentiality
- Anti-bribery and corruption

SUPPORTING LOCAL PROCUREMENT

Our procurement practices are developed to support people and environment as our suppliers, vendors, contractors and Business Associates ("BA") play a significant role in S P Setia's business. Our support goes a long way towards strengthening the business of local suppliers, while we meet our CSR targets. Supporting local procurement is also more cost-efficient, saves time and reduces our carbon footprint. To this end, S P Setia prefers local sources of goods and services to support the economy in areas where we operate.

In 2022, 100% of our contractors were local companies whose businesses were registered in Malaysia:



SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

D CLIMATE-RELATED FINANCIAL RISKS AND OPPORTUNITIES

As extreme weather events such as floods continue to disrupt daily lives and business activities, we acknowledge that the effects of climate change can impact our business in the long term. As such, we will take the first step to mitigating climate risks by identifying climate-related financial risks and opportunities. We aim to adopt the Task Force on Climate-related Financial Disclosures ("TCFD") framework in the next financial year, which will help provide clear and comprehensive information about S P Setia's exposure to climate risks and opportunities.

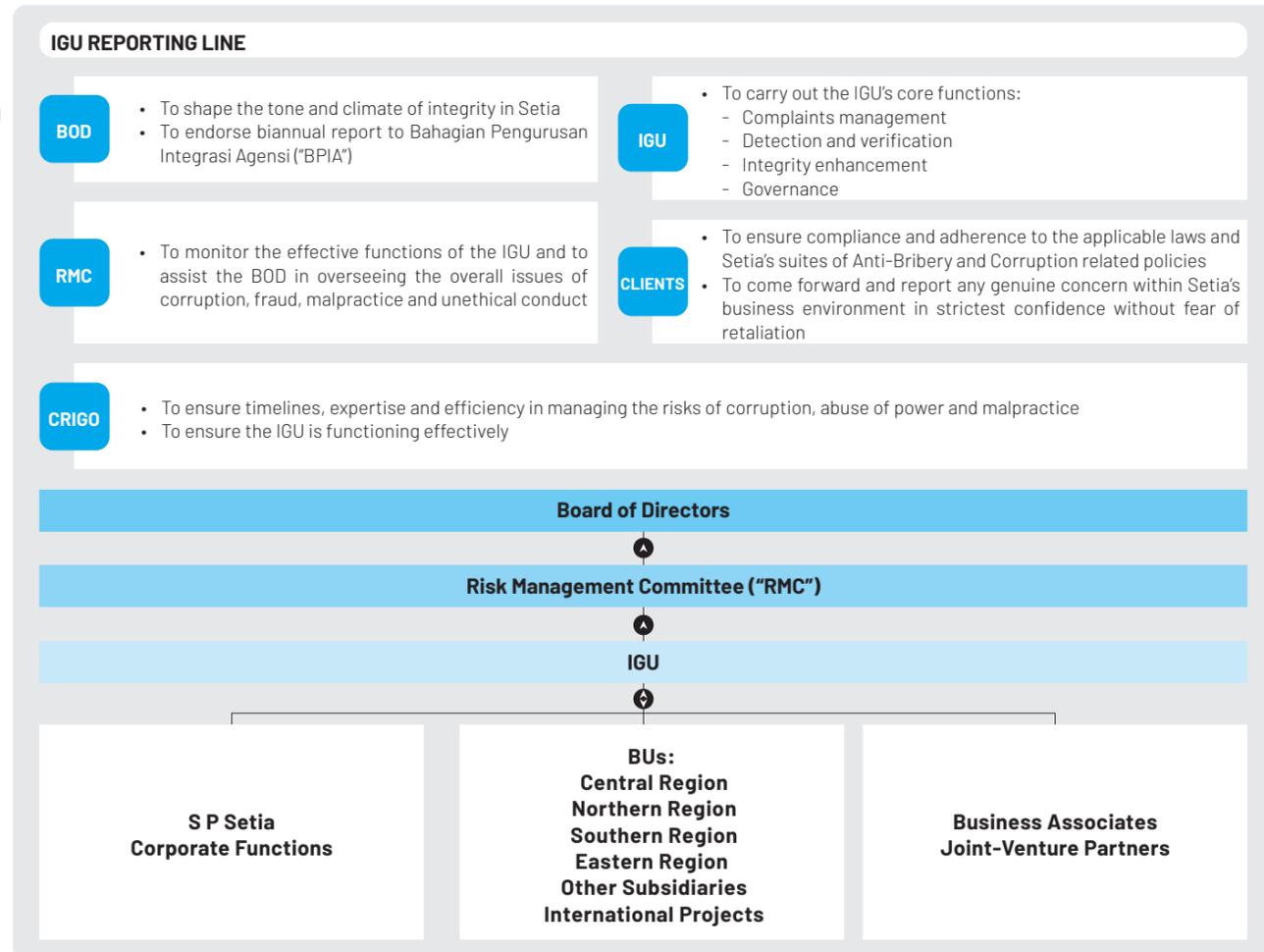
E ANTI-CORRUPTION

ANTI-BRIBERY AND ANTI-CORRUPTION GOVERNANCE FRAMEWORK

It is essential to defend the Company against all forms of corruption and bribery, as well as to prevent any loss and damage to our business and operations. To this end, we have an anti-bribery and anti-corruption governance framework that is implemented to combat bribery and corruption.

The Board oversees S P Setia's anti-bribery and corruption efforts and is responsible for ensuring the policy meets the Group's legal and ethical requirements. Our IGU is tasked with implementing and managing the overall effectiveness and efficiency of our anti-bribery and corruption initiatives.

The IGU team comprises qualified Certified Integrity Officers who are entrusted with managing complaints, performing detection and verification and strengthening integrity and governance functions. It is headed by the Chief Risk, Integrity and Governance Officer and Head of IGU, who reports to the Risk Management Committee. 40 IGCs were nominated and appointed in all BU and Corporate Functions to support integrity and governance matters such as corporate liability and to promote the Setia High-Integrity culture.



In FY2022, we continued to conduct training and briefing sessions to fulfil the IGU's objectives and to facilitate the collation of data and information whenever necessary.

POLICIES AND PROCEDURES ON ANTI-BRIBERY AND ANTI-CORRUPTION

Good business ethics, honesty, integrity and accountability are paramount in the way we do business. We have zero tolerance for bribery and corruption, and we continue to uphold the highest ethical standards across our workplace and in all our business transactions and relationships.

We remain guided by our Anti-Bribery and Corruption Policy, which has a clear framework in accordance with Section 17A of the MACC Act (Amendment 2018) on Corporate Liability. We continue to ensure that initiatives that fall under Adequate Procedures underlining TRUST principles are properly planned and implemented to prevent corrupt practices across our business activities. Our Anti-Bribery and Corruption Policy should be read along with S P Setia's COCBE and the relevant standard operating procedures ("SOP") outlined in this Policy.

Team Setia is strictly prohibited, under any circumstances, to make contributions or donations, and receive or give any form of gifts. However, exceptions are made to this rule that are indicated clearly in our Gifts and Hospitality Policy, as well as the Donations and Sponsorship Policy. S P Setia's SOPs for donations, contributions and sponsorships for external events and accepting and giving of gifts and/or hospitality are firmly established for Team Setia in the management of gifts, donations and hospitality issues. Third-party due diligence is rolled out and implemented across the Group, which comprises third-party questionnaires, background checks and encouragement to establish ABC policies for SMEs, which include commitments from subcontractors (where applicable).

Our policies on anti-bribery and corruption are published on the Group's website and are available for viewing at <https://spsetia.com/en-us/corporate-governance-home>. In 2022, our policies also applied to our overseas operations, which include Singapore, Japan, Vietnam and Australia.



Whistleblowing Procedures

Whistleblowing Channels

- Whistleblowing e-Form
- IGU dedicated line at 03-33482719 Monday to Friday (9 am to 5 pm)
- Write in to Chairman of RMC (apardas@spsetia.com) or to IGU
- Email to igu@spsetia.com
- Walk-in / Appointment with IGU or Chairman of RMC

S P Setia's stakeholders, including suppliers, associates, members of the public, employees and residents are encouraged to report any suspected violations through our whistleblowing system. Suspected violations include reports on fraud, corruption or wrongdoings that contradict our policies, COCBE, laws and regulations.

Accessible via our website, the Whistleblowing Policy provides a structured reporting platform and comprehensive whistleblowing measures. Reports can be made through multiple channels, such as the e-form available on our website, email via igu@spsetia.com, by phone, walk-in, appointment with the IGU/ RMC Chairman or in writing to the Chairman of the RMC / IGU. All reports are kept strictly confidential unless required by law or for the purpose of any action by or against the Group.

In 2022, the IGU received a total of six complaints via the whistleblowing channels. One case was related to alleged improper conduct while the remaining cases related to customer complaints. Internal investigations were carried out and corrective measures were taken to address these issues. A "Management Whistleblowing Committee" comprising the President/CEO, Chief Internal Auditor and Chief Risk, Integrity and Governance Officer has been established to conduct the pre-screening process to evaluate the seriousness of any possible criminal offences or improper conduct. The committee will then provide relevant recommendations to the RMC and subsequently to the Board on the next course of possible action.

For more details on initiatives organised in FY2022 on Integrity & Governance, kindly refer to the Statement on Risk Management & Internal Control ("SORMIC") on pages 196 to 204.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

INTEGRITY & GOVERNANCE UNIT'S KEY ACTIVITIES AND INITIATIVES IN 2022:

- 1 Implementation of **Organisational Anti-Corruption Plan** for year 2022.
- 2 **Enhancement of SOPs** for:
 - Donations, Contributions, Sponsorship of External Events
 - Offering and Acceptance of Gifts and/or Hospitality
 - Whistleblowing and Investigation
- 3 Facilitated **27 Corruption Risk Assessments Group-wide**.
- 4 Provided **114 training hours** through Integrity Roadshows (Team Setia and Business Associates locally and in Vietnam), Anti-Fraud Training, Integrity & Motivation for Polis Bantuan, Integrity & Governance Champions Conference, Refresher on Corporate Liability for the Senior Management Team and a free webinar for SMEs on Adequate Procedures.
- 5 **A series of educational and awareness programmes were conducted as follows:**
 - Invited as a panellist of an integrity-related forum organised by participants of the Certified Integrity Officer training programme for Government Sector Batch 29 in March 2022.
 - Attended a forum jointly organised by "Unit Integriti Setiausaha Kerajaan Negeri Selangor" and "Bahagian Integriti Perbadanan Kerajaan Negeri Selangor ("PKNS") in April 2022.
 - Training and Motivation sessions for Police Bantuan-S P Setia Berhad were held from May to June 2022 involving three sessions and a total of 90 personnel.
 - Invited to present an 'Integrity Talk' with other corporate bodies, namely Majlis Agama Islam Selangor ("MAIS"), International Islamic University Malaysia ("IIUM"), Cradle Fund Sdn Bhd and National Institute of Occupational Safety and Health ("NIOSH").
 - A free webinar on Adequate Procedures Checklist for SMEs was held in May 2022 and attended by 76 participants.
 - The Internal Integrity and Governance Champion ("IGC") Conference was held in July 2022, attended by 29 personnel. The appointed IGCs were presented with a Certificate of Appointment by Datuk Choong Kai Wai, President and CEO ("PCEO") of S P Setia Berhad.
 - Hybrid Setia Integrity Roadshows were conducted for newcomers throughout year 2022. A total of four sessions were conducted and a total of 167 staff signed off on the Individual Corruption-Free Pledge.
 - Setia Integrity Roadshows were conducted with our Team Setia Vietnam in August 2022. A total of 66 staff attended the awareness sessions and signed-off on the Individual Corruption-Free Pledge.
 - Setia Integrity Roadshows for Business Associates were also conducted for BA in Malaysia. This was a continuation of the efforts conducted in year 2021. A total of 453 BA attended the sessions and signed off on the Setia Integrity Pledge. The pledges given by Setia's BA were proof of their support towards our aspiration to achieve 'Zero Tolerance' for bribery and corruption in our business environment. Similar awareness sessions were conducted with Setia's BA in Vietnam and attended by 28 participants who then signed off on the Setia Integrity Pledge.
 - Corporate Liability - A refresher for the Group Action Committee ("GAC") was held in Johor in May 2022, attended by 39 personnel including the PCEO and the COO of S P Setia Berhad.
 - Setia Integrity Roadshows - A refresher was also conducted for Team Setia in Malaysia. This was a refresher session to remind the staff about the corporate liability environment and the impact of the provisions of the law on Setia and its business. The staff were also briefed on the updated Whistleblowing policy, which has been aligned to the new Whistleblowing ISO 37002:2021, and real case studies in Setia's business environment were shared as part of organisational learning. A total of 1,649 Team Setia members in Malaysia attended 39 sessions held between August and October 2022.
- 6 Establishment of Integrity & Governance Unit's ("IGU") portal (Integrity@Setia).

7 Continuous engagement with the authorities is conducted as follows:

- Unit Integriti, Setiausaha Kerajaan ("SUK") Negeri Selangor
- Unit Integriti SUK Pulau Pinang
- Unit Integriti SUK Johor
- Inspection & Consultation Division, Malaysian Anti-Corruption Commission ("MACC")
- State MACC of Pulau Pinang
- State MACC of Kuala Lumpur
- Unit Integriti Kementerian Perumahan dan Kerajaan Tempatan
- Unit Integriti Jabatan Bomba & Penyelamat Malaysia
- Unit Integriti Majlis Perbandaran Kajang
- Unit Integriti Majlis Perbandaran Selayang
- Unit Integriti Majlis Bandaraya Seremban



Special Participation

Participated in the inaugural Anugerah Integriti, Governans dan Anti-Rasuah 2022 organised by Institut Integriti Malaysia. Setia was awarded Silver based on the assessment conducted.

ENTRENCHING ANTI-CORRUPTION IN S P SETIA

Training and Awareness Programmes on Anti-Bribery & Anti-Corruption



S P Setia continued to raise awareness on anti-bribery and anti-corruption among BA by placing emphasis on the impact on the corporate liability environment, Setia's integrity policies and COCBE via Setia Integrity Roadshows.

In 2022, Setia Integrity Roadshows for newcomers were organised for 167 Team Setia staff who signed off on the individual Corruption-free Pledges.

Throughout year 2022, a total of 27 Corruption Risk Assessments ("CRA") were conducted. The Corruption Risk Profiles will be re-assessed and reported to the RMC on a periodic basis.

Implementation of the Organisational Anti-Corruption Plan



In support of the National Anti-Corruption Plan agenda that was published in 2019, we developed our three-year Organisational Anti-Corruption Plan ("OACP") for 2021 - 2023 to embed a culture of high integrity with the guidance of a structured framework to prevent corruption and combat corrupt practices across the business.

Seven key risk areas, strategies and action plans were identified in the OACP, which requires concerted efforts from each member of Team Setia in its implementation across the Group.

The following initiatives were completed for year 2022 based on the approved Setia OACP:

- T Quarterly report to the Management, RMC and Board
- R Aligned CRA with ISO37001 the Anti-Bribery Management System ("ABMS")
- U • Assisted BA to comply with Setia's Anti-Bribery & Corruption ("ABC") policies • Embarked on the ISO37001 Certification
- S Compliance and assurance by Group Internal Audit
- T Integrity roadshows for BA and refresher for Team Setia

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

S P Setia demonstrated its commitment to preserving the environment by upholding the best practices of environmental management as one of the key themes within its sustainability strategy. We believe that sustainable development is an integral part of our business, hence we manage our environmental footprints with full compliance in our project developments. To promote sustainable living at the same time, we aim to find innovative solutions without compromising the quality of living.



Material Matters:

- Environment
- Emissions
- Energy
- Water and Effluents
- Waste
- Materials
- Biodiversity



Residensi Vogue 1, KL Eco City, Bangsar, Kuala Lumpur

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

A ENVIRONMENT

We recognise that environmental issues such as emissions, climate change, resource constraints and biodiversity are material to our business. As a responsible corporate citizen, we constantly strive to prevent negative environmental impacts, or at least, manage or reduce those impacts by adopting best practices in environmental standards and implementing environmentally friendly business strategies and processes. Our developments incorporate comprehensive planning and green concepts in order to minimise the adverse impacts of land development on our environment. For example, our projects are planned, designed and constructed with integrated renewable energy solutions and sustainable materials to minimise carbon footprint.

In our commitment to ensuring our compliance with environmental rules, regulations and policies, the Group has a dedicated GQM who oversees our environmental compliance and appoints a HSE Officer under each BU. These HSE officers are tasked with guiding contractors on their compliance with environmental laws and regulations. We remain guided by our HSE policy and maintain the standards of ISO 14001:2015 Environmental Management System certification.

To ensure compliance with the laws, regulations and directives issued by the Department of Environment (“DOE”), various procedures and actions are carried out, as below:

- 1 Biweekly audits of our contractors’ performance at project sites to monitor their performance, focusing on construction waste management, noise pollution, air pollution and effluent management
- 2 Establishing emergency response plan
- 3 Performing Environmental Impact Assessments (“EIAs”);
- 4 Environmental management plan
- 5 Health, safety and environmental inspection checklist

The Group has always adhered to the most stringent environmental laws and standards and has not been penalised or fined for any major environmental violations in the financial year ended 31 December 2022.



In 2022, we were the recipients of three awards for our sustainable practices, including:

- 1 **FIABCI World Prix d'Excellence Awards 2022**
Category: Mixed-Use Development Award: World Gold (KL Eco City), Category: Residential (Low Rise) Award: World Gold (Setia Marina 2, Setia Eco Glades)
- 2 **M&C Asia Stella Awards 2022**
Category: Best Sustainable Convention Centre (Asia)(Setia SPICE Convention Centre)
- 3 **BCI Asia Awards 2022**
Category: Top 10 Developers Award (S P Setia Berhad)(Setia Alam’s Croceus and Garciae Homes) – recognition for top developers that had the greatest impact on the built environment in Southeast Asia

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

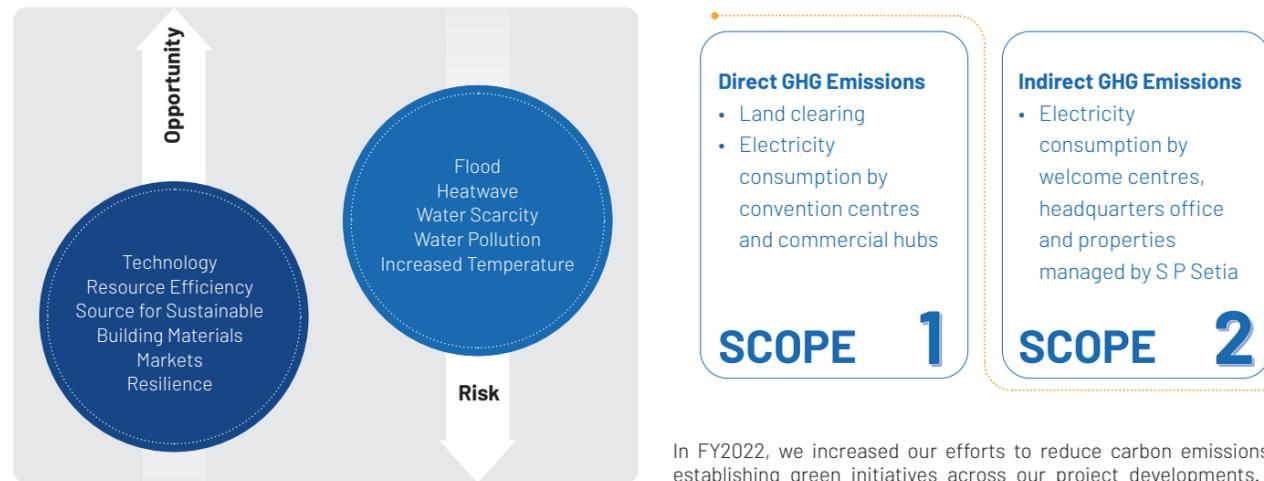
B EMISSIONS

The atmospheric concentration of greenhouse gases continues to rise, threatening the stability of the global climate. Our planet is heating up at an accelerated pace and the result will be devastating to life on earth. By 2034, the Earth is predicted to experience an average temperature increase of 3 degrees Celsius above pre-industrial levels. The rising CO₂ level leads to a variety of effects, including rising sea levels, changes in precipitation patterns, an increase in extreme weather events such as droughts and floods and the melting of glaciers and polar ice caps. According to the United Nations Global Compact Network Malaysia & Brunei, the building and construction industry ("BCI") emits carbon dioxide gas through greenfield development and material production as well as the use of fossil fuels. The BCI utilises 40% of global energy, 25% of global water and is to blame for emitting 40% of global resources to the atmosphere and generating one-third of worldwide GHG emissions.

Malaysia's Nationally Determined Contribution ("NDC") to reduce greenhouse gas ("GHG") emissions has been prepared in accordance with the objectives of the Paris Agreement. According to this plan, Malaysia aims to reduce GHG emissions intensity of GDP by 45% before 2030 relative to the emissions intensity of GDP in 2005. This consists of 35% on an unconditional basis and a further 10% conditional upon receipt of climate finance, technology transfer and capacity building from developed countries. Additionally, various policies have been implemented by government ministries to support Malaysia's NDC.

As a large corporation, we are committed to supporting the national agenda in reducing the GHG emissions intensity and are fully aware of our role to decarbonise our business. Climate change has topped the key risks identified in our Enterprise Risk Management ("ERM") process and is an ongoing priority for the Group. Our medium-term goal is to become carbon neutral by 2030, and our long-term goal is to become a net zero organisation by 2050. Our employees will be engaged through a series of capacity-building initiatives that will empower them to embrace environmental matters as part of our DNA and in establishing our emissions baseline by 2023. We believe that S P Setia will be able to effectively monitor our emissions profile and materialise our climate commitments through a benchmarked baseline.

A summary of identified impacts follows as we review the risks and opportunities: negative impacts addressed through existing mitigation measures, adaptation processes and continuous management, as well as identified opportunities that are expanded through product and technological innovation.



S P Setia recognises the impact its operations may have on the environment from the use of its resources and its activities, including the production of direct and indirect emissions and waste, which contribute to climate change. Our direct sources of GHG emissions under Scope 1 include clearing land to build developments as well as electricity consumption from operating our convention centres and commercial hubs. Our indirect sources of GHG emissions, which fall under Scope 2, are listed as electricity consumption of welcome centres, our headquarters, as well as properties managed by S P Setia. Additionally, activities that generate GHG emissions have been identified for both Scope 1 and 2. Moving forward, we aim to reduce our impact on the environment by implementing more measures to reduce emissions and improve our environmental efficiency.

In FY2022, we increased our efforts to reduce carbon emissions by establishing green initiatives across our project developments. We have identified our carbon reduction objectives and, initiatives and set targets according to the carbon emissions standards and frameworks to enable transparent reporting of our initiatives and disclosures. For FY2023, we target to establish the data collection process for carbon emissions and carbon reduction. We aim to incorporate disclosures in our future sustainability reporting on carbon reduction initiatives.

We are fully aware that climate risks and opportunities are inevitable in our business operations. As such, S P Setia is committed to addressing climate change through sustainable and smart development initiatives such as energy and water efficiency and innovative technology in our projects and townships. These initiatives include the installation of rainwater harvesting systems, use of energy-efficient lighting, installation of solar water heater systems and removal of grass and paint on asphalt that facilitates more absorption of water from the atmosphere during rainfall events.

C ENERGY

ENERGY EFFICIENCY

S P Setia is committed to managing energy consumption in our operations as we recognise that electricity consumption is one of the key contributors of our GHG emissions. As such, we are committed to achieve energy efficiency in line with S P Setia's business objectives and the UN SDGs. The Group seeks to develop a sustainable environment through continuous improvements in its management of energy, through the use of renewable energy and integrating initiatives such as efficient lighting designs, use of energy-saving lighting, sustainable building practices and more.

For instance, we ensure that efficient lighting is considered during project design to allow more natural daylight into buildings, maximising the natural cooling effects, via sun path analysis through passive design. We also use high-performance double-glazed windows and louvres to reduce heat gain, in addition to encouraging the use of natural daylight to illuminate the buildings.

Unlike other types of lighting, light-emitting diode ("LED") lights are much more energy-efficient in terms of the amount of electricity used to generate light. The technology has many additional advantages over incandescent, fluorescent and compact fluorescent lamps and lighting devices, such as lower energy consumption and improved environmental performance. We have been progressively implementing LED lighting technologies throughout our projects, including clubhouses, public areas and commercial properties. This year, we installed 159 LED lights at Setia Alamsari. Installation of LED lighting is part of our Company's commitment to providing sustainable buildings and improving the quality of our environment.

We embed an innovative approach in our townships and developments, and have developed smart concepts for lighting and air-conditioning systems to increase energy efficiency. Smart lighting and air-conditioning systems enable control of the lighting system using the Internet of Things, sensors, remote access and automation.

We have installed a total of four solar pole lights at our Aronia futsal court and two pole lights at our Aronia badminton court, all located within our Setia EcoHill township, to improve energy efficiency. All landed property in our Setia Alamsari development is incorporated with solar water heating systems. In optimising energy resources, Setia Wood Industries Sdn Bhd, which is our manufacturing arm, has installed dust collecting systems to manage dust pollution, enabling collected dust to be used as fuel in our boiler operations.



Solar panel installation at S P Setia Corporate HQ in partnership with TNB

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

GREEN TECHNOLOGY ECOSYSTEM

S P Setia has made efforts to minimise carbon emissions by incorporating green technology into its operations and project developments. Over the past three years, S P Setia has installed solar panels in its projects and is progressing from solar water heater systems to energy generation to enhance this initiative with each project we undertake. In FY2022, we commissioned a total capacity of 12.17 MWp of solar capacity across four of our key projects:

Setia Eco Park (518.00 kW)

Artist's Impression

Setia Alamsari (110 kW)

Artist's Impression

Setia Fontaines (10,020.80 kW)

Setia Safiro (1516.49 kW)

Artist's Impression

We are proud to announce that our iconic D'Network @ Setia Eco Park has utilised 100% of its electricity requirement via the installed capacity of a 518 kWp solar system. The surplus energy generated was able to supply clean energy to our facilities within Setia Alam, such as Setia Eco Park's English-inspired waterfall, Elizabeth Falls. These efforts not only reduced our Scope 2 emissions sourcing from this project, but also contributed to significant electricity cost savings of RM114,000 per annum. This achievement is a testament to green technology and its innovative solutions, which allow S P Setia to reduce its emissions footprint and simultaneously, increase cost savings.

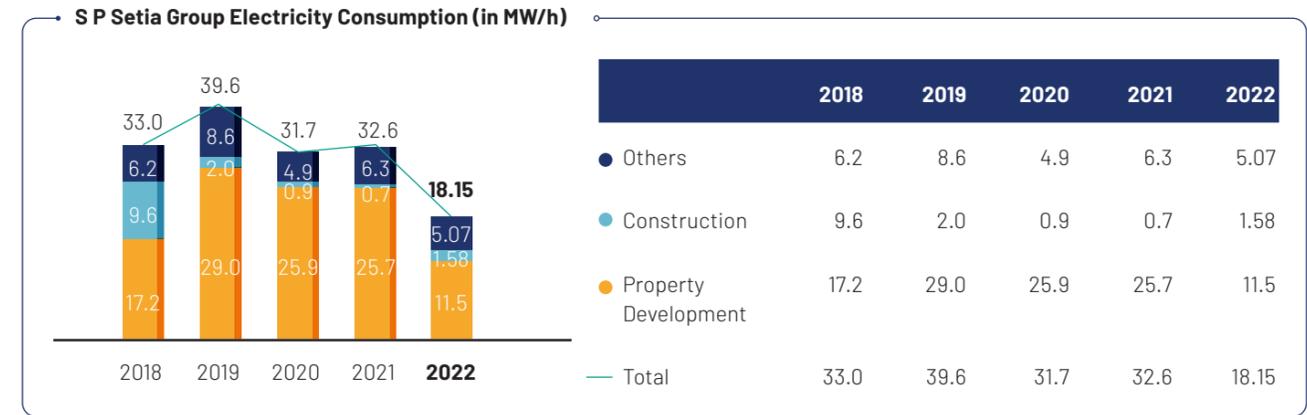
We have also signed an memorandum of understanding ("MoU") with Tenaga Nasional Berhad ("TNB"), the national utility provider, to further promote green technology. The key elements of the MoU are initiatives such as the provision of solar panels at selected residential and commercial units in support of the growth of electric vehicles ("EVs") and other potential uses. This collaboration reflects the commitment of both organisations to green energy and paves the way for S P Setia to achieve its goal of transforming into a net zero organisation.

Our Setia Bayuemas development has adopted innovative features in all its new phases. This is to empower our customers to be part of our environmental aspirations. Installed features in the development include:

-  Green switches
-  EV charger-ready homes
-  Solar panel installation for properties above **RM1 million**
-  Solar-ready homes for properties below **RM1 million**

ENERGY CONSUMPTION PERFORMANCE

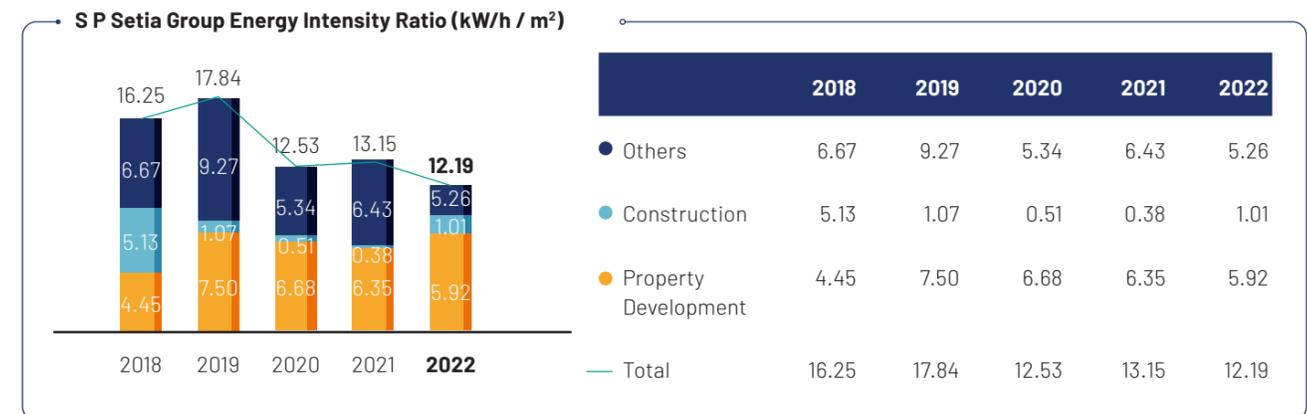
In FY2022, our electricity consumption dropped significantly by 44% as compared to FY2021 due to various factors, including the use of renewable energy. The Group's total consumption was 18.15 MW/h, which was a sharp decrease from 32.6 MW/h in 2021.



Note: The electricity consumption data is based on actual consumption up to December 2022 as reported by 19 BUs that operate in Malaysia only.

Electricity consumption in the Property Development business segment dropped the most among all the BUs, as compared to the previous year. The significant reduction was mainly due to the closure of several site offices and the implementation of green initiatives in 2022. This included the installation of solar panels at S P Setia's headquarters, which enabled a reduction of electricity consumed from the national grid, and 100% utilisation of solar power by D'Network @ Setia Eco Park. Surplus capacity from the installed solar capacity was channelled to Elizabeth Falls in Setia Eco Park. Additionally, energy-efficient measures adopted at welcome centres helped to lower the Group's electricity consumption.

On the contrary, electricity consumption in the Construction segment increased by more than 100% as compared to 2021 due to the resumption of operations of the related BUs post-pandemic. The low electricity consumption in 2020 and 2021 was mainly driven by lower production due to disruptions caused by the COVID-19 pandemic.

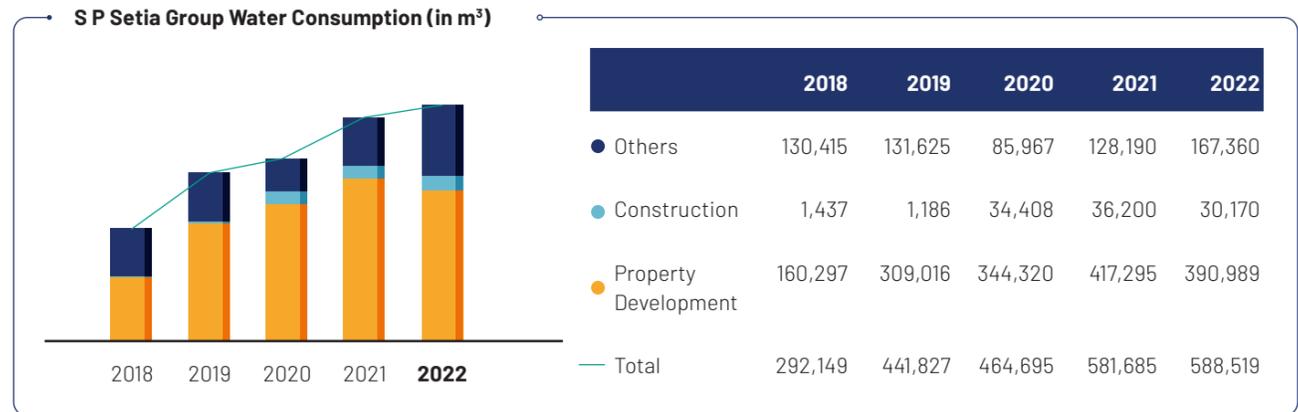


BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

D WATER AND EFFLUENTS

As part of our initiatives to improve our water consumption, we have invested in pond water retention at D'Network @ Setia Eco Park, which enabled us to save up to RM6,840 per year in water costs. We have also completed a 28-acre lake within our Fontaines development, which is fully utilised for our landscape watering (100%). In addition, this lake feature is also designed to increase the serenity of the overall township.



Note: The water consumption data is as of December 2022 as reported by 19 BUs that operate in Malaysia.

In 2022, the Group's water consumption increased slightly by about 1%. While Construction and Property Development recorded lower water consumption by 16.66% and 6.32% respectively compared to the previous year, water usage in the Others category increased by 30.55% from 2021.

We acknowledge that water preservation is key in addressing our climate responsibilities. We are keeping track of the water consumption of our business segments and moving forward, we will plan for initiatives to optimise water consumption and reduce water wastage.



Our measurement of water efficiency – the water intensity ratio – in FY2022 is 0.52 m³ per gross floor area, which was an increase of 108% compared to FY2021 at 0.25 m³ per gross floor area. The water intensity ratio increased in Property Development and Others business segments by 50% and 169%, while Construction maintained the same water intensity ratio.

The increase in both water consumption and the water intensity ratio was a consequence to operations reverting to almost pre-pandemic levels in the Property Development segment.

Spotlight Story

ENERGY AND WATER EFFICIENCY FEATURES

As one of the premier property developers, we believe that sustainability is an important factor in building our strength as a company and creating value for our customers. As such, many of our projects incorporate energy and water efficiency features for both residential and commercial properties, and in our townships generally. These features include LED lighting, motion sensors, solar heating systems, dual flush toilet systems, and EV charging stations.

Energy efficiency aspects are seriously considered in all our development projects and townships. To reduce indoor heat and the need for air conditioning, we have included better building insulation, LED lighting and efficient lighting design. By utilising these features, we are able to minimise the amount of energy being used for a particular project and achieve greater sustainability. In addition, we have installed nine EV charging stations at the Setia City Convention Centre. The initiative is aligned with S P Setia's aspiration to be environmentally responsible and sustainable, as it also reinforces our commitment to sustainability within the community. To help conserve our natural resources, the majority of our projects come with sanitary wares and fittings that have a 3-star Water Efficiency Product Labeling Scheme ("WEPLS") by SPAN. According to the United States Environmental Protection Agency, toilets consume the largest amount of water in households, utilising nearly 30% of the home's water consumption. To this end, dual flush toilets are included in our projects to encourage our home buyers and commercial users to reduce water usage.

Most of our developments are also installed with a rainwater harvesting system and they include Setia Eco Templer, Setia Eco Glades, Setia Alamsari, Temasya Glenmarie, Setia AlamImpian, Bandar Kinrara, KL Eco City, Setia Fontaines, Bukit Indah, Setia Eco Gardens, Setia International Vietnam, Setia City Convention Centre and Setia SPICE Convention Centre. Rainwater is gathered and channelled through a rainwater downpipe and stored in a covert tank within the building compound. This significantly decreases water consumption as the collected rainwater can be used for general purposes like watering plants and washing cars.

For more information on S P Setia's energy performance, please refer to the Energy section on page 117 and the Water and Effluents section on page 118.

E WASTE

We strive to be proactive in reducing environmental pollution and carbon emissions arising from our operational waste. To optimise our material consumption and reduce construction waste, we utilise the IBS. S P Setia was awarded the highest IBS score of 93.95% in 2019. Since then, we have worked towards maintaining this achievement by leveraging the capacity of our subsidiary, Setia Precast Sdn Bhd.

The facility at D'Network @ Setia Eco Park is also equipped with a food waste composting facility. The facility was able to fully provide compost for our landscaping at the same location. This initiative was also able to reduce 36,500 kg of food waste-to-landfill per annum.

We are also promoting ways to reduce paper waste by:

- Reducing the use of toilet paper via the installation of the hand-dryer system at our facilities.
- Segregating wet waste from dry waste to improve our recycling initiatives.
- Going paperless by creating digital menus at our F&B outlets.
- Implementing no single-use plastic initiatives at our welcome centres and events such as conferences held at our facilities.
- Making use of recycled banners by upcycling them into various products such as our corporate gift folders.
- Designating a dedicated store for e-waste disposal at our Setia SPICE Convention Centre.

OUR SUSTAINABILITY JOURNEY

OUR SUSTAINABILITY JOURNEY

SUSTAINABILITY HIGHLIGHTS

Sustainability is front and centre in our pursuit to build sustainable communities and enrich lifestyles. In 2022, we strengthened our sustainability journey and adopted a holistic approach that enables us to strategically integrate sustainability goals into business practices and respond to change. Our goal is to create value for all stakeholders and generate long-lasting positive impacts for people and planet. We are pleased to report that we implemented various initiatives that created Economic, Environmental and Social (“EES”) impacts in the year under review. Our Sustainability Highlights provide an overview of the key impacts that we have made across the three sustainability themes:

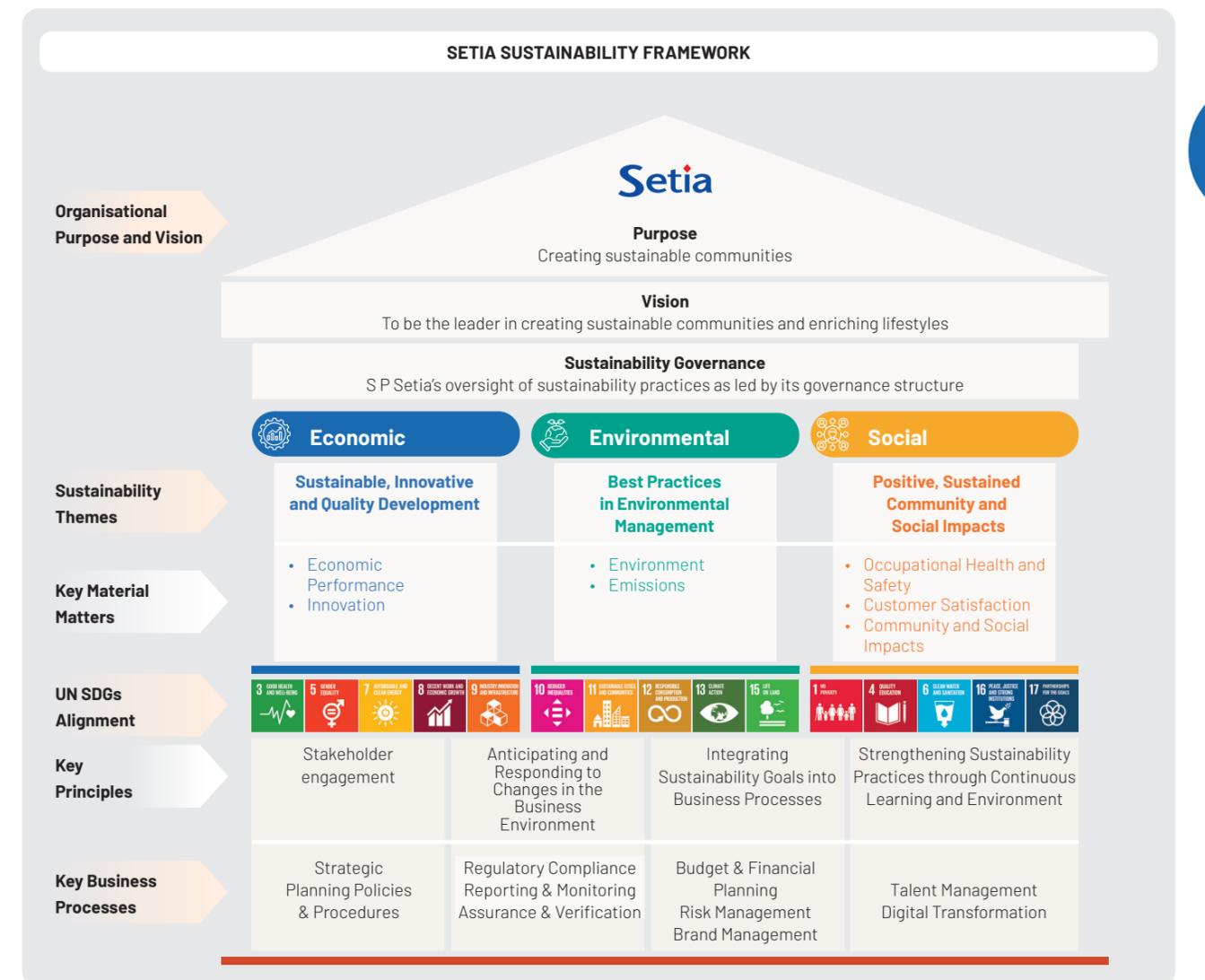


SUSTAINABILITY FRAMEWORK

Sustainability is core to our business decision-making and activities, as we seek to create long-term positive impacts on people and the planet. As such, we strive to embed EES considerations in our business management and daily operations. We also review our sustainability approach from time to time to ensure that our strategy remains relevant to current trends in order to mitigate risks and identify opportunities.

In 2022, we bolstered our sustainability approach with a new Sustainability Framework and enhanced our Sustainability Governance to include sustainability oversight at the Board level. The Board Sustainability Committee was established to look into S P Setia’s strategic direction, and oversees sustainability strategy, direction, performance and risks. The new sustainability approach will pave the way for S P Setia to prepare and respond to changes in the market and stakeholder expectations. This includes enabling the organisation be ready to implement a circular economy as part of the Group’s overall sustainability plan and ensuring compliance with regulatory requirements.

The new Sustainability Framework aims for the Group to better drive sustainability to create sustainable communities. Approved and validated by S P Setia’s Senior Management and the Board, the new Sustainability Framework is anchored on three robust pillars, with each pillar aligned with identified key material matters. We have also selected 15 United Nations Sustainable Development Goals (“UN SDGs”) that are aligned with the key material matters and the pillars. Going forward, we will keep reviewing and updating our sustainability approach to align with the rapid development of the sustainability landscape, and to mitigate risks and identify opportunities to ensure the sustainability of the business.



OUR SUSTAINABILITY JOURNEY

OUR SUSTAINABILITY JOURNEY

OUR ENVIRONMENT, SOCIAL AND GOVERNANCE (“ESG”) ASPIRATIONS

Taking into account the current market landscape and trends, we have reassessed our sustainability matters in tandem with our revised materiality matrix. We have identified our seven key priority material matters and developed Group-level targets with the intention of driving Team Setia to achieve these objectives.

ECONOMIC
Sustainable, Innovative and Quality Development



MATERIAL MATTER	TARGETS
Economic Performance	<ul style="list-style-type: none"> Promoting sales of property with green features Secure green loan for end-financing Promote circular economy in our development processes
Innovation	<ul style="list-style-type: none"> Incorporate green features within projects (Green features include, but are not limited to, solar panels, green switches, green-certified materials, etc) Inculcate a continuous culture of innovation as a catalyst for S P Setia's sustainability solutions

ENVIRONMENTAL
Best Practices in Environmental Management



MATERIAL MATTER	TARGETS
Environment	<ul style="list-style-type: none"> Maintain zero cases of monetary fines for non-compliance with all environmental laws and regulations Less than five cases of Notice of Improvement and zero cases of Notice of Prohibition 100% building and major infrastructure contractors to obtain ISO 14001 and ISO 45001 certification Real-time monitoring of environmental pollutants (for active construction sites and within 500m of residential and commercial areas)
Emissions	<ul style="list-style-type: none"> Establish emissions inventory for S P Setia's operations Charting pathways towards Carbon Neutrality and Net Zero aspirations – Setia Green Roadmap

SOCIAL
Positive, Sustained Community and Social Impacts



MATERIAL MATTER	TARGETS
Occupational Health and Safety	<ul style="list-style-type: none"> Zero work-related incidents Stop-work order by authorities related to occupational health and safety regulations Continuous safety and health campaign for Setia's employees, contractors and community
Customer Satisfaction	<ul style="list-style-type: none"> Minimum 75% satisfaction rate from housebuyers Quarterly community engagement programme to promote neighbourhood unity 75% CIDB scoring on Quality Assessment System in Construction ("QLASSIC") on annual development basis
Community and Social Impacts	<ul style="list-style-type: none"> Establishing a more comprehensive Setia Labour Rights Policy Maintain at least 40% women's representation in Setia's Senior Management Introduce volunteerism leave to promote employee well-being and community engagement

We aim to disclose our ESG Scorecard against these targets alongside other materiality matters, in alignment with the UN SDGs.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

As a leading property developer in Malaysia, S P Setia is focused on ensuring that our developments and quality product offerings generate long-term value creation to benefit our stakeholders, while responsibly maintaining positive social impacts and environmental sustainability.



Material Matters:

- Economic Performance
- Innovation
- Market Presence
- Procurement Practices
- Climate-Related Financial Risks and Opportunities
- Indirect Economic Impacts
- Anti-Corruption
- Anti-Competitive Behaviour

Notes:
For information on:
i. **Market Presence**, please refer to We Consider Our Operating Environment from pages 32 to 38.
ii. **Indirect Economic Impacts**, please refer to Community and Social Impacts on pages 140 to 144.
iii. **Anti-Competitive Behaviour**, please refer to Corporate Governance Overview Statement from pages 170 to 195.

[Artist's Impression] Aspire Tower, KL Eco City, Bangsar, Kuala Lumpur

A ECONOMIC PERFORMANCE

REGAINING MOMENTUM

The gradual recovery of the country's economy, relaxation of movement restrictions and overall return to normalcy in 2022 enabled the Group to drive strong sales performance, building on the momentum gained in 2021. In 2022, we also launched a total of 44 phases of projects, comprising 2,391 residential and commercial units with a gross development value ("GDV") of RM3.08 billion domestically and internationally. The major milestone was the launch of the Battersea Power Station. In addition, we continued strengthening our capital structure, optimising land bank utilisation, clearing unsold product offerings and expanding existing townships.



IMPROVING LIFESTYLES THROUGH INFRASTRUCTURE INVESTMENT

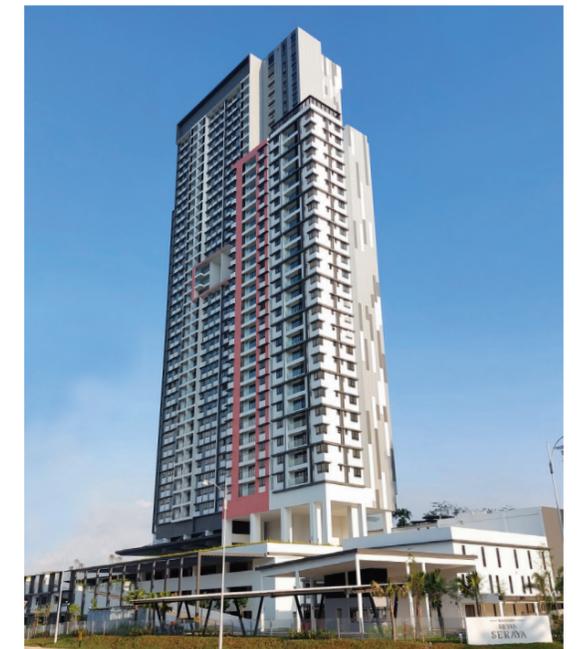
One of Team Setia's contributions towards nation building is the upgrading of public infrastructure and facilities. We believe that through meaningful projects, we are able to uplift the lives of communities, fight against inequalities, create more job opportunities and heighten positive social interactions. The following infographic illustrates our contributions as of the end of 2022.

TRIO By Setia



Infrastructure Investment:
 ➤ **Road widening and upgrading stormwater drainage**
 Amount:
 ➤ **RM1.07 million**

Setia Seraya Residences



Infrastructure Investment:
 ➤ **Resurfacing main road**
 Amount:
 ➤ **RM490,600**



SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

B INNOVATION

DELIVERING QUALITY PRODUCTS THROUGH INNOVATION

At SP Setia, our customers' needs are always met through exceptional service and quality products. Our culture of excellence encompasses a strong sense of commitment to quality, teamwork and professionalism. These values and practices are further embedded through our compliance with the SIRIM ISO 9001 Quality Management System ("QMS").

As a leading property developer, we leverage innovation to remain competitive, achieve steady growth and seek sustainable solutions. Innovation in SP Setia spreads throughout the organisation, from operations to project implementation and support services, and even to Senior Management.

Throughout the years, we have seen great transformations in the way we do business, from ideation to implementation and recently, sustainability. Internally, we have digitalised the Group Human Resource systems, finance processes, procurement contracts and credit administration and increased the use of digital marketing platforms. Taking it a step further, completed developments are now handed over via apps and we even render after-sales service through digital means.

Technical Excellence Committee ("TEC")

Innovation is best reflected in the establishment of our Technical Excellence Committee ("TEC") in 2018. The TEC ensures that our housing developments are constantly undergoing quality improvements and product innovation. In addressing the future with innovation and technology, we incorporate updated knowledge of construction techniques and processes as well as sharpen our acumen to foresee, avoid or address issues promptly. The TEC covers six elements of the Technical Excellence Framework, namely Planning & Design, Contractor & Product Quality, Consultant, Landscape, People Development and Sustainable Smart Development. These elements help the Committee to monitor customers' expectations and facilitate the development and implementation of technical excellence strategies and initiatives.

Presently, SP Setia has two main core teams, the TEC and the Customers Excellence Committee ("CEC"), and both are activated to pitch innovation ideas until implementation for processes, products and customer experience. In view of its functions and scope, the TEC is led by an Executive Vice President ("EVP") consisting of leaders from Contracts Administration, Project Planning & Development, Project Implementation and Landscape and Quality Assurance & Quality Control ("QAQC"). It is well supported by other units including the Group Contracts Department ("GCD") and Group Quality Management ("GQM"). Each key BU and Department is represented in our TEC, which directs its respective units to achieve market-leading product quality.

Technical Excellence Committee ("TEC")			
Objective			
To achieve Technical Excellence			
Led by EVP consisting of leaders from	Contracts Administration	Project Planning & Development	Project Implementation
	Landscape and QAQC	Group Contracts Department	Group Quality Management
Technical Excellence Framework covering six areas	Planning & Design	Contractor & Product Quality	Consultant
	Landscape	People Development	Sustainable Smart Development

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

Spotlight Story

SMART AND SUSTAINABLE DEVELOPMENT IN OUR PROJECTS

At SP Setia, we aim to create thriving communities by developing buildings based on the latest trends in design, technology and our customers' needs, focusing on sustainability. The TEC has been driving Smart and Sustainable Developments ("SSD"), a subset of the Setia Digital Transformative Initiative, across the Group. Key personnel and representatives from each project are responsible for working towards a common goal of providing a living environment infused with "smart" technology and ensuring this lifestyle can be continued through a "sustainable model".

Six SSD framework pillars serve as the foundation for the TEC's innovation strategies, which include smart innovation in the property construction and project development sectors, research and development on new technologies as well as identifying the latest sustainability initiatives. These six pillars are as follows:



Guided by the six pillars above, the TEC has identified 11 key topics and various initiatives under each topic.

- | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Sustainability</p> <ul style="list-style-type: none"> • Energy Efficiency • Water Efficiency • Indoor Environment Quality • Site Planning / Master Layout Planning | <p>Smart</p> <ul style="list-style-type: none"> • Smart Community / Lifestyle • Smart Safety • Smart Mobility • Smart Wellness / Healthcare | <ul style="list-style-type: none"> • Smart Energy • Smart House / Building • Smart Digital Infrastructure ICT |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|



SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

MANAGING THE DELIVERY OF QUALITY PRODUCTS

Our framework to deliver quality products is premised on the QCLASSIC framework. QCLASSIC, a standard created by the Construction Industry Development Board (“CIDB”) acts as a guideline and benchmark for our project team when it comes to the quality workmanship of our construction projects. With this framework, we are able to consistently monitor workmanship and at the same time, ensure stringent quality control.

GQM further monitors product quality performance via regular In-process Construction Quality (“ICQ”) Assessment and CPA site audits. The ICQ assessment measures the in-process construction product quality of building projects. The assessment is held on a bimonthly basis and is in compliance with S P Setia’s Quality Standard and specifications.

On another note, the Construction Performance Assessment (“CPA”) is a quality-level measure of the architectural work of a completed project. Based on S P Setia’s Quality Standard, contractors are required to achieve a minimum CPA score of 75% to obtain the Certificate of Practical Completion. Post-assessment, contractors will receive their results together with feedback on areas that need improvement.

In FY2022, our property developments successfully achieved an average score of more than 86.5% for both ICQ and CPA:



Spotlight Story

DEFECT COMPLAINT MANAGEMENT

Team Setia is proactive when it comes to making sure that our developments and product lifecycles revolve around the parameters of our Project Quality Plans. We are disciplined in executing our monitoring programmes, with an effective defect management system to track and manage defects across projects with the support of the teams in charge. In 2022, we continued to boost the efficacy of our defect management system with the implementation of the SNAGR system. The automation of the inspection process allows instant reporting and information exchange between our Customer Relations Unit and involved parties, including customers, contractors and consultants.

All BUs in S P Setia have implemented SNAGR as the Defect Management System to facilitate the efficiency in managing customer feedbacks. We have seen improvement in our response in which we were able to resolve 70.29% of defect complaint cases within 14 days in 2022, compared to 64.5% in 2021.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

PRODUCT SAFETY FEATURES FOR PEACE OF MIND

We are committed to fulfilling the requirements of Sustainable Cities and Communities under UN SDG 11 in the design of our properties. We implement this by incorporating sustainable and resilient safety features into our sales galleries, commercial buildings and residential buildings.

Product Safety Features		
Business Unit	Project	Safety Features
Setia Eco Templer	Phase 2A	<ul style="list-style-type: none"> Lightning arrestors to protect residents and household electrical appliances from lightning strikes Home alarm systems
Setia EcoHill	Setia EcoHill Walk	<ul style="list-style-type: none"> These safety features were for the following projects: Carnus, Frossa, Aronia, Allia and Kandara Motorcycle parking - bar and chain to secure bike Fire door with anti-panic function Traffic-related: wheel stopper, convex mirror, speed hump Floor tiles with minimum R11 rating in outdoor areas to prevent falls Movement joint to prevent tile pop-up Identifying edges of drops with different coloured nosing tiles / pebble wash finish Disabled-friendly features: ramp, parking, toilet, lift car
	Frossa	<ul style="list-style-type: none"> Disabled-friendly toilet attached to ground floor bedroom
Setia Eco Glades	Setia Botanika Hammock Club	<ul style="list-style-type: none"> Ramp for the elderly and persons with disabilities (“PWD”) at clubhouse Tac tiles for PWD at clubhouse
Setia Eco Gardens	Tenby School	<ul style="list-style-type: none"> Ramp for the elderly and PWD
	#15 Bungalow	<ul style="list-style-type: none"> AAC Block (Starken DuraPro5™) for internal building wall (GreenLabel Singapore)
Setia Trio	Trio Sales Gallery	<ul style="list-style-type: none"> Ramp and disabled-friendly toilet at Sales Gallery

CUTTING-EDGE TECHNOLOGY WITH INDUSTRIALISED BUILDING SYSTEM

To remain competitive and deliver quality products, we utilise the Industrialised Building System (“IBS”), a cutting-edge technology to ensure the timely delivery of our products. In comparison to the traditional construction methods, IBS aids us by shortening the timeframe of our project development and providing higher safety performance against external forces.

For example, our wholly-owned subsidiary, Setia Precast Sdn Bhd, adopts precast technology, which allows it to serve as a one-stop IBS centre specialising in constructing high-rise apartments, landed houses and commercial buildings.

We completed two commercial and apartment buildings in 2022 with the help of the IBS system:

No.	Project	Location	Completion Date
1	RSKu De Cemara Apartment	Bandar Setia Alam	28 July 2022
2	Bywater Auritum 2-storey Terrace House	Bandar Setia Alam	30 December 2022





SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

RESPECTING AND SAFEGUARDING CUSTOMER PRIVACY

We fully understand the importance of safeguarding customer privacy as a protective measure and strategic element in customer retention, brand growth and business opportunities. As a leading property developer, the Group continues to adhere to the Personal Data Protection Act ("PDPA"), enforced on 15 November 2013.

We protect the personal data of our customers against loss, theft, misuse and unauthorised access, usage, alteration and destruction through ethical administrative measures and technical precautions. Personal data is only stored for required periods to fulfil the various purposes outlined in our Privacy Policy. Customer privacy is further protected through the deployment of several cybersecurity measures.

Our set policies and procedures act as a directive to shield data from cyber threats. We create awareness and educate our Team Setia through the following programmes and activities:

- i** Talks and roadshows by qualified legal personnel for all BUs, raising awareness on data privacy, its importance and repercussions
- ii** Group Legal Department-led initiatives to review and update all relevant documents and correspondence affecting all parties, especially customers. The review ensures relevance and PDPA compliance by:
 - a) Providing customers with a clear privacy notice, including opt-out options for targeted advertising campaigns
 - b) Obtaining customer consent to process their sensitive data
- iii** Group Legal Department to carry out review of the exercise with updates and communications on PDPA via email to all staff across the Group in 2019

Notwithstanding the absence of a structured mechanism to review the effectiveness of the Management's approach, the BU Heads and Group Legal teams are collaborating closely to diligently trace any potential threats at the operational level. Our GQM Department is also responsible for highlighting any relevant findings during its regularly scheduled audits.

Cybersecurity-related Policies and Procedures

Document Title	Safety Features
Managing Windows and Application Systems and Passwords Policy	Manages application systems passwords and provides guidelines for information and system access
Managing Network System and Access Control Policy	Protects network system from unauthorised access and prevents damage to the Group's network system
Email and Internet Acceptable Use Policy	Defines the acceptable use of the Internet and email for the Group
Server and Network Equipment Password Management Policy	Establishes guidelines for managing passwords for servers and network
File Server Policy	Controls the access and storage of files in the file server to ensure information is preserved for confidentiality, integrity and availability

Team Setia also underwent training sessions on cybersecurity via an eLearning platform from September 2022 to December 2022. A total of 1,990 team members attended the sessions, which shared topics from basic security to more complex skills such as securing passwords and scammer identification.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

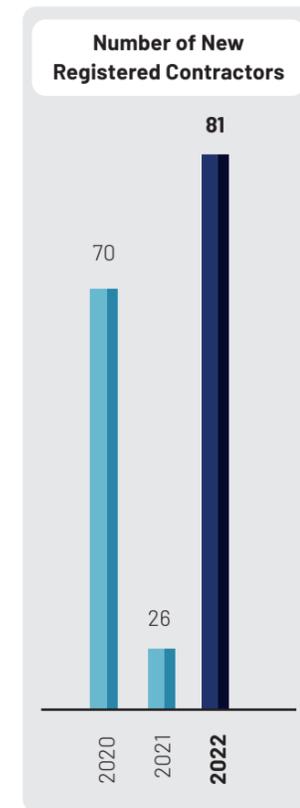
C PROCUREMENT PRACTICES

As a leading property developer, we work with vendors from various industries to assist us in achieving and maintaining quality excellence in our products and services. Our suppliers, contractors and specialised consultants contribute throughout our project lifecycle, from before the commencement of each project right up to delivery and after-sales services. Therefore, a robust supply chain is important for us as it ensures that our daily operations are uninterrupted.

In 2022, we engaged 128 contractors throughout our project developments across Malaysia:

Location (Based on Contractor's Location)	Number of Contractors Awarded with Contracts			Monetary Value of Payment		
	Year 2020	Year 2021	Year 2022	Year 2020	Year 2021	Year 2022
Penang	26	9	13	13.6%	8.2%	8.2%
Klang Valley	104	92	80	64.2%	84.5%	69.3%
Johor	21	17	32	21.9%	6.7%	21.9%
Other Areas	5	3	3	0.3%	0.6%	0.6%

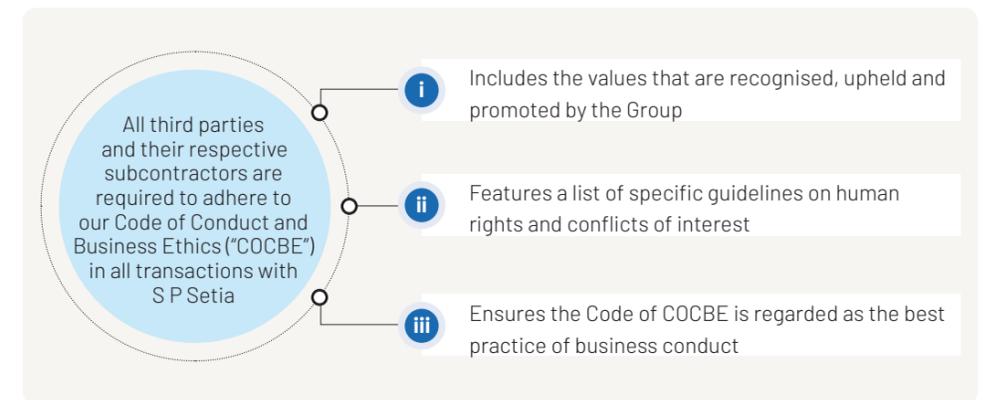
On a yearly basis, S P Setia sources for new contractors to expand our pool of suppliers. In 2022, the number of new registered contractors increased to 81 compared to 26 in the previous year.



ESTABLISHING A RESPONSIBLE SUPPLY VALUE CHAIN

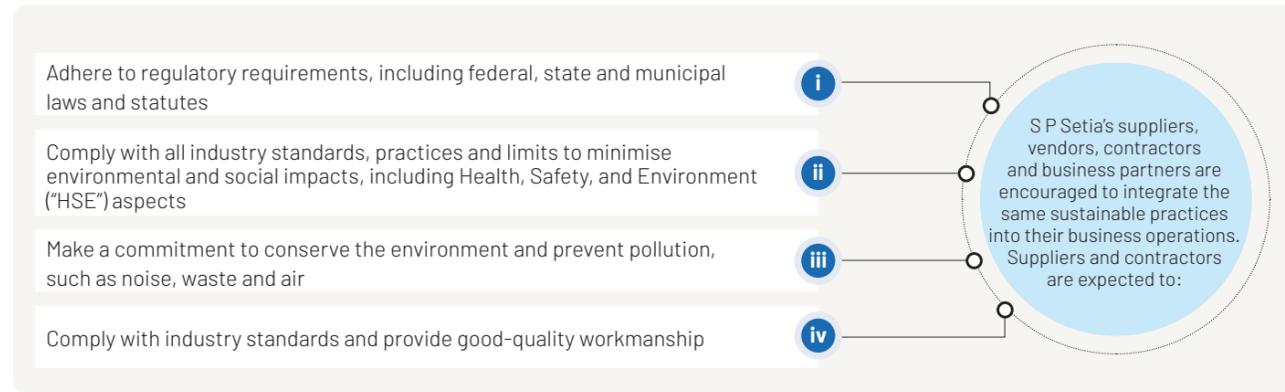
We remain committed to maintaining a fully sustainable supply chain and have incorporated key social and environmental aspects into the management of our supplier relationships. In our endeavour to build trust and generate long-term benefits for all stakeholders across our supply chain, the Group's values and principles are extended to all third parties. We strive to ingrain integrity and transparency in all that we do, by cultivating a safe and healthy workplace, implementing environmental practices and strictly complying with all the relevant laws and regulations in the areas where we operate.

An efficient procurement process is important to us because it is one of the main processes that will contribute to lowering costs, improving our bottom line and ultimately, the quality of our products. Robust procurement processes also directly contribute to economic growth, generate employment opportunities and increase social value through township developments that support quality of life.





SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT



To fulfil these requirements, it is compulsory for our contractors to go through a structured pre-qualification process with HSE as one of the criteria and commit to a service level agreement. Moreover, S P Setia appoints a team to conduct monthly audits across all our project sites and a Yearly Contractor Performance Evaluation ("CPE"), to ensure that our engaged contractors comply with applicable laws and regulations. Contractors are also required to submit monthly progress reports to S P Setia for monitoring, including HSE management on-site.

It is necessary for our business partners to be aware of the importance of sustainability in order for S P Setia to advance with our sustainability goals. We continue to actively engage with our business partners and associates to raise awareness and share knowledge through briefings before work commences, construction team meetings and the submission of progress reports to S P Setia and the Chief Executive Officer ("CEO") / Chief Operating Officer ("COO") dialogues.

SELECTING AND ASSESSING SUITABLE VENDORS

In the goods and services procurement process, a formal assessment of suppliers and vendors is essential to measure their performance against various criteria, and to determine if they are equipped to meet the Company's needs. S P Setia has implemented stringent tender processes and annual performance evaluations for its contractors.

A Supplier Environmental Assessment

While quality, pricing, performance and timeliness are important factors in our selection, the sustainability practices of our vendors' businesses are decisive. Our supplier environmental assessment ensures that all building contractors engaged by S P Setia will be evaluated on their registration with certification bodies (ISO 14001) in the Pre-Qualification of Contractors process and on HSE criteria during site visits conducted by the Project Implementation Personnel. HSE audit is conducted on a monthly basis to ensure compliance with requirements. Environmental Impact Assessment ("EIA") is carried out for applicable developments to ensure compliance with regulatory requirements.

B Supplier Social Assessment

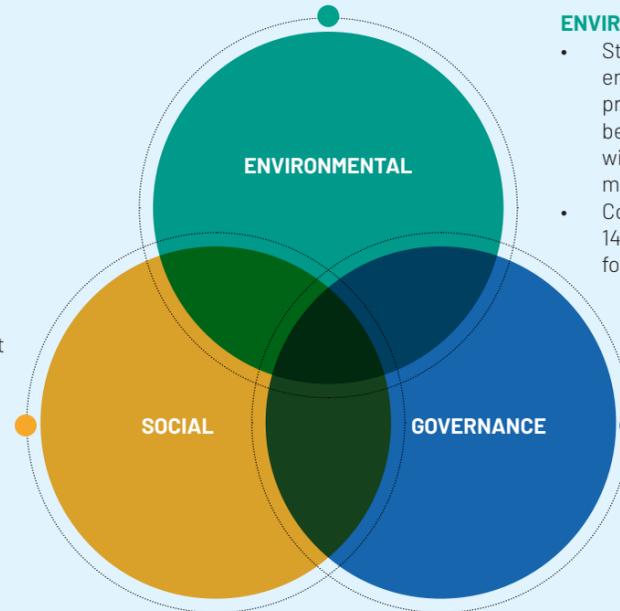
All building contractors are assessed on their registration with certification bodies (ISO 45001) and the number of accidents/incidents reported over the last three years. All major contractors are evaluated on the HSE criteria during the site visits by the Project Implementation Personnel for Pre-Qualification of Contractors. Additionally, to minimise negative social impacts on the supply chain and actions taken, S P Setia conducts a monthly HSE audit per project parcel for all properties.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

Our entire vendor assessment process is also aligned with the following ESG criteria:

SOCIAL

- Insurance for workers
- Health, safety and environment
- Compliance with laws and regulations for foreign workers
- Provide decent accommodation to foreign workers according to the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019
- Meet or exceed Malaysia's minimum wage
- Prevention of forced labour and child labour
- Compliance with all applicable labour laws where we operate



ENVIRONMENTAL

- Strictly comply with all applicable environmental legislation, preventing pollution and adopting best practices in accordance with the Group environmental management system
- Comply with and maintain ISO 14001 and ISO 45001 certifications for HSE monitoring

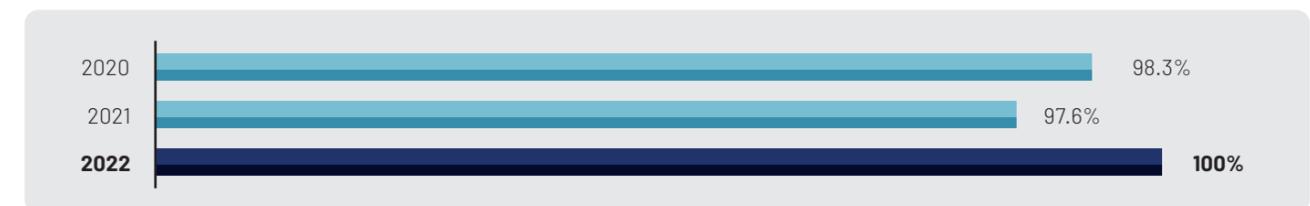
GOVERNANCE

- Compliance with laws
- Act with integrity
- Maintain accountability
- Avoid conflicts of interest
- Maintain confidentiality
- Anti-bribery and corruption

SUPPORTING LOCAL PROCUREMENT

Our procurement practices are developed to support people and environment as our suppliers, vendors, contractors and Business Associates ("BA") play a significant role in S P Setia's business. Our support goes a long way towards strengthening the business of local suppliers, while we meet our CSR targets. Supporting local procurement is also more cost-efficient, saves time and reduces our carbon footprint. To this end, S P Setia prefers local sources of goods and services to support the economy in areas where we operate.

In 2022, 100% of our contractors were local companies whose businesses were registered in Malaysia:



SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

D CLIMATE-RELATED FINANCIAL RISKS AND OPPORTUNITIES

As extreme weather events such as floods continue to disrupt daily lives and business activities, we acknowledge that the effects of climate change can impact our business in the long term. As such, we will take the first step to mitigating climate risks by identifying climate-related financial risks and opportunities. We aim to adopt the Task Force on Climate-related Financial Disclosures ("TCFD") framework in the next financial year, which will help provide clear and comprehensive information about S P Setia's exposure to climate risks and opportunities.

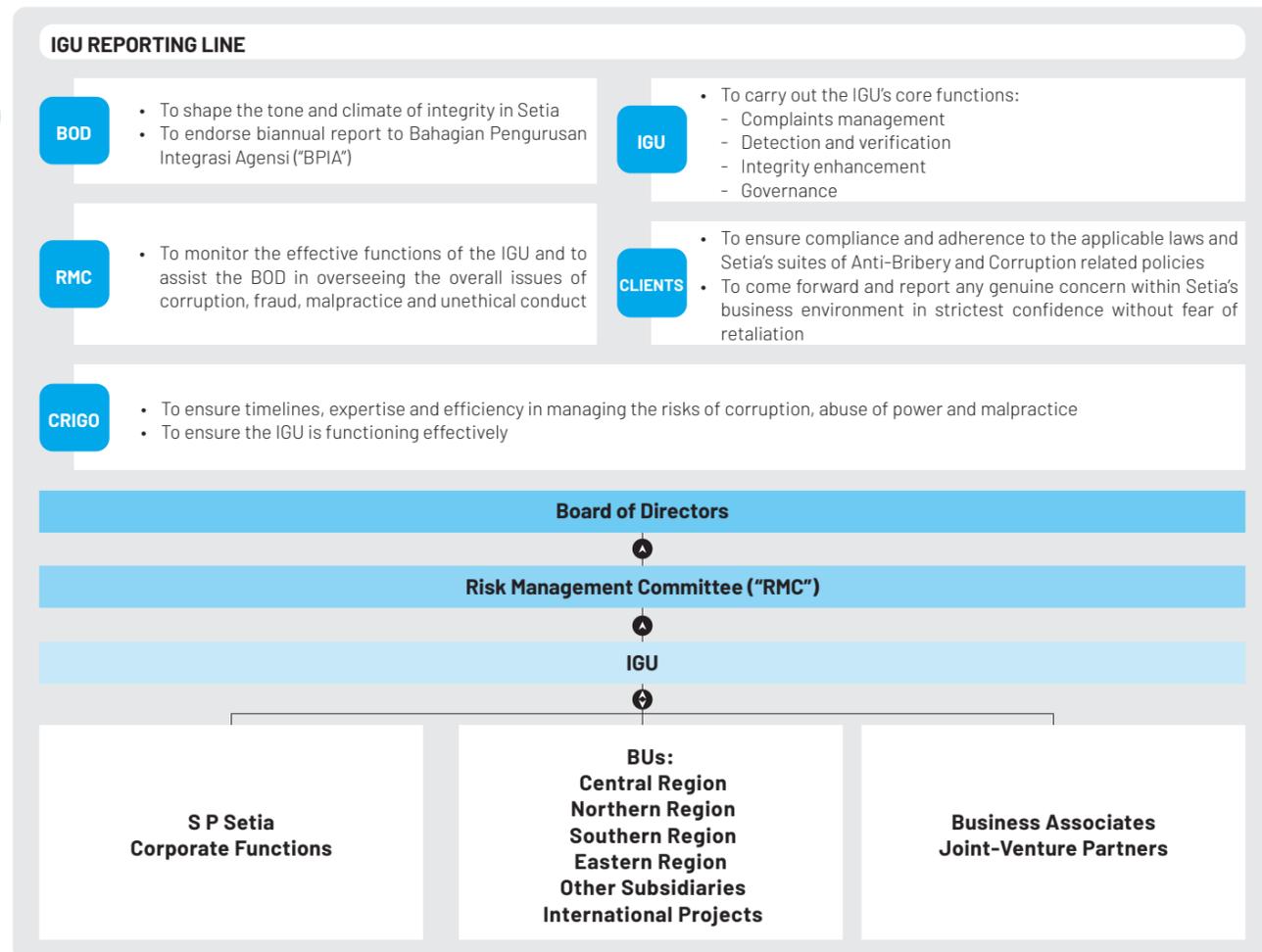
E ANTI-CORRUPTION

ANTI-BRIBERY AND ANTI-CORRUPTION GOVERNANCE FRAMEWORK

It is essential to defend the Company against all forms of corruption and bribery, as well as to prevent any loss and damage to our business and operations. To this end, we have an anti-bribery and anti-corruption governance framework that is implemented to combat bribery and corruption.

The Board oversees S P Setia's anti-bribery and corruption efforts and is responsible for ensuring the policy meets the Group's legal and ethical requirements. Our IGU is tasked with implementing and managing the overall effectiveness and efficiency of our anti-bribery and corruption initiatives.

The IGU team comprises qualified Certified Integrity Officers who are entrusted with managing complaints, performing detection and verification and strengthening integrity and governance functions. It is headed by the Chief Risk, Integrity and Governance Officer and Head of IGU, who reports to the Risk Management Committee. 40 IGCs were nominated and appointed in all BU and Corporate Functions to support integrity and governance matters such as corporate liability and to promote the Setia High-Integrity culture.



In FY2022, we continued to conduct training and briefing sessions to fulfil the IGU's objectives and to facilitate the collation of data and information whenever necessary.

POLICIES AND PROCEDURES ON ANTI-BRIBERY AND ANTI-CORRUPTION

Good business ethics, honesty, integrity and accountability are paramount in the way we do business. We have zero tolerance for bribery and corruption, and we continue to uphold the highest ethical standards across our workplace and in all our business transactions and relationships.

We remain guided by our Anti-Bribery and Corruption Policy, which has a clear framework in accordance with Section 17A of the MACC Act (Amendment 2018) on Corporate Liability. We continue to ensure that initiatives that fall under Adequate Procedures underlining TRUST principles are properly planned and implemented to prevent corrupt practices across our business activities. Our Anti-Bribery and Corruption Policy should be read along with S P Setia's COCBE and the relevant standard operating procedures ("SOP") outlined in this Policy.

Team Setia is strictly prohibited, under any circumstances, to make contributions or donations, and receive or give any form of gifts. However, exceptions are made to this rule that are indicated clearly in our Gifts and Hospitality Policy, as well as the Donations and Sponsorship Policy. S P Setia's SOPs for donations, contributions and sponsorships for external events and accepting and giving of gifts and/or hospitality are firmly established for Team Setia in the management of gifts, donations and hospitality issues. Third-party due diligence is rolled out and implemented across the Group, which comprises third-party questionnaires, background checks and encouragement to establish ABC policies for SMEs, which include commitments from subcontractors (where applicable).

Our policies on anti-bribery and corruption are published on the Group's website and are available for viewing at <https://spsetia.com/en-us/corporate-governance-home>. In 2022, our policies also applied to our overseas operations, which include Singapore, Japan, Vietnam and Australia.



Whistleblowing Procedures

Whistleblowing Channels

- Whistleblowing e-Form
- IGU dedicated line at 03-33482719 Monday to Friday (9 am to 5 pm)
- Write in to Chairman of RMC (apardas@spsetia.com) or to IGU
- Email to igu@spsetia.com
- Walk-in / Appointment with IGU or Chairman of RMC

S P Setia's stakeholders, including suppliers, associates, members of the public, employees and residents are encouraged to report any suspected violations through our whistleblowing system. Suspected violations include reports on fraud, corruption or wrongdoings that contradict our policies, COCBE, laws and regulations.

Accessible via our website, the Whistleblowing Policy provides a structured reporting platform and comprehensive whistleblowing measures. Reports can be made through multiple channels, such as the e-form available on our website, email via igu@spsetia.com, by phone, walk-in, appointment with the IGU/ RMC Chairman or in writing to the Chairman of the RMC / IGU. All reports are kept strictly confidential unless required by law or for the purpose of any action by or against the Group.

In 2022, the IGU received a total of six complaints via the whistleblowing channels. One case was related to alleged improper conduct while the remaining cases related to customer complaints. Internal investigations were carried out and corrective measures were taken to address these issues. A "Management Whistleblowing Committee" comprising the President/CEO, Chief Internal Auditor and Chief Risk, Integrity and Governance Officer has been established to conduct the pre-screening process to evaluate the seriousness of any possible criminal offences or improper conduct. The committee will then provide relevant recommendations to the RMC and subsequently to the Board on the next course of possible action.

For more details on initiatives organised in FY2022 on Integrity & Governance, kindly refer to the Statement on Risk Management & Internal Control ("SORMIC") on pages 196 to 204.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

INTEGRITY & GOVERNANCE UNIT'S KEY ACTIVITIES AND INITIATIVES IN 2022:

- 1 Implementation of **Organisational Anti-Corruption Plan** for year 2022.
- 2 **Enhancement of SOPs** for:
 - Donations, Contributions, Sponsorship of External Events
 - Offering and Acceptance of Gifts and/or Hospitality
 - Whistleblowing and Investigation
- 3 Facilitated **27 Corruption Risk Assessments Group-wide**.
- 4 Provided **114 training hours** through Integrity Roadshows (Team Setia and Business Associates locally and in Vietnam), Anti-Fraud Training, Integrity & Motivation for Polis Bantuan, Integrity & Governance Champions Conference, Refresher on Corporate Liability for the Senior Management Team and a free webinar for SMEs on Adequate Procedures.
- 5 **A series of educational and awareness programmes were conducted as follows:**
 - Invited as a panellist of an integrity-related forum organised by participants of the Certified Integrity Officer training programme for Government Sector Batch 29 in March 2022.
 - Attended a forum jointly organised by "Unit Integriti Setiausaha Kerajaan Negeri Selangor" and "Bahagian Integriti Perbadanan Kerajaan Negeri Selangor ("PKNS") in April 2022.
 - Training and Motivation sessions for Police Bantuan-S P Setia Berhad were held from May to June 2022 involving three sessions and a total of 90 personnel.
 - Invited to present an 'Integrity Talk' with other corporate bodies, namely Majlis Agama Islam Selangor ("MAIS"), International Islamic University Malaysia ("IIUM"), Cradle Fund Sdn Bhd and National Institute of Occupational Safety and Health ("NIOSH").
 - A free webinar on Adequate Procedures Checklist for SMEs was held in May 2022 and attended by 76 participants.
 - The Internal Integrity and Governance Champion ("IGC") Conference was held in July 2022, attended by 29 personnel. The appointed IGCs were presented with a Certificate of Appointment by Datuk Choong Kai Wai, President and CEO ("PCEO") of S P Setia Berhad.
 - Hybrid Setia Integrity Roadshows were conducted for newcomers throughout year 2022. A total of four sessions were conducted and a total of 167 staff signed off on the Individual Corruption-Free Pledge.
 - Setia Integrity Roadshows were conducted with our Team Setia Vietnam in August 2022. A total of 66 staff attended the awareness sessions and signed-off on the Individual Corruption-Free Pledge.
 - Setia Integrity Roadshows for Business Associates were also conducted for BA in Malaysia. This was a continuation of the efforts conducted in year 2021. A total of 453 BA attended the sessions and signed off on the Setia Integrity Pledge. The pledges given by Setia's BA were proof of their support towards our aspiration to achieve 'Zero Tolerance' for bribery and corruption in our business environment. Similar awareness sessions were conducted with Setia's BA in Vietnam and attended by 28 participants who then signed off on the Setia Integrity Pledge.
 - Corporate Liability - A refresher for the Group Action Committee ("GAC") was held in Johor in May 2022, attended by 39 personnel including the PCEO and the COO of S P Setia Berhad.
 - Setia Integrity Roadshows - A refresher was also conducted for Team Setia in Malaysia. This was a refresher session to remind the staff about the corporate liability environment and the impact of the provisions of the law on Setia and its business. The staff were also briefed on the updated Whistleblowing policy, which has been aligned to the new Whistleblowing ISO 37002:2021, and real case studies in Setia's business environment were shared as part of organisational learning. A total of 1,649 Team Setia members in Malaysia attended 39 sessions held between August and October 2022.
- 6 Establishment of Integrity & Governance Unit's ("IGU") portal (Integrity@Setia).

7 Continuous engagement with the authorities is conducted as follows:

- Unit Integriti, Setiausaha Kerajaan ("SUK") Negeri Selangor
- Unit Integriti SUK Pulau Pinang
- Unit Integriti SUK Johor
- Inspection & Consultation Division, Malaysian Anti-Corruption Commission ("MACC")
- State MACC of Pulau Pinang
- State MACC of Kuala Lumpur
- Unit Integriti Kementerian Perumahan dan Kerajaan Tempatan
- Unit Integriti Jabatan Bomba & Penyelamat Malaysia
- Unit Integriti Majlis Perbandaran Kajang
- Unit Integriti Majlis Perbandaran Selayang
- Unit Integriti Majlis Bandaraya Seremban



Special Participation

Participated in the inaugural Anugerah Integriti, Governans dan Anti-Rasuah 2022 organised by Institut Integriti Malaysia. Setia was awarded Silver based on the assessment conducted.

ENTRENCHING ANTI-CORRUPTION IN S P SETIA

Training and Awareness Programmes on Anti-Bribery & Anti-Corruption



S P Setia continued to raise awareness on anti-bribery and anti-corruption among BA by placing emphasis on the impact on the corporate liability environment, Setia's integrity policies and COCBE via Setia Integrity Roadshows.

In 2022, Setia Integrity Roadshows for newcomers were organised for 167 Team Setia staff who signed off on the individual Corruption-free Pledges.

Throughout year 2022, a total of 27 Corruption Risk Assessments ("CRA") were conducted. The Corruption Risk Profiles will be re-assessed and reported to the RMC on a periodic basis.

Implementation of the Organisational Anti-Corruption Plan



In support of the National Anti-Corruption Plan agenda that was published in 2019, we developed our three-year Organisational Anti-Corruption Plan ("OACP") for 2021 - 2023 to embed a culture of high integrity with the guidance of a structured framework to prevent corruption and combat corrupt practices across the business.

Seven key risk areas, strategies and action plans were identified in the OACP, which requires concerted efforts from each member of Team Setia in its implementation across the Group.

The following initiatives were completed for year 2022 based on the approved Setia OACP:

- T Quarterly report to the Management, RMC and Board
- R Aligned CRA with ISO37001 the Anti-Bribery Management System ("ABMS")
- U • Assisted BA to comply with Setia's Anti-Bribery & Corruption ("ABC") policies • Embarked on the ISO37001 Certification
- S Compliance and assurance by Group Internal Audit
- T Integrity roadshows for BA and refresher for Team Setia

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

S P Setia demonstrated its commitment to preserving the environment by upholding the best practices of environmental management as one of the key themes within its sustainability strategy. We believe that sustainable development is an integral part of our business, hence we manage our environmental footprints with full compliance in our project developments. To promote sustainable living at the same time, we aim to find innovative solutions without compromising the quality of living.



Material Matters:

- Environment
- Emissions
- Energy
- Water and Effluents
- Waste
- Materials
- Biodiversity



Residensi Vogue 1, KL Eco City, Bangsar, Kuala Lumpur

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

A ENVIRONMENT

We recognise that environmental issues such as emissions, climate change, resource constraints and biodiversity are material to our business. As a responsible corporate citizen, we constantly strive to prevent negative environmental impacts, or at least, manage or reduce those impacts by adopting best practices in environmental standards and implementing environmentally friendly business strategies and processes. Our developments incorporate comprehensive planning and green concepts in order to minimise the adverse impacts of land development on our environment. For example, our projects are planned, designed and constructed with integrated renewable energy solutions and sustainable materials to minimise carbon footprint.

In our commitment to ensuring our compliance with environmental rules, regulations and policies, the Group has a dedicated GQM who oversees our environmental compliance and appoints a HSE Officer under each BU. These HSE officers are tasked with guiding contractors on their compliance with environmental laws and regulations. We remain guided by our HSE policy and maintain the standards of ISO 14001:2015 Environmental Management System certification.

To ensure compliance with the laws, regulations and directives issued by the Department of Environment (“DOE”), various procedures and actions are carried out, as below:

- 1 Biweekly audits of our contractors’ performance at project sites to monitor their performance, focusing on construction waste management, noise pollution, air pollution and effluent management
- 2 Establishing emergency response plan
- 3 Performing Environmental Impact Assessments (“EIAs”);
- 4 Environmental management plan
- 5 Health, safety and environmental inspection checklist

The Group has always adhered to the most stringent environmental laws and standards and has not been penalised or fined for any major environmental violations in the financial year ended 31 December 2022.



In 2022, we were the recipients of three awards for our sustainable practices, including:

- 1 **FIABCI World Prix d’Excellence Awards 2022**
Category: Mixed-Use Development Award: World Gold (KL Eco City), Category: Residential (Low Rise) Award: World Gold (Setia Marina 2, Setia Eco Glades)
- 2 **M&C Asia Stella Awards 2022**
Category: Best Sustainable Convention Centre (Asia)(Setia SPICE Convention Centre)
- 3 **BCI Asia Awards 2022**
Category: Top 10 Developers Award (S P Setia Berhad)(Setia Alam’s Croceus and Garciae Homes) – recognition for top developers that had the greatest impact on the built environment in Southeast Asia

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

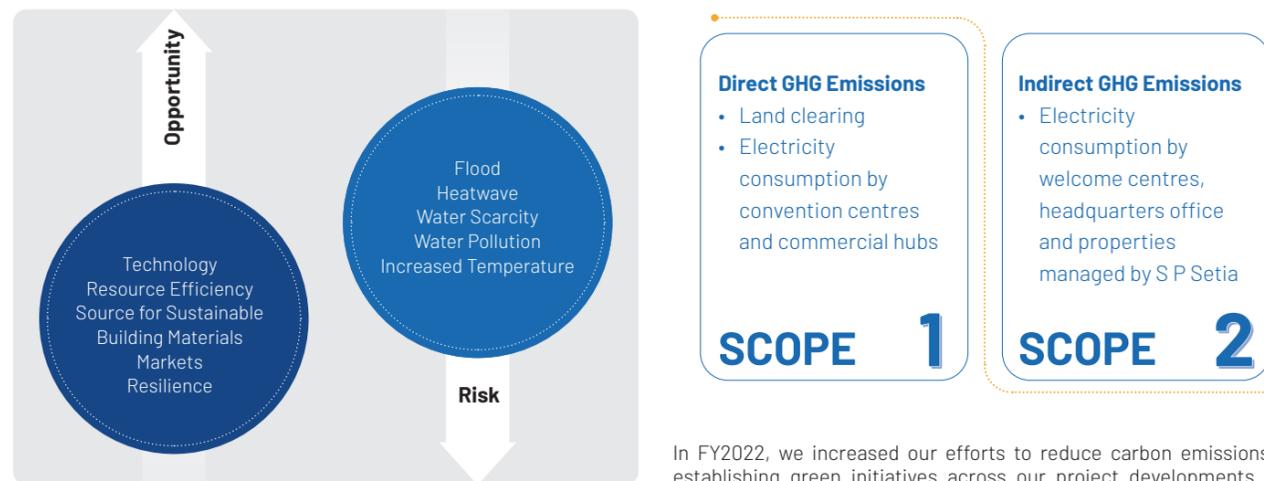
B EMISSIONS

The atmospheric concentration of greenhouse gases continues to rise, threatening the stability of the global climate. Our planet is heating up at an accelerated pace and the result will be devastating to life on earth. By 2034, the Earth is predicted to experience an average temperature increase of 3 degrees Celsius above pre-industrial levels. The rising CO₂ level leads to a variety of effects, including rising sea levels, changes in precipitation patterns, an increase in extreme weather events such as droughts and floods and the melting of glaciers and polar ice caps. According to the United Nations Global Compact Network Malaysia & Brunei, the building and construction industry ("BCI") emits carbon dioxide gas through greenfield development and material production as well as the use of fossil fuels. The BCI utilises 40% of global energy, 25% of global water and is to blame for emitting 40% of global resources to the atmosphere and generating one-third of worldwide GHG emissions.

Malaysia's Nationally Determined Contribution ("NDC") to reduce greenhouse gas ("GHG") emissions has been prepared in accordance with the objectives of the Paris Agreement. According to this plan, Malaysia aims to reduce GHG emissions intensity of GDP by 45% before 2030 relative to the emissions intensity of GDP in 2005. This consists of 35% on an unconditional basis and a further 10% conditional upon receipt of climate finance, technology transfer and capacity building from developed countries. Additionally, various policies have been implemented by government ministries to support Malaysia's NDC.

As a large corporation, we are committed to supporting the national agenda in reducing the GHG emissions intensity and are fully aware of our role to decarbonise our business. Climate change has topped the key risks identified in our Enterprise Risk Management ("ERM") process and is an ongoing priority for the Group. Our medium-term goal is to become carbon neutral by 2030, and our long-term goal is to become a net zero organisation by 2050. Our employees will be engaged through a series of capacity-building initiatives that will empower them to embrace environmental matters as part of our DNA and in establishing our emissions baseline by 2023. We believe that S P Setia will be able to effectively monitor our emissions profile and materialise our climate commitments through a benchmarked baseline.

A summary of identified impacts follows as we review the risks and opportunities: negative impacts addressed through existing mitigation measures, adaptation processes and continuous management, as well as identified opportunities that are expanded through product and technological innovation.



S P Setia recognises the impact its operations may have on the environment from the use of its resources and its activities, including the production of direct and indirect emissions and waste, which contribute to climate change. Our direct sources of GHG emissions under Scope 1 include clearing land to build developments as well as electricity consumption from operating our convention centres and commercial hubs. Our indirect sources of GHG emissions, which fall under Scope 2, are listed as electricity consumption of welcome centres, our headquarters, as well as properties managed by S P Setia. Additionally, activities that generate GHG emissions have been identified for both Scope 1 and 2. Moving forward, we aim to reduce our impact on the environment by implementing more measures to reduce emissions and improve our environmental efficiency.

In FY2022, we increased our efforts to reduce carbon emissions by establishing green initiatives across our project developments. We have identified our carbon reduction objectives and, initiatives and set targets according to the carbon emissions standards and frameworks to enable transparent reporting of our initiatives and disclosures. For FY2023, we target to establish the data collection process for carbon emissions and carbon reduction. We aim to incorporate disclosures in our future sustainability reporting on carbon reduction initiatives.

We are fully aware that climate risks and opportunities are inevitable in our business operations. As such, S P Setia is committed to addressing climate change through sustainable and smart development initiatives such as energy and water efficiency and innovative technology in our projects and townships. These initiatives include the installation of rainwater harvesting systems, use of energy-efficient lighting, installation of solar water heater systems and removal of grass and paint on asphalt that facilitates more absorption of water from the atmosphere during rainfall events.

C ENERGY

ENERGY EFFICIENCY

S P Setia is committed to managing energy consumption in our operations as we recognise that electricity consumption is one of the key contributors of our GHG emissions. As such, we are committed to achieve energy efficiency in line with S P Setia's business objectives and the UN SDGs. The Group seeks to develop a sustainable environment through continuous improvements in its management of energy, through the use of renewable energy and integrating initiatives such as efficient lighting designs, use of energy-saving lighting, sustainable building practices and more.

For instance, we ensure that efficient lighting is considered during project design to allow more natural daylight into buildings, maximising the natural cooling effects, via sun path analysis through passive design. We also use high-performance double-glazed windows and louvres to reduce heat gain, in addition to encouraging the use of natural daylight to illuminate the buildings.

Unlike other types of lighting, light-emitting diode ("LED") lights are much more energy-efficient in terms of the amount of electricity used to generate light. The technology has many additional advantages over incandescent, fluorescent and compact fluorescent lamps and lighting devices, such as lower energy consumption and improved environmental performance. We have been progressively implementing LED lighting technologies throughout our projects, including clubhouses, public areas and commercial properties. This year, we installed 159 LED lights at Setia Alamsari. Installation of LED lighting is part of our Company's commitment to providing sustainable buildings and improving the quality of our environment.

We embed an innovative approach in our townships and developments, and have developed smart concepts for lighting and air-conditioning systems to increase energy efficiency. Smart lighting and air-conditioning systems enable control of the lighting system using the Internet of Things, sensors, remote access and automation.

We have installed a total of four solar pole lights at our Aronia futsal court and two pole lights at our Aronia badminton court, all located within our Setia EcoHill township, to improve energy efficiency. All landed property in our Setia Alamsari development is incorporated with solar water heating systems. In optimising energy resources, Setia Wood Industries Sdn Bhd, which is our manufacturing arm, has installed dust collecting systems to manage dust pollution, enabling collected dust to be used as fuel in our boiler operations.



Solar panel installation at S P Setia Corporate HQ in partnership with TNB

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

GREEN TECHNOLOGY ECOSYSTEM

S P Setia has made efforts to minimise carbon emissions by incorporating green technology into its operations and project developments. Over the past three years, S P Setia has installed solar panels in its projects and is progressing from solar water heater systems to energy generation to enhance this initiative with each project we undertake. In FY2022, we commissioned a total capacity of 12.17 MWp of solar capacity across four of our key projects:

Setia Eco Park (518.00 kW)

Artist's Impression

Setia Alamsari (110 kW)

Artist's Impression

Setia Fontaines (10,020.80 kW)

Setia Safiro (1516.49 kW)

Artist's Impression

We are proud to announce that our iconic D'Network @ Setia Eco Park has utilised 100% of its electricity requirement via the installed capacity of a 518 kWp solar system. The surplus energy generated was able to supply clean energy to our facilities within Setia Alam, such as Setia Eco Park's English-inspired waterfall, Elizabeth Falls. These efforts not only reduced our Scope 2 emissions sourcing from this project, but also contributed to significant electricity cost savings of RM114,000 per annum. This achievement is a testament to green technology and its innovative solutions, which allow S P Setia to reduce its emissions footprint and simultaneously, increase cost savings.

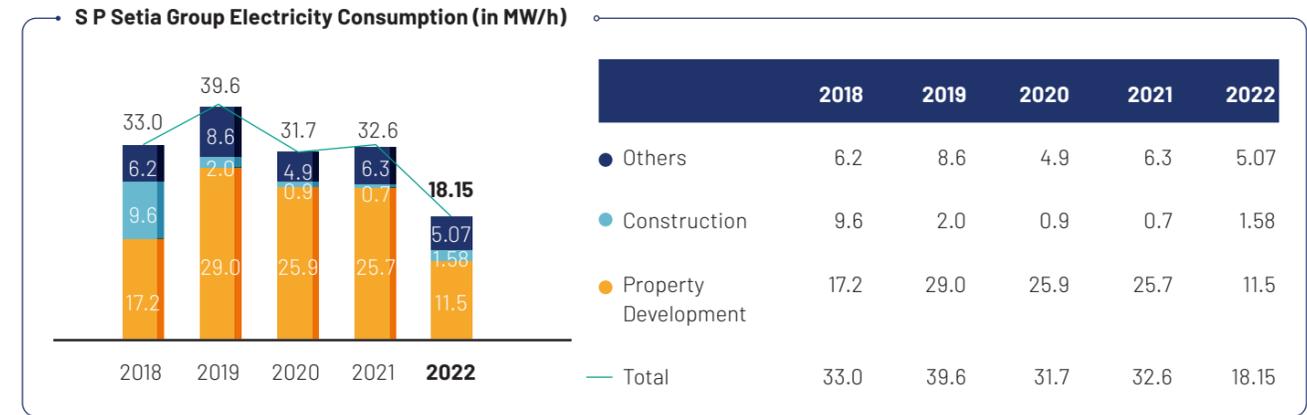
We have also signed an memorandum of understanding ("MoU") with Tenaga Nasional Berhad ("TNB"), the national utility provider, to further promote green technology. The key elements of the MoU are initiatives such as the provision of solar panels at selected residential and commercial units in support of the growth of electric vehicles ("EVs") and other potential uses. This collaboration reflects the commitment of both organisations to green energy and paves the way for S P Setia to achieve its goal of transforming into a net zero organisation.

Our Setia Bayuemas development has adopted innovative features in all its new phases. This is to empower our customers to be part of our environmental aspirations. Installed features in the development include:

-  Green switches
-  EV charger-ready homes
-  Solar panel installation for properties above **RM1 million**
-  Solar-ready homes for properties below **RM1 million**

ENERGY CONSUMPTION PERFORMANCE

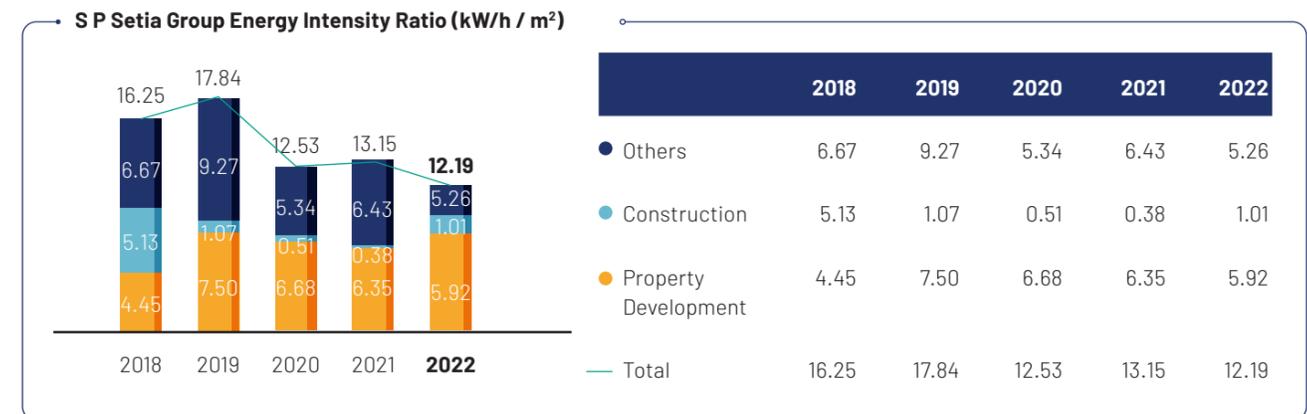
In FY2022, our electricity consumption dropped significantly by 44% as compared to FY2021 due to various factors, including the use of renewable energy. The Group's total consumption was 18.15 MW/h, which was a sharp decrease from 32.6 MW/h in 2021.



Note: The electricity consumption data is based on actual consumption up to December 2022 as reported by 19 BUs that operate in Malaysia only.

Electricity consumption in the Property Development business segment dropped the most among all the BUs, as compared to the previous year. The significant reduction was mainly due to the closure of several site offices and the implementation of green initiatives in 2022. This included the installation of solar panels at S P Setia's headquarters, which enabled a reduction of electricity consumed from the national grid, and 100% utilisation of solar power by D'Network @ Setia Eco Park. Surplus capacity from the installed solar capacity was channelled to Elizabeth Falls in Setia Eco Park. Additionally, energy-efficient measures adopted at welcome centres helped to lower the Group's electricity consumption.

On the contrary, electricity consumption in the Construction segment increased by more than 100% as compared to 2021 due to the resumption of operations of the related BUs post-pandemic. The low electricity consumption in 2020 and 2021 was mainly driven by lower production due to disruptions caused by the COVID-19 pandemic.

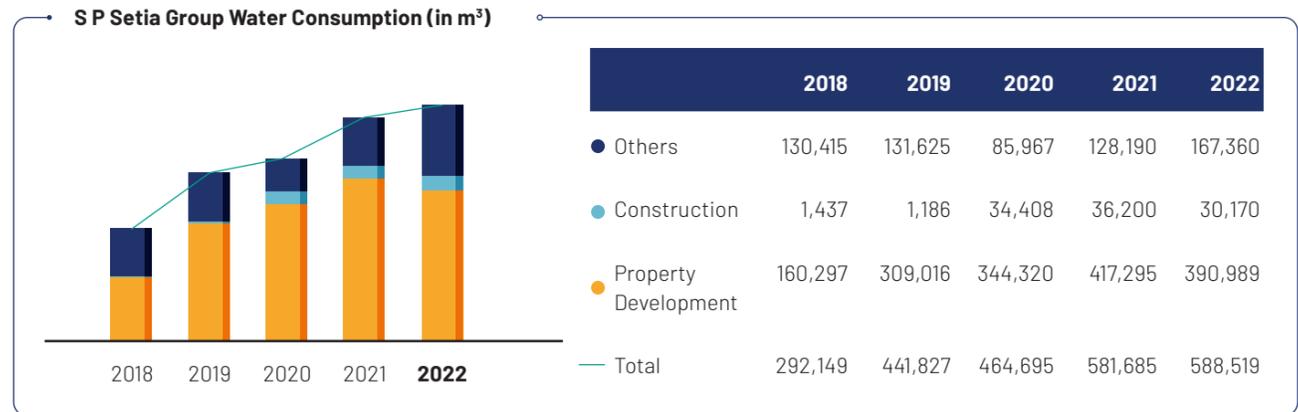


BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

D WATER AND EFFLUENTS

As part of our initiatives to improve our water consumption, we have invested in pond water retention at D'Network @ Setia Eco Park, which enabled us to save up to RM6,840 per year in water costs. We have also completed a 28-acre lake within our Fontaines development, which is fully utilised for our landscape watering (100%). In addition, this lake feature is also designed to increase the serenity of the overall township.



Note: The water consumption data is as of December 2022 as reported by 19 BUs that operate in Malaysia.

In 2022, the Group's water consumption increased slightly by about 1%. While Construction and Property Development recorded lower water consumption by 16.66% and 6.32% respectively compared to the previous year, water usage in the Others category increased by 30.55% from 2021.

We acknowledge that water preservation is key in addressing our climate responsibilities. We are keeping track of the water consumption of our business segments and moving forward, we will plan for initiatives to optimise water consumption and reduce water wastage.



Our measurement of water efficiency – the water intensity ratio – in FY2022 is 0.52 m³ per gross floor area, which was an increase of 108% compared to FY2021 at 0.25 m³ per gross floor area. The water intensity ratio increased in Property Development and Others business segments by 50% and 169%, while Construction maintained the same water intensity ratio.

The increase in both water consumption and the water intensity ratio was a consequence to operations reverting to almost pre-pandemic levels in the Property Development segment.

Spotlight Story

ENERGY AND WATER EFFICIENCY FEATURES

As one of the premier property developers, we believe that sustainability is an important factor in building our strength as a company and creating value for our customers. As such, many of our projects incorporate energy and water efficiency features for both residential and commercial properties, and in our townships generally. These features include LED lighting, motion sensors, solar heating systems, dual flush toilet systems, and EV charging stations.

Energy efficiency aspects are seriously considered in all our development projects and townships. To reduce indoor heat and the need for air conditioning, we have included better building insulation, LED lighting and efficient lighting design. By utilising these features, we are able to minimise the amount of energy being used for a particular project and achieve greater sustainability. In addition, we have installed nine EV charging stations at the Setia City Convention Centre. The initiative is aligned with S P Setia's aspiration to be environmentally responsible and sustainable, as it also reinforces our commitment to sustainability within the community. To help conserve our natural resources, the majority of our projects come with sanitary wares and fittings that have a 3-star Water Efficiency Product Labeling Scheme ("WEPLS") by SPAN. According to the United States Environmental Protection Agency, toilets consume the largest amount of water in households, utilising nearly 30% of the home's water consumption. To this end, dual flush toilets are included in our projects to encourage our home buyers and commercial users to reduce water usage.

Most of our developments are also installed with a rainwater harvesting system and they include Setia Eco Templer, Setia Eco Glades, Setia Alamsari, Temasya Glenmarie, Setia AlamImpian, Bandar Kinrara, KL Eco City, Setia Fontaines, Bukit Indah, Setia Eco Gardens, Setia International Vietnam, Setia City Convention Centre and Setia SPICE Convention Centre. Rainwater is gathered and channelled through a rainwater downpipe and stored in a covert tank within the building compound. This significantly decreases water consumption as the collected rainwater can be used for general purposes like watering plants and washing cars.

For more information on S P Setia's energy performance, please refer to the Energy section on page 117 and the Water and Effluents section on page 118.

E WASTE

We strive to be proactive in reducing environmental pollution and carbon emissions arising from our operational waste. To optimise our material consumption and reduce construction waste, we utilise the IBS. S P Setia was awarded the highest IBS score of 93.95% in 2019. Since then, we have worked towards maintaining this achievement by leveraging the capacity of our subsidiary, Setia Precast Sdn Bhd.

The facility at D'Network @ Setia Eco Park is also equipped with a food waste composting facility. The facility was able to fully provide compost for our landscaping at the same location. This initiative was also able to reduce 36,500 kg of food waste-to-landfill per annum.

We are also promoting ways to reduce paper waste by:





BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

F MATERIALS

Here at S P Setia, we reduce our environmental footprint by using eco-friendly construction materials in our ecoseries projects such as TRIO by Setia, Setia Seraya Residences, Bukit Indah and Setia Eco Gardens. The eco-friendly construction materials include low Volatile Organic Compound ("VOC") paint, tempered glass, bluescope metal steel roofs, asbestos-free cellulose fibre cement boards, reinforced wall panels and eco-label tiles. Each of these products contributes to a healthier living environment for our customers, for example by improving the indoor air quality of their homes. We acknowledge that pollution can occur at high concentrations indoors when building materials release unhealthy levels of pollutants into the air or when ventilation is inadequate.

Going forward, we aim to disclose our renewable and non-renewable material consumption in the near future to better inform our stakeholders and improve our sustainability report.

G BIODIVERSITY

Loss of biodiversity due to climate change is one of the biggest global challenges. Urbanisation is considered one of the root causes of the decline of biodiversity, as every time trees are cut down and houses and developments are built in their place, we risk further damage to biodiversity. Urban developments also bring rise to ecological displacement, air and water pollution and even variations in stream flow and temperatures that contribute to climate change.

Therefore, we are resolute in our commitment to minimising the impacts of our business and operations by conducting an Environmental Impact Assessment ("EIA") on all existing and new projects whenever necessary. As a property developer that strives to develop sustainable townships, we take measures to support the surrounding ecosystems by integrating tree planting in our building site plans and urban development activities. This will not only create a positive impact on the residents and communities, but also enhance the environment. Our commitment towards sustainability and conserving the environment is evident in our townships, such as Bandar Setia Alam, Eco-series townships, Setia AlamImpian, Setia Fontaines and Setia Warisan Tropika.

Last year, S P Setia engaged an ecologist to examine the environmental aspects of the Setia Bayuemas Lake Park, to determine improvements to be made to enhance its ecosystem and landscape and to ensure long-term sustainability. As a result of this study, we gained information on the local ecological needs and the requirements necessary in establishing a healthy ecosystem at the lake park.

We were also able to obtain an overall summary of the natural advantages and improvements needed to enhance the landscaping features in Setia Bayuemas, and the design and restoration of the lake park. The study revealed that there were 49 types of birds and 36 species of fishes inhabit the lake edge, wetland and open areas. An ideal location was also established for pest biological control, which would serve to enrich the habitat by attracting fishes and birds through the cultivation of plants such as *Tabebuia chrysantha*, *Syzygium gratum*, *Reullia simplex*, *Althenantera red*, *Calliandra emarginata* and *Lepironia articulata*. Additionally, the findings gathered from the ecological study were used as a guideline for the landscape development and township planning of Setia Bayuemas.

Meanwhile, our first township in the north, Setia Fontaines, is a well-constructed mega township that spans across 1,691 acres, showcasing life in all its comforts. The township also has a 100-acre Heritage Park which features a beautiful lake and jogging and cycling tracks, attracting more interest to the township.

S P Setia's first township in Shah Alam is Bandar Setia Alam, which is home to more than 60,000 residents. With its scenic park, multifaceted landscaping, high security and a myriad of facilities within its harmonious environment, Setia Alam has over 400 acres of greenery and various types of parks, providing intrinsic environmental, aesthetic and recreational benefits to communities. The park has three sections to fulfill community needs: the Energetic Park encourages an active lifestyle, the Nature Park showcases glorious natural vegetation, while the Amphitheatre is an ideal meeting point for communities.

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

Besides that, our Eco-series townships comprising Setia Eco Park, Setia Eco Glades, Setia Eco Templer and Setia EcoHill are strategically located, well-designed, have good infrastructure and are embedded with S P Setia's eco-philosophy DNA that enables people to live in harmony with nature. Each of our Eco-series townships is located in different types of environment, ranging from Setia Eco Park's location near the forest park, to Setia Eco Glades, which is nestled within wetlands. Setia Eco Templer is set in an environmentally-sensitive area and Setia EcoHill is built around natural terrain. We have designed each township to bring out the best of its features, elevating and enhancing their natural environment while protecting it and optimising land use at the same time. These are the key environmental elements of the eco-series townships:

Setia Eco Park



- Its 56-acre forest park enables jungle trekking, eco-discovery walks and scenic views from an observation tower.
- 94 acres of land is dedicated to waterways, lakes and creeks throughout Setia Eco Park.
- The island within the lake is a nesting ground for many species of beautiful birds.

Setia Eco Templer



- Encircled by lush greenery, the air temperature in Setia Eco Templer is one to two degrees Celcius cooler than in the city centre.
- Templer Park and Kanching Rainforest Reserve are home to various flora and fauna which co-exist in harmony.

Setia Eco Glades



- Conceptualised and designed according to the Green Building Index ("GBI") certification criteria.
- Contains a diverse range of habitats within its parklands and canals, creating an ideal ecosystem that sustains native flora and fauna.

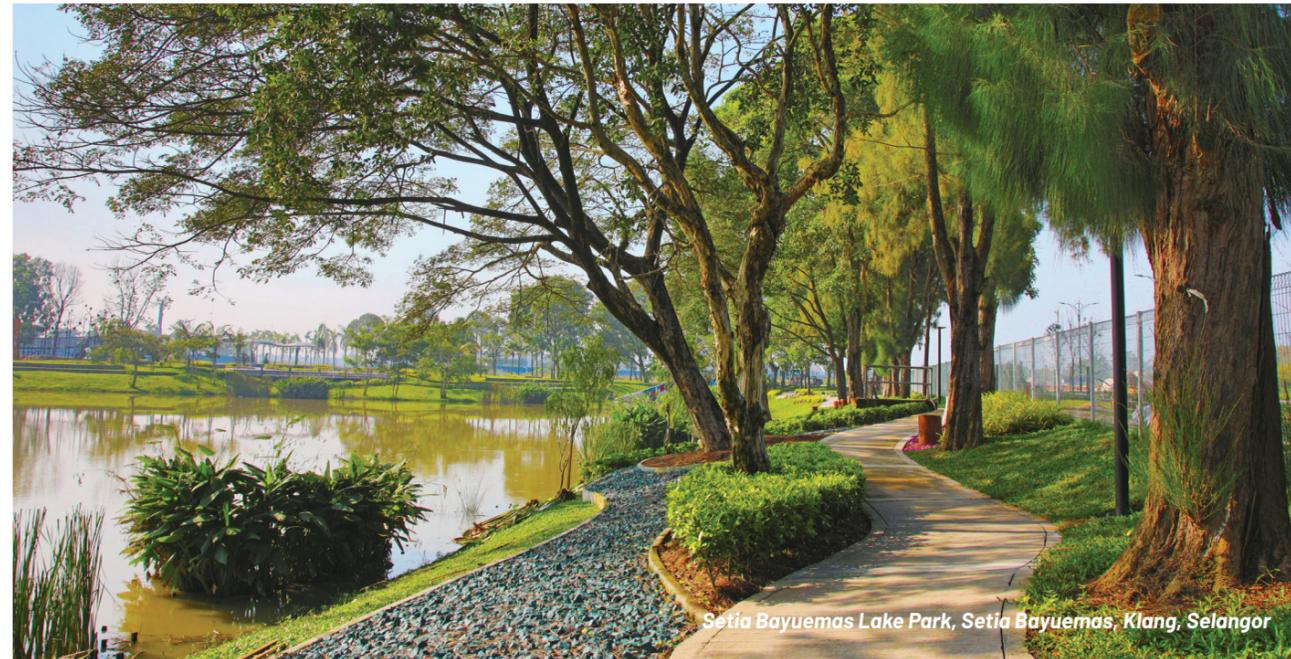
Setia EcoHill & Setia EcoHill 2



- Features green hills, brooks and parklands nestled within natural terrain.
- 198 acres of grassy parklands represent the township's Live Green! Philosophy.
- The Adventure Park, Malaysia's first residential mountain biking park amid nature, was transformed from an oil palm and rubber estate.



BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT



Setia Bayuemas Lake Park, Setia Bayuemas, Klang, Selangor

Spotlight Story

REDUCING THE EFFECTS OF URBAN HEAT ISLANDS

The temperatures in cities and urban areas are usually warmer compared to rural areas and this unusual occurrence is known as the urban heat island (“UHI”) effect. This is due to the dense concentration of pavement, buildings and open spaces which trap heat and transform built up areas into islands of heat. This inadvertently increases the demand for energy, air conditioning costs, air pollution, greenhouse gas emissions and heat-related illnesses and it impacts water quality.

To reduce the heat island effect, we ran an analysis of cross ventilation air-flow throughout the project development phase to identify and mitigate stagnant hotspots with the help of computer-stimulated buildings and landscape modelling. Ensuring our development projects and townships have ample green landscape, in compliance with the regulatory requirements, has helped to reduce the heat island effect and lower temperatures in the surrounding environment across our projects.

During the construction and planning stages, we minimised the cutting down of trees and focused on conserving them through relocating trees on site and restoring trees throughout all our projects. As of 31 December 2022, we planted and transplanted up to 11,187 trees across 25 BUs. We estimate that this effort will enable us to reduce our carbon footprint by up to 86,570 –

216,425 kg CO₂ per year. However, the actual quantum of the emission reduction will be assessed upon the establishment of our emission inventory in FY2023.

Other than that, our townships are developed around a philosophy that rejuvenates and supports eco-friendly landscapes, which can be seen in our Eco-series projects and new townships such as Setia Fontaines, Setia AlamImpian, Setia Bayuemas and Setia Warisan Tropika. We integrate public spaces like gardens, pocket parks, bluescapes and waterways within the gardens in our projects to advocate biodiversity, to enhance the ecosystem and enrich the lives of residents and communities.

We strive to be proactive in reducing environmental pollution and carbon emissions arising from our operations. To optimise our material consumption and reduce construction waste, we utilise the IBS. S P Setia was awarded the highest IBS score of 93.95% in 2019. Since then, we have worked towards maintaining this achievement by leveraging the capacity of our subsidiary, Setia Precast Sdn Bhd.

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POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

We strive to create positive social impacts for our employees and the communities in which we operate to build sustainable communities and develop a united family who live, learn, work and play together.

- Material Matters:
- Employment Management
 - Labour Management
 - Occupational Health and Safety
 - Customer Satisfaction
 - Community and Social Impacts



POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

A EMPLOYEE MANAGEMENT

UPHOLDING DIVERSITY AND INCLUSION

The Group believes in embracing the diverse values of our employees to enable them to achieve their full potential, which in turn allows S P Setia to seamlessly implement our business plans. The diversity of Team Setia is a vibrant mix of races, religions, age groups, talents, cultures and backgrounds, who are united to drive S P Setia to greater heights. Team Setia contributes positively to performance, productivity, decision-making and a multitude of benefits that accelerate the growth and success of the company. A diverse workforce also improves our decision-making process and enables us to retain our talents, which will benefit our organisation in the long run.

We strive to establish a better gender balance in our workforce, as the property development industry is a male-dominated one. To this end, S P Setia's work ethics and its pledge to support diversity and inclusion continue to be reinforced through key signature programmes under our Women Network, such as Women of Inspiration ("WIN"), our pledge for 2021 UN Women Asia Pacific Women's Empowerment Principles ("WEPs") and 30% Club Malaysia, which serves to empower women across our business operations.

Spotlight Story

WOMEN OF INSPIRATION ("WIN")

Team Setia empowers the talented women in its workforce through a wide variety of programmes and activities organised under the WIN arm, which was set up in 2017. These initiatives were organised based on the four Areas ("4Rs") and the three pillars of Leadership, Engagement and Communication, as the keys to form a women's network and to fulfill the objectives set forth by WIN. The following describes the 4Rs and the three pillars of Leadership, Engagement and Communication:



<p>REALISE</p> <p>the potential of every female talent through our initiatives and enhance our Employer Value Proposition to attract the best female talents in the industry.</p>	<p>RETAIN</p> <p>our female talent pool within Setia by providing an encouraging work environment to support their career and personal growth.</p>	<p>RAISE</p> <p>our female talents up the ladder by increasing female representation in middle and senior management positions.</p>	<p>RESPECT</p> <p>our people as individuals with unique qualities - everyone is entitled to their own opinions and preferences in everything that they do. When we respect others, we create an inclusive environment that nurtures collaboration, provides support and forms a safe space to grow.</p>
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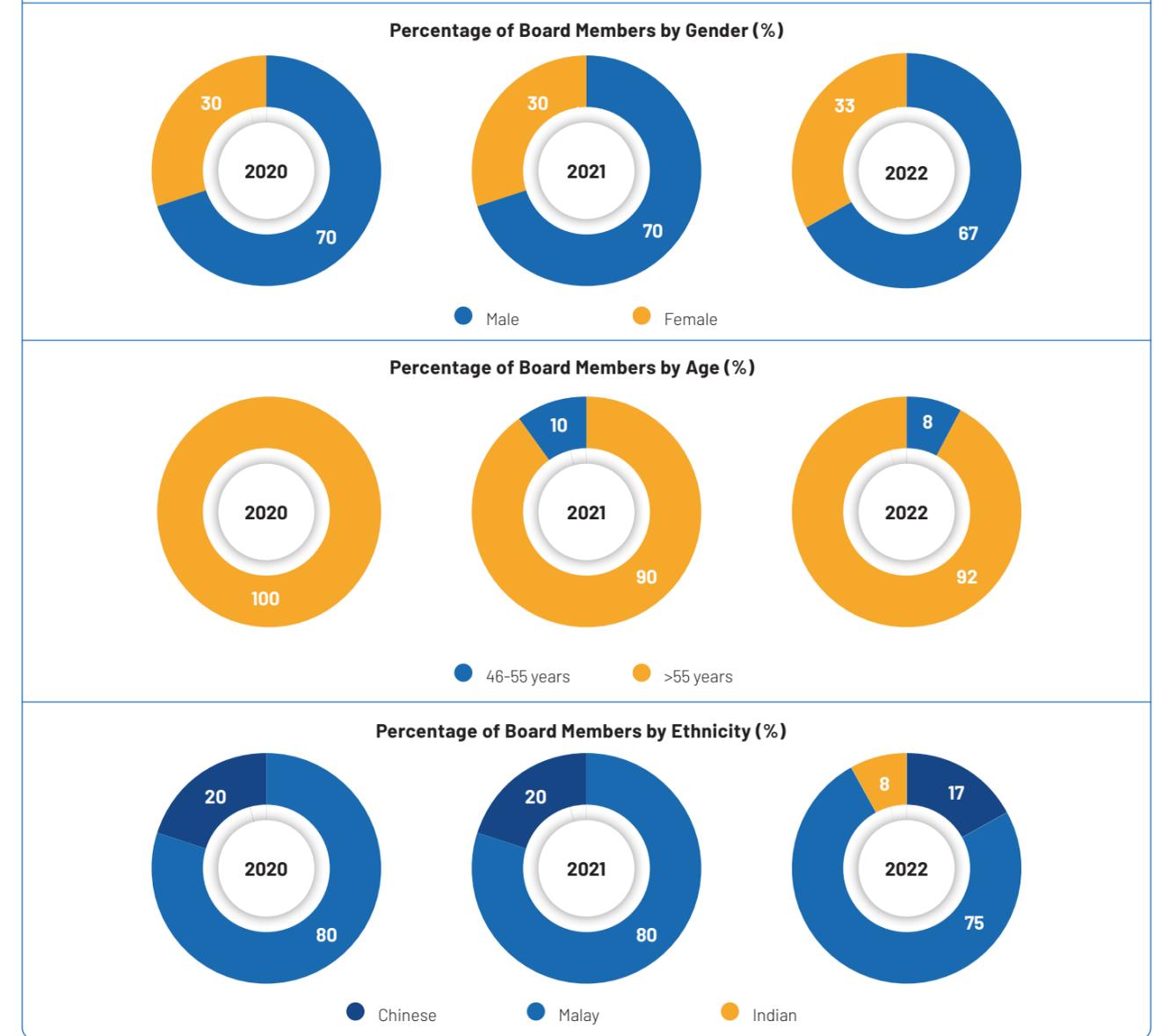
We appreciate and value the talented women who contribute to the workforce. At S P Setia, we empower them through a wide variety of programmes and activities organised under our WIN arm. In conjunction with International Women's Day 2022, we collaborated with Tulips Movement Malaysia to take Women Empowerment and Diversity & Inclusion ("D&I") to the next level with the theme #BreaktheBias. To kick off the year-long calendar of meaningful events, The Unconference was conducted as the first initiative. The event featured six influential figures and four topics holistically covering many aspects of women's lives such as Family & Career, Mental & Emotional Wellbeing, Finance & Wealth and Learn & Grow. We were also one of the sponsors of the World Women Economic and Business Summit.

The success of these programmes and activities initiated by WIN are attributed to the assistance given by the top management of S P Setia. The WIN network is led by the Board of Directors, who provided guidance, sponsored by the CEO, chaired by the COO and ran by a committee of diversity advocates ("DiVas"). DiVas are selected based on corporate seniority, ethnicity, tenure in the company, age and personality and are advocates for Women and Leadership. They are responsible for rolling out inspiring initiatives that meet the criteria of the 4Rs, as well as providing resources and knowledge of the industry's best practices.

DIVERSITY PERFORMANCE DATA

BOARD OF DIRECTORS' PROFILE

S P Setia is governed by a diverse Board of Directors who oversees the operational performance of the Group and ensures that a culture of excellence is embedded across all business segments. In 2022, 33% of the Board was represented by women, while 67% of our Board members were male.



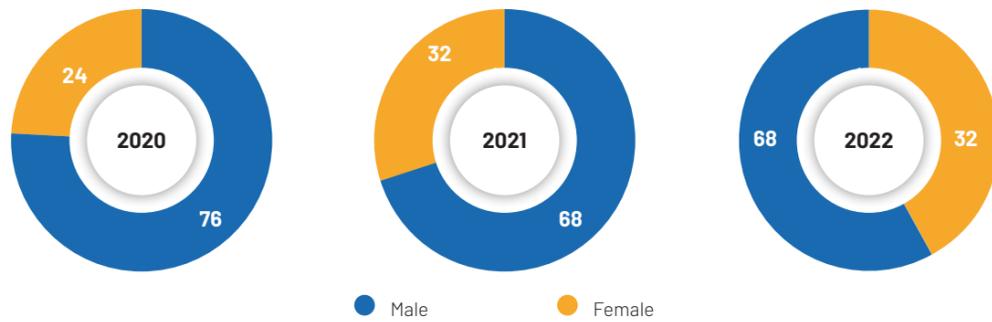
POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

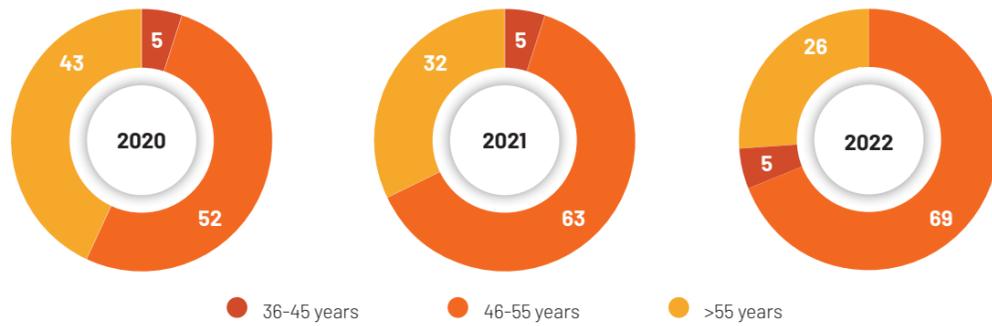
SENIOR MANAGEMENT PROFILE

In 2022, the Senior Management team's gender composition ratio of female to male employees was 32:68, consistent with the ratio of the previous year. Meanwhile, the percentage of Malays in Senior Management increased to 42%, in contrast to 26% in 2021. Employees in the 46 to 55 age group continued to form the majority of Senior Management at 69%.

Percentage of Senior Management by Gender (%)



Percentage of Senior Management by Age Group (%)



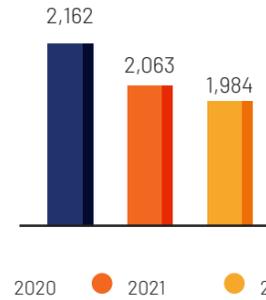
Percentage of Senior Management by Ethnicity (%)



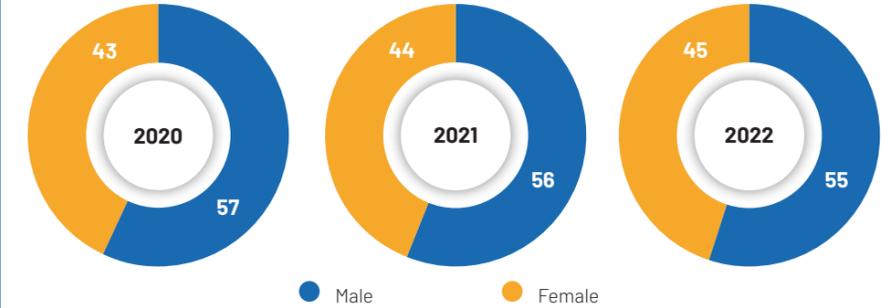
EMPLOYEE PROFILE

In 2022, our female to male ratio at 55:45, compared to 56:44 in 2021. Our workforce is predominantly employees aged 30 to 50, who made up 73% of the workforce, followed by employees aged 50 and above (14%) and finally, employees below 30 years old (13%). Moving forward, we aim to consistently maintain our pool of talents by initiating more initiatives to fully engage Team Setia as well as increasing staff retention efforts to attract the best talents.

Total No. of Employees



Percentage of Employees by Gender (%)



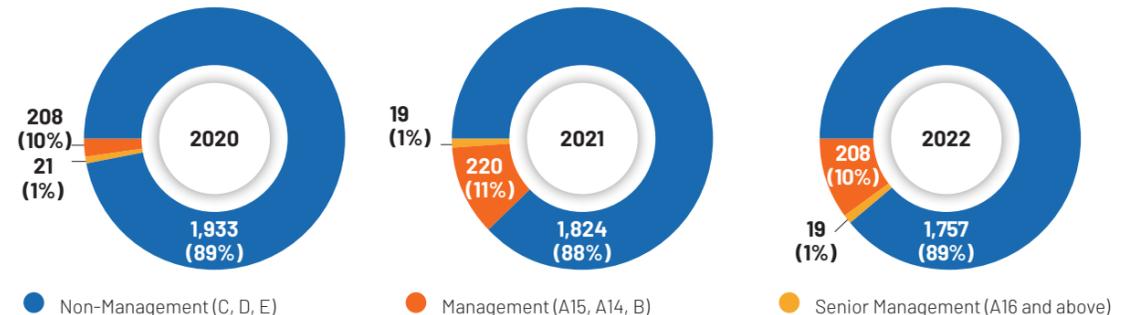
Percentage of Employees by Age Group (%)



Percentage of Employees by Ethnicity (%)



Employee Breakdown by Employee Category (%)



126

127

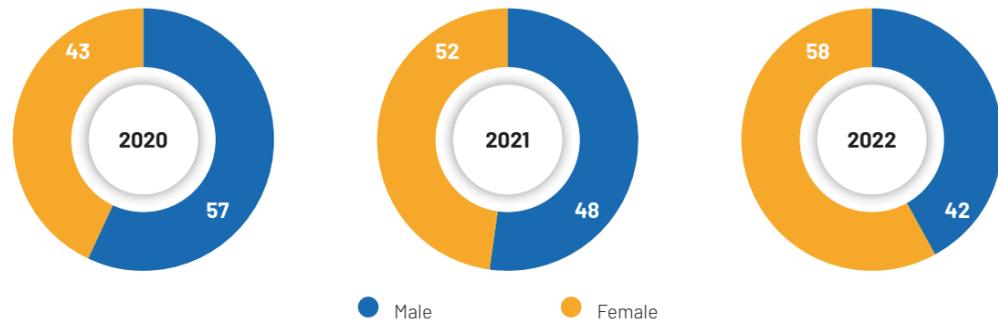
POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

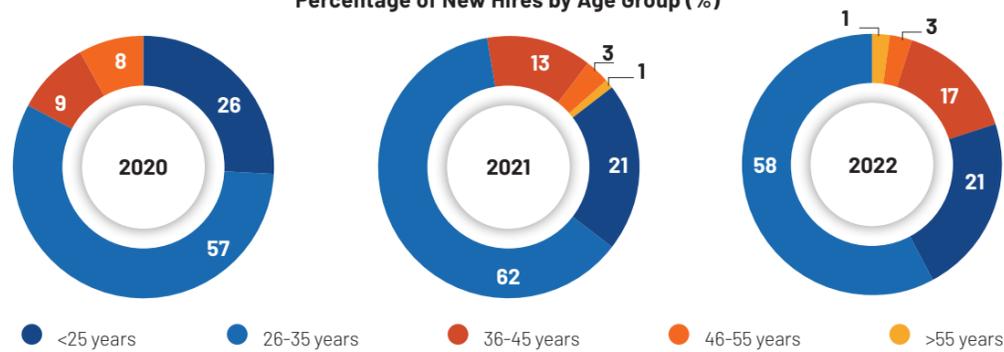
NEW HIRES PROFILE

The Group strives to develop a sustainable pipeline of talented and agile workforce through talent attraction and retention. Over time, we have seen a growing number of female talent representation in our hiring pool, with the female to male ratio standing at 58:42. (2020 - 43:57, 2021 - 52:48)

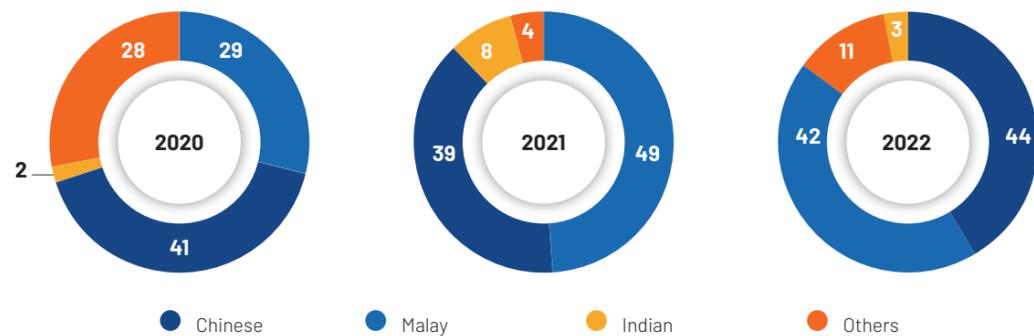
Percentage of New Hires by Gender (%)



Percentage of New Hires by Age Group (%)



Percentage of New Hires by Ethnicity (%)



TALENT DEVELOPMENT & SUCCESSION PLANNING

S P Setia is committed to unleashing the potential of its employees through the provision of continuous training and development strategies, succession planning and learning opportunities. As our employees are the drivers of our business, employee development is key to the sustainable growth and success of our company. We strive to uplift our talents by equipping them with the relevant skills to foster better employee engagement and ensure an efficient and competent workforce to enhance the company's financial performance.

Every year, approximately 2% of the Annual Gross Salary is allocated for employee development, which includes training and development programmes and other learning initiatives. Training programmes are organised based on our business needs, objectives, competency gaps that need to be filled, as well as upskilling to increase our competitive edge and to enable us to meet the targeted development strategy for the year. Prior to the execution of development programmes, Group Human Resources ("GHR") will share the Development focus of the year to the Group through the GHR communication channel, with an overview of the previous development programme's progress. We believe that it is vital to consistently invest in employee development as it reflects our commitment to ensure our people are given training.

The effectiveness of this approach is measured through feedback from employees who participated in our training programmes, along with other metrics such as Employee Engagement Score (People Pulse Score), Customer Satisfaction Score and Succession Index.

We believe that training our pool of talents will improve their capabilities, drive our organisational performance, accelerate productivity and bring us closer to our performance goals. In 2022, Team Setia was provided a total of 38,492 training hours, with an average of 19.4 training hours per employee. To empower and equip our employees with the right skills and knowledge relevant to their job roles, we executed eight types of programmes which included aspects such as Innovation & Thinking, Finance & Audit, Sales & Service, Leadership, Governance & Risk, among others.

The following table describes the scope of these programmes:

TYPE OF PROGRAMMES	SCOPE	NO. OF PARTICIPANTS
Innovation & Thinking	Inspires employees to be bold and think differently, as well as understanding customers' needs.	1,059
Finance & Audit	Enables participants to have the financial literacy to understand the financial implications of their decision-making, as well as increasing their functional knowledge skills in areas like sustainable financing.	325
Sales & Service	Equips our frontline team with skills to provide a customer-centric experience via digital marketing, marketing skills, persuasive skills and the key to negotiation.	248
Technical & Industry	Includes technical areas related to property development and also covers industry-related aspects.	2,049
Leadership	Features two structured programmes - People Excellence and People Forward to strengthen the leadership pipeline within the Group.	681
Governance & Risk	Programmes highlight the importance of governance and risk management, and the implications to the Company and individuals involved.	362
Health & Safety	Covers basic occupational first aid training, Emergency Response Team training and other aspects to improve health and safety at the workplace.	281
Information Technology	Focuses on equipping employees with skills in using digital applications to accelerate our digital transformation journey.	582

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POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

DESIGN THINKING

A project created to stimulate innovative thinking and the business mindset across S P Setia, Design Thinking focuses on using techniques that generate customer-focused innovation to accelerate digitalisation within the company.

Participants are given a Facilitation & Project Assignment with coaching assistance from the Design Thinking Consultant. These ideas will be presented at relevant platforms for future implementation. The programme also includes three Design Thinking Projects based on three streams - customer experience, technical and IBS. Project teams are empowered to collectively bring groundbreaking solutions to the table for identified challenges.

DIGITAL AWARENESS

In 2022, we continue our journey in digital awareness, cultivating the agile workforce that integrates digitalisation in daily operation. After completion of the awareness session for managers and above level, awareness sessions were held to highlight the importance of value propositions and to nurture a workforce that is agile and adaptive to changes and new challenges.

FRONTLINE COMPETENCY MATRIX

Following from our digital competency matrix completed for our frontliners in 2021, we identified the gaps and designed a new frontliner's program called "Sales & Services Development Pathway" as a next step in scaling our frontliners using the gap analysis as the foundation to the introduction of the program which covers 136 employees for 2022.

SUCCESSION PLANNING

It is crucial to establish effective succession planning to ensure a consistent talent pipeline of successors that will keep the Group running even when staffing changes occur. As such, S P Setia makes succession planning a part of its talent development initiative. By identifying and strengthening our talent pipeline, we are future-proofing our business.

To this end, a Talent Review Council ("TRC") was formed, comprising senior members of the leadership team. They were tasked with connecting with talents within our organisation, singling out potential successors for our Talent Pool based on consistent performance, and ensuring Development Plans were followed.

TRAINING HOURS IN 2022

BY GENDER		
Training Hours/ Gender	Male	Female
Total No. of Employees	1,089	895
Total No. of Training Hours	20,066	18,426
Average Training Hours Per Employee	20.6	18.4

Note: Employee data as of 11 December 2022.

BY EMPLOYEE CATEGORY		
Employee Category	Total No. of Training Hours	Average Training Hours Per Employee
Non-Management	28,687	16.3
Management	9,242	44.4
Senior Management	563	29.6

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

CAREER DEVELOPMENT REVIEW

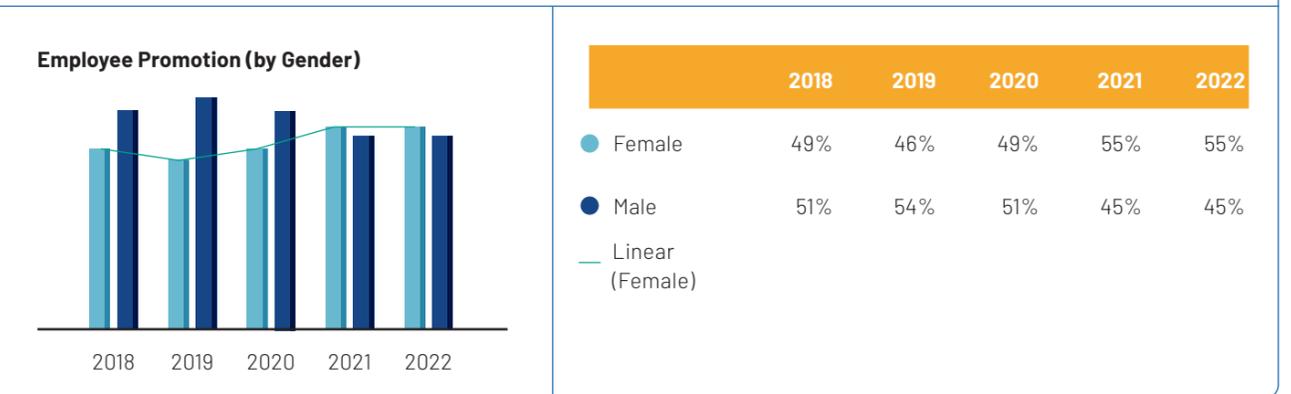
We provide a yearly career development review for our employees to identify their strengths and weaknesses. This helps our employees to grow and allows us to design better learning and development programmes to fill the gaps and better support our employees' professional aspirations. Providing a regular performance reviews enable us to shape a motivated and high-performing workforce. In 2022, the career development review was conducted with 219 employees.

BY GENDER		
	Male	Female
2022 Personal Excellence	22	22
2022 Successors	89	86
Total No.	111	108

BY EMPLOYEE CATEGORY			
	PX	Successors	Total
Senior Management	-	-	0
Management	-	84	84
Non-Management	44	91	135
Total No.	44	175	219

EMPOWERING SETIA'S TALENTED WOMEN

We are committed to upholding women representation in all our operations, in line with SDG 5: Gender Equality. The following chart illustrates the steady progression of women's career growth in S P Setia since 2018. In 2022, the percentage of female employees promoted remained at 55%, the same as the previous year.



LEADERSHIP DEVELOPMENT INITIATIVES

At S P Setia, we value our leaders and invest in them through our Leadership Development Initiatives. Each initiative is designed to bring out the best of our people, nurture their growth and, in time, allow them to pay it forward. In 2022, we conducted three initiative:

People 4ward @ Setia

Our People4ward @ Setia programme, held in two batches involving 44 senior managers and HODs in total, aims to build a robust leadership pipeline that supports sustainable business growth in the digital ecosystem. This is applied by transforming mindsets and building strategic leadership capabilities relevant to the Digital Age. Designed for Senior Managers and Heads of Departments ("HODs"), the programme facilitates understanding and easy application through four modules, inclusive of business simulations and brown bag sessions. Area covered included talent management and, evolution of leadership skills in the digital world, with an emphasis on agility and talent dexterity, which ultimately leads to sharpened business acumen and decision-making.



POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS



People Xcellence @ Setia

The People Xcellence @ Setia programme assists our managers in raising their managerial capability through changed mindset and new skills to stay relevant and progressive in supporting the workforce. The programme focuses on the manager-subordinate engagement point, which helps build a solid foundation in people management capability. Structured around eight modules, participants are exposed to areas including Managerial Journey, Hiring, the Employment Act and Career Progression, as well as personal branding and high-impact conversations. Two batches of 43 managers collectively finished the programme in 2022. Since the launch, we have 252 managers who successfully completed the programme.

Malaysia Leadership Summit

As part of our 2022 Talent Strategy in creating inspiring leaders to drive the workforce of the future, S P Setia joined the list of sponsors for the Malaysia Leadership Summit 2022, themed 'The Future of Work: Innovate, Influence and Inspire'. Our objective in being part of this event was to expose our leaders to the new age of leadership through insights shared by more than 10 international speakers at the Summit. The 100 S P Setia delegates were from Senior Managers to Executive Vice Presidents. They attended a special private session where speakers shared insights on the topic of 'Be More - Preparing for the Future'. In addition, the Summit also supported the underprivileged and contributed to transformative community initiatives in Malaysia.



SETIA MENTORING PROGRAMME

The Setia Mentoring Programme is a six-month programme designed to increase the personal and professional growth of mentees. Mentorship enables our employees to receive guidance, feedback and advice from an experienced mentor who lights up the path for mentees, assisting them to reach their goals and overcome obstacles. There are four key parties involved in this mentoring programme: Mentor, Mentee, Sponsor and HR Champion.

Mentees are selected based on their potential as successors after undergoing our Succession Planning process and structured mentoring programme. To facilitate our mentors in guiding mentees, mentors are given their respective mentee's IDP, along with specific details on Leadership, Professional, Career and Personal Development. This enables our mentors to identify improvement opportunities and support them in mapping out their own career development plans.

Setia Mentoring Programme (Mentor-Mentee Matching)	
Mentor	Mentee
Executive Vice President ("EVP") / Divisional General Manager	Head of Department ("HOD") / General Manager ("GM") Level
GM / Deputy General Manager	Senior Manager Level
Senior Manager / HOD Level	Manager Level

B LABOUR MANAGEMENT

Labour management impacts the productivity and performance of our employees, especially during challenging periods. As such, we strive to strengthen our efforts in improving employee and labour relations to ensure our employees are fully engaged in order to drive our business to greater heights. We are committed to improving our management of labour to prevent any risks to our employees across the Group.

In the year under review, we implemented several significant policies that encompass various aspects, from working hours to whistleblowing and investigation, to supporting our workforce. These are details of the policies and their objectives:

POLICY	OBJECTIVES
Working Hours	To provide an overview of working days and hours, along with a compensation structure for each category of employees that work beyond the normal hours.
Benefits and Wages	To provide an overview of total remuneration to attract, motivate and retain talents, enabling them to achieve results.
Disciplinary	To ensure the rights of employees and the employer are respected and protected at all times to maintain harmony.
Leave	To offer competitive benefits to attract and retain talents according to the local labour laws and regulations.
Training & Development (Upskilling & Education)	To improve operational performance, enhance competencies, develop skills and capabilities, and provide opportunities for career advancement.
Whistleblowing & Investigation	To establish a whistleblowing process through various channels, ensuring the investigation is conducted in a transparent manner while keeping the identity of the whistleblower confidential and protected against any detrimental treatment.
Health, Safety and Environment	To consistently identify hazards and unsafe work conditions to reduce pollution, accidents, near-misses, dangerous incidents, and occupational poisoning and diseases.
Sexual Harassment	To prevent and eradicate sexual harassment in the workplace.
Employee Contract	All employees must be provided with a written, comprehensible and legally binding employment contract or letter.



POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

WORKPLACE FLEXIBILITY AND EMPLOYEE BENEFITS

As a caring and responsible employer, we provide workplace flexibility to nurture the health and well-being of our employees.

We believe in embedding a culture that prioritises the well-being of our employees. As such, we have engaged Naluri to encourage our community and employees to practice a healthy lifestyle, focusing on the importance of mental and physical health. Further details on the Naluri programme for 2022 are highlighted in below.

In 2022, we allowed work flexibility and introduced Smart Casual Fridays. Both initiatives were organised to provide our employees the flexibility and freedom to complete work within certain hours and in various locations. As an employer, we are also aware that we need to adapt to the needs and challenges of our employees as many have responsibilities apart from work, such as fulfilling their duties as parents or caring for aging parents.

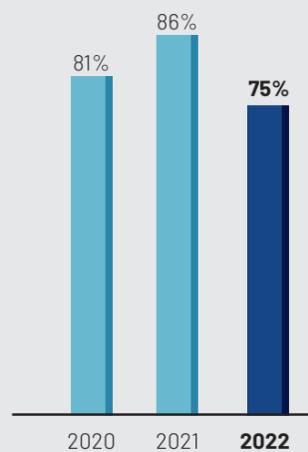
Additionally, the Group provides the following benefits to employees: annual leave, special leaves (including paternity, study and marriage leave) and a monthly meal allowance. The Employee Share Option Scheme ("ESOS") and the Employee's Share Grant Plan ("ESGP") are also provided to employees, at the discretion of the Board, which is governed by the By-Laws of the Group's Long-Term Incentive Plan ("LTIP"). For further information, refer to the Financial Statements on pages 211 to 349.

EMPLOYEE ENGAGEMENT ACTIVITIES

People Pulse Survey

Our People Pulse Survey enables us to keep track of the progress of our yearly engagement initiatives. In 2022, we achieved an engagement score of 75%. Moving forward, we will continue to strengthen our relationships with employees and increase our efforts to keep our employees fully engaged.

People Pulse Survey – Engagement Score



Employee Assistance Programme

Our collaboration with Naluri establishes an ongoing Employee Assistance Programme ("EAP"), providing support to a total of 1,795 employees. Through the EAP, employees are given access to the following: monthly webinars, a four-month digital coaching programme, professional health coaching, onsite or video therapy sessions, regular onsite employee health screening, digital tools and self-monitoring devices.

Approximately 55% of our members completed lessons on 'Understanding Naluri, Understanding You Better & Intrinsic Motivations', which included the following:

- Introduction: Welcome to the Path to Resilience
- Part 1: Take Control
- Part 2: Having a Hopeful Outlook
- Part 3: Implement Informed, Timely Actions
- Daily Routine and Stress Triggers
- Food Habits and Food Journaling

EAP 2022 Highlights

1,795 employees have benefitted from the Naluri platform through the EAP

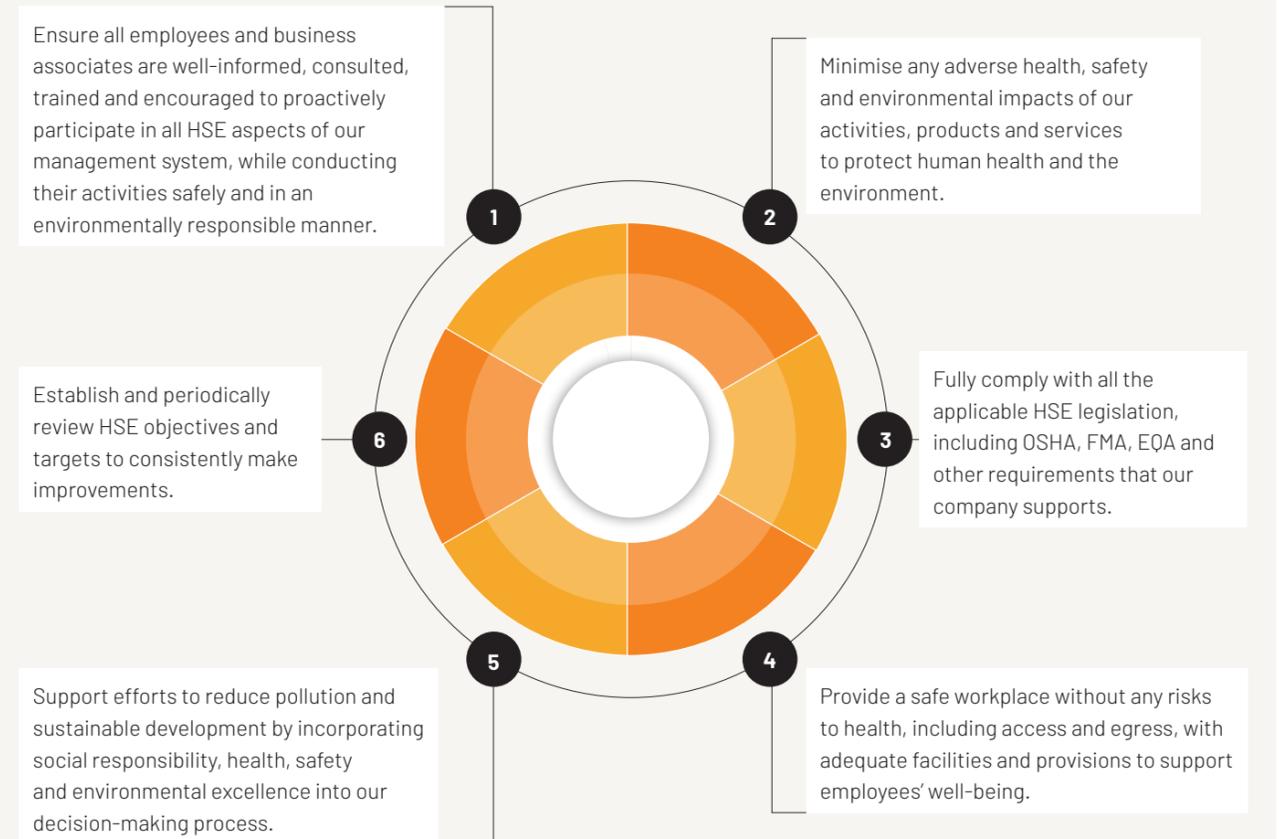
Six In-App Consultation sessions with Naluri's Psychologist, Assistant, Dietitian, Trainer & Pharmacist

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

C OCCUPATIONAL HEALTH AND SAFETY

The Group remains committed to the health and safety of Team Setia. We are continuously guided by the Occupational Safety and Health Act 1994 ("OSHA") in all our undertakings to provide a safe work environment. It is our obligation and responsibility to take every precaution to prevent accidents, injuries, occupational illnesses, damage to properties and any adverse effect on the environment, and to protect our employees, customers and the general public from exposure to health or safety risks. The implementation of sound health, safety and environmental practices are an essential ingredient in the overall success of our business.

In our commitment towards safeguarding our employees, workers, suppliers and the community in the areas where we operate, we strive to:



POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

HSE GOVERNANCE

The Group remains committed to the health and safety of Team Setia. We are continuously guided by the OSHA 1994 in all our undertakings to provide a safe work environment. S P Setia's Health, Safety and Environment ("HSE") governance is led by the Group's Safety Committee, supported by the OHS Committee (HQ level) and the OHS Committee at the BU level, which is responsible for the management and efficacy of health and safety matters.

Meanwhile, the Group Safety Committee is overseen by the COO and supervised by the GQM and HSE representatives from various BUs. This is to establish accountability, enforce effective implementation of HSE policies and procedures, and monitor the Group's overall HSE performance.

The OHS Committee at HQ level has a duty to enforce and execute HSE initiatives across project sites and the HQ. The Group's OHS Committee and BU-level OHS Committee conduct regular meetings, monitor the HSE performance at the respective BUs and discuss various health and safety issues.

HEALTH AND SAFETY METRICS

We believe our advocacy of workplace health and safety will go a long way to protect our workers and our business, bringing us closer to our sustainability goals. The Group continues to follow its 'livelearnworkplay' philosophy, through the provision of a safe and healthy workplace for employees to be more productive and efficient. Due to the nature of the work that is performed across our project sites, we continue to closely monitor the health and safety performance of our project sites to protect our workers and the surrounding communities.

We recorded one Lost Time Injury ("LTI") due to a faulty pipe valve. There were zero incidents of work-related ill health, incidents, fatalities and non-compliance to OHS laws, rules and regulations in the year under review.

Going forward, the Group will tighten measures to enhance the safety of our workers, continue to conduct daily safety toolbox talks and provide more HSE-related training to strengthen the health and safety of our business operations. The following shows our OHS performance for 2022:

Injury Index for Projects				
Year/ Injury Rate	Incident Rate	Frequency Rate	Severity Rate	Fatality Rate
2020	0	0	3	0
2021	1	0	3	0
2022	5	0	0	0

OHS Performance			
Incident Rate/ Years	2020	2021	2022
Major Incidents (Cases)	0	0	1
Incidents of Non-Compliance (Cases)	0	0	4
Penalties (RM)	0	0	0
Manhours without Injuries	23,699,640	15,408,863	17,279,761

Note 1: Manhours without injuries for 2020 has been amended to reflect the actual manhours.
 Note 2: Manhours without injuries exclude Setia International Vietnam and Setia EcoHill for 2020, and Setia International Vietnam and Setia Alamsari for 2021, as data was unavailable.

MONITORING OUR HEALTH & SAFETY PERFORMANCE

In our constant efforts to provide a safe and healthy environment, we have obtained the certification for ISO 45001:2018 – Occupational health and safety management systems, emphasising our commitment towards health and safety across our business operations. The scope of our safety management system covers project management services for the development of residential, commercial and industrial properties as well as 100% of the workers within our operations in Malaysia.

To measure the efficacy of our Health, Safety and Environment management approach, S P Setia evaluates all methods and techniques employed during a management review to support the relevance of the approach taken, and to facilitate the Company's continuous improvement. To do this, S P Setia determines what needs to be monitored and measured, including:

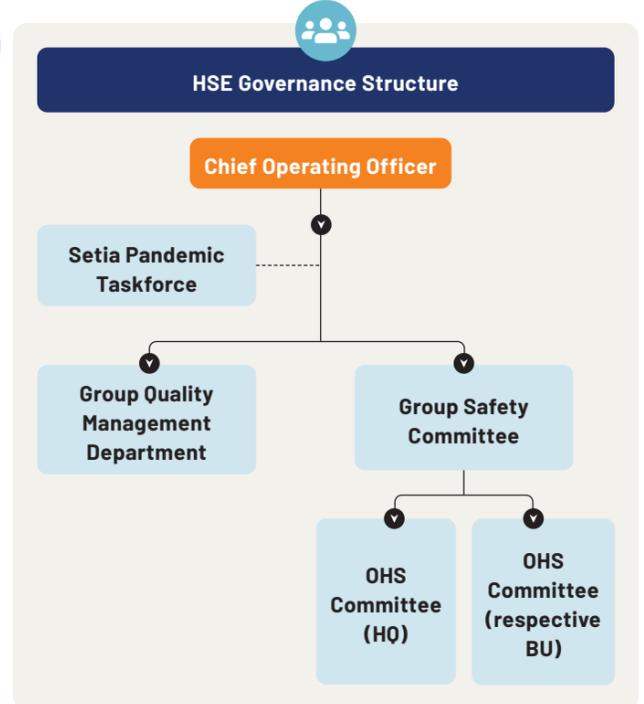
- The extent to which legal requirement and other requirements are fulfilled
- Activities and operations related to identified hazards, risks and opportunities
- The progress made towards achieving S P Setia's HSE objectives
- Efficacy of operational controls and other controls

We continuously evaluate our HSE performance and our management system, ensuring that the monitoring and measuring of our equipment is maintained, disseminating HSE performance information internally and externally, and retaining documented records of all results, measurements, analysis and performance evaluations to consistently keep track of our progress. Additionally, we establish, implement and maintain a procedure and conduct at least one internal audit once a year, to determine the effectiveness and efficiency of policies and procedures, ensuring that they are aligned with our HSE priorities.

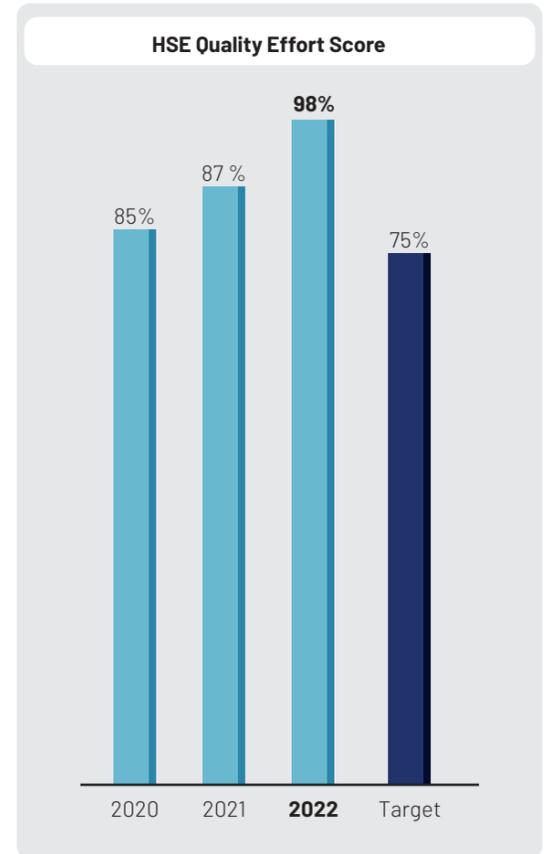
Our GQM is responsible for performing monthly HSE audits at project sites to ensure compliance with health and safety guidelines, practices and policies. This is also done to monitor the contractors' compliance with our HSE requirements, encompassing safety of structural and support erection, machinery, as well as workers and facilities. To uphold HSE standards across our operations, we have set a target score of 75% for HSE Quality Effort. We are proud to report that the Setia team achieved 98% in 2022 and their scores have been higher than the target score since 2020. The results of these audits are part of Team Setia's KPIs and, as such, our HSE Committee at the BU level and employees are encouraged to be actively involved in monitoring the safety at project sites. The observations from our HSE Committee is shared during HSE Work Group meetings chaired by our COO to improve the HSE performance of project sites.

The audit is conducted based on HSE criteria and factors that may impact our operations. It also takes into consideration findings from risk assessments and previous audits. The audit findings are documented and submitted to the responsible manager for the area or activity, who then takes corrective action to address deficiencies found in the audit, including root causes and non-conformities to improve HSE performance. The audit results are given to relevant managers, who disseminate this information to workers, workers' representatives and other relevant parties. A follow-up is done on the corrective measures to verify effectiveness and is documented.

Team Setia also enforces the implementation of OHS procedures at HQ and BU levels, conducts yearly reviews on the efficacy of HSE policy and procedures, as well as highlighting the importance of HSE and providing training to employees.



Apart from that, every project site has an HSE Committee, as required by the Department of Occupational Safety and Health and in compliance with the OSHA. All HSE Committees are chaired by the respective project managers, who are supported by a secretary (an HSE officer), and consist of employer and employee representatives. As for project sites managed by contractors, the HSE Committee also includes representatives from the S P Setia Project Implementation Team. Each HSE Committee meets once a month to discuss OSH matters.



POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

As a property developer, our business operations and construction sites expose our workers and communities to hazards and risks that impact their safety, health and well-being. To this end, we seek to identify hazards in the workplace by assessing occupational health and safety risks and conducting careful investigations in work areas.

The following are some inputs used to identify the hazards, risks and opportunities in S P Setia's project sites and operations:

- 1 HSE policy
- 2 Initial review
- 3 Legal and other requirements register
- 4 Records of previous incidents, accidents and emergencies
- 5 Non-conformances
- 6 HSE management system audits
- 7 Activities of all personnel, workers, contractors, consultants, suppliers and, visitors within the workplace
- 8 Business processes
- 9 Construction activities (routine and non-routine operations)
- 10 Type of projects (building or infrastructure)
- 11 HSE inspection
- 12 Human conduct, capabilities and other human factors
- 13 PME, facilities and materials at workplace
- 14 Design of work areas and temporary structures

HSE TRAINING AND AWARENESS

S P Setia seeks to embed a culture of safety across all segments of our business to protect our people, properties, business, stakeholders and communities. We believe that investing time and effort in HSE gives us a competitive edge and secures long-term benefits.

S P Setia strives to provide mechanisms for training, consultation and participation for employees to ensure safety is embedded across its operations and project sites. Employees are also given constant reminders and information on the HSE management system and are encouraged to be proactive in providing input to improve HSE issues.

Our non-managerial workers are consulted on HSE policy, fulfilling legal compliance and requirements, achieving HSE objectives, controls for outsourcing, procurement and contractors, matters that need to be monitored, measured and evaluated, and auditing, among others. They are also required to actively participate in identifying hazards, assessing risks and opportunities, implementing actions to eliminate hazards and reduce risks, determining training needs and control measures, investigating incidents and non-conformities as well as implementing corrective actions.

S P Setia has continued to educate and raise awareness among its contractors, visitors and relevant stakeholders on various aspects of HSE, including their roles and responsibility in conforming to Setia's HSE policy, procedures and objectives, significant environmental impacts and the potential impacts associated with its activities and HSE advantages.

We also continued to boost the HSE capabilities of our employees and construction workers by providing additional training sessions, conducted by external training providers and internal HSE experts. In 2022, 115 HSE learning programmes were organised for employees, which included technical training such as scaffolding awareness and working at heights, to enhance health and safety at work. Non-technical training sessions that were organised included basic occupational health and safety, first aid, fire training and emergency response for the OSH Committee and floor wardens. In total, 281 employees attended these training sessions.

Moving forward, we will continue to increase the knowledge and awareness of our employees on HSE matters to spur the HSE performance of our business.

Spotlight Story

KEEPING OUR COMMUNITIES SAFE

A strong security system plays a crucial role in creating a safe, peaceful and secure environment for our residents, communities and employees.

Thus, we invest in a trained Auxiliary Police Force ("APF"), who are appointed by the Polis Diraja Malaysia ("PDRM") and received a three-month police training course at the Malaysian Police Training Academy. The APF is employed to protect our offices, sales galleries and townships. Under stringent controls and processes, the APF conducts regular patrols across townships with patrol cars and bikes supported by a Global Positioning System ("GPS") mobile system for communication and reports back to the APF's Operational Room.

Our APF office have been relocated and renovated, and are well-equipped with cellular walkie talkies, T-batons, handcuffs and information on hot spot patrol zones to ensure a smooth operation when officers deploys for duty. In total, we invested RM200,722 in these upgrades. As stipulated in the Police Act, the APF is given the authority to arrest any criminal suspects who are then handed over to the nearest police station for PDRM's next course of action.

Recording a total 250,432 patrolling hours as at December 2022, our APF also handled three crime cases. The patrolling hours were estimated based on full workforce and does not include number of leave days taken by employees.

Setia APF

- 3 months** training at the Malaysian Police Training Academy prior to appointment by PDRM
- Patrolling** using cars and bikes equipped with GPS and **more than 250,432** patrolling hours estimated for a year with the assumption of full force manpower
- Internal training sessions** were conducted to enhance the team's knowledge
- RM99,512** spent on items including cellular walkie-talkies with a yearly subscription fee, walkie-talkie batteries, and uniforms and accessories required by the APF

Our APF also two internal to T-baton self-defence training sessions that were conducted for three hours per session. There was a total of 56 attendees in both sessions.

To fill security gaps, we also engaged 18 security guards to serve on our premises, including our office buildings, sales galleries and show houses. In comparison to the APF, these security guards are given the responsibility of controlling access into our premises, especially those without authorisation.

Outsourced Security Guard

- 81** security guards were hired to safeguard our premises
- 24-hour** daily patrolling the buildings
- Immediate response** to emergency issues and **control access** to buildings

We incorporate security features into our townships to prevent any malicious activities or security breaches that can cause inconvenience or harm to residents and members of the public.

Most of our townships are patrolled 24 hours daily and are equipped with round-the-clock CCTV surveillance with day and night motion detection. Residential areas are controlled via single entry and exit points with a main guardhouse as the base of operations. All vehicles are required to use the radio-frequency identification ("RFID") system and RFID stickers to gain access into townships. The RFID stickers are embedded with radio frequency chips that enable tracking and identification.

Secured Living Environment

- 24-hours** CCTV surveillance with day and night motion detection
- Single entry and exit point** via a main guardhouse and **RFID-controlled vehicle access system**
- Home alarm system** linked to central guardhouse
- Integrated perimeter fencing security** with sensors to ensure no breach of the fencing system

Every home in our development is designed with a built-in alarm system that is connected to the guardhouse via the Central Monitoring System ("CMS"). Users are able to receive updates or statuses at any given time at their convenience from their devices, as the system includes home automation and mobile applications. The mobile app permits additional features such as control of fittings at home or a connection to the home automation system. The guardhouses will be the first to receive alerts when the CMS system is triggered.

Intrusions are detected via our integrated perimeter fencing security system, which is based on the Perimeter Intrusion Detection System ("PIDS"). The PIDS efficiently combines a surveillance system with sensors that are able to detect vibrations caused by any act of cutting, climbing or attempts to breach the physical perimeter fencing. Security guards will be alerted and will respond immediately to any signs of trespassing. Physical fencing and barbed wires are also installed as additional security measures for the community.



POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

D CUSTOMER SATISFACTION

We measure customers' satisfaction levels through our yearly customer satisfaction survey. Conducted twice a year, the survey evaluates various aspects of our service and product quality. Participants were selected according to three categories: those who had signed the Sales and Purchase Agreement, purchasers who had collected their keys and those who had lodged complaints on completion status.

Through an online survey via email or SMS channels, respondents are required to provide feedback on six categories that make up the Overall Satisfaction Score, namely: Sales & Marketing, Credit Administration, Customer Relations, Site Supervisor, Product Quality and Online Purchase Experience. Respondents can rate using a four-point scale from "very satisfied" to "very dissatisfied" and give their feedback in a comments section.

The survey helped us pinpoint areas for improvement and motivates us to perform better to deliver outstanding customer service. In addition to making improvements, we work to satisfy customers' demands by resolving any problems and handling enquiries or complaints efficiently.

CUSTOMER SATISFACTION SURVEY 2022

Buyers likely to be repeat customers and/or recommend products to families and friends: **75.2%**

AREAS SURVEYED	SCORE
Sales & Marketing Services	94.2%
Customer Relations Services	81.5%
Credit Administration	90.8%
Site Supervisor Services	78.8%
Product Quality	73%
Online Purchase Experience	91.7%

E COMMUNITY AND SOCIAL IMPACTS

At S P Setia, we appreciate the opportunities we are given to contribute to our communities. To us, community engagements mean establishing a trusting relationship between the organisation and the community, helping them to grow advantageously and fulfilling employees' satisfaction through meaningful volunteerism. Commercially, community engagement helps us build a stronger customer base and increases our brand presence.

We have a structure in place to ensure that we are fully involved and our involvement is impactful. S P Setia is the Founder and is represented on the Board of Trustees of the S P Setia Foundation. In some programmes, S P Setia also funds and collaborates with S P Setia Foundation, especially when there is a call for volunteers and organisation of programmes. Our other BUs are also participants of S P Setia Foundation's plans.

Employees are highly supported by the management when participating in programmes. Team Setia obtains clearance from heads of other BUs to volunteer for programmes conducted by S P Setia Foundation during business hours. GHR also targets to provide volunteer leave to employees who sign up for volunteer engagements, especially for the S P Setia Foundation programmes. The Social Impact initiatives under our Sustainability pillar mandates community engagement as a set KPI, showing serious commitment from the Group.

To manage our community engagements efficiently and effectively, the Setia Foundation Board of Trustees has approved the expansion of the Foundation's manpower with the approval of the new structure during the Third Board of Trustees' Meeting on 21 December 2022. Every programme's impact is prudently assessed the approval level and are aligned with the SDGs and the Objects of Trust Deeds prior to programme commencement.

We are proud to report that we have created various positive impacts in 2022 and are well on our way to rolling out 2023's initiatives. Among the plans include introducing volunteer leave, which will be part of the Social Impact Materiality Matters ESG planned for 2023. S P Setia Foundation will also organise a Brainstorming Retreat to streamline its programmes with the Sustainability and ESG programmes of S P Setia in order to enhance programme implementation and execution.

S P SETIA FOUNDATION

Our Setia Caring Schools Programme ("SCSP") is a demonstration of how we play our part in the advancement of education among disadvantaged school children in Malaysia. In 2022, S P Setia Foundation adopted nine schools in Penang, Selangor and Johor under this SCSP.

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

SETIA CARING SCHOOL PROGRAMME

We helped provide subsidies to the disadvantaged pupils under the following programmes:

Teachers Training Programme

We sponsored the schools through their Teachers' Training, Digitisation in Education Workshop for the education advancement of disadvantaged pupils. Thirty-six teachers from nine schools under SCSP Selangor, Penang and Johor attended the virtual workshop where we provided special training for teachers on how to effectively digitise their lessons, online teaching skills and exposure to the best practices, classroom management and Higher Order Thinking Skills ("HOTS"). From this workshop, both teachers and students will be better prepared to manage the post COVID-19 era efficiently with the teachers being able to analyse using online resources. Thereafter, the students will have a better learning experience and performance at school.

Impacted: 36 teachers and 4,716 students from 9 SCSP schools in Selangor, Penang and Johor



School Hygiene Education



Through the School Hygiene Education Programme, S P Setia Foundation together with some volunteer school teachers distributed sanitiser sprays for each classrooms and participated in sanitisation process at all nine SCSP schools in Selangor, Penang and Johor. The purpose of the programme was to promote awareness of hygiene and personal care by providing the participants with access on healthcare and hygiene online tutorials as well as among SCSP students. The impact of this programme can be seen where students and teachers were able to safely and confidently return to school post- pandemic lockdown period.

Impacted: 4,716 schoolchildren and 420 teachers from 9 schools under SCSP in Penang, Selangor and Johor.

Annual Stipend Programme

In conjunction with the start of the school session in March 2022, S P Setia Foundation contributed RM150 to each of the 2,689 SCSP schoolchildren from B40 families to assist them on their back-to-school journey. This programme made a big impact on the 2,689 schoolchildren from nine SCSP schools in Penang, Selangor and Johor to start their school session with joy.

Impacted: 2,698 schoolchildren from 9 schools under SCSP in Penang, Selangor and Johor.



POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

Additional Assistance Programme



S P Setia Foundation also gave out SCSP school uniform vouchers to the selected 1,026 schoolchildren from B40 families. Each student received two sets of school uniforms, including two pairs of shoes and socks. This assistance meant their low-income parents were less burdened with the school expenses and purchase of school uniforms. In addition, 150 teachers volunteered their time and assisted Team Setia in ensuring the smooth running of our programme.

This Additional Assistance Programme has benefited a total of 1,026 school children from nine SCSP schools in Penang, Selangor and Johor with the support of 150 volunteer teachers.

Impacted: 1,026 schoolchildren and 150 teachers from 9 schools under SCSP in Penang, Selangor and Johor.

SCSP Festive Food Baskets



In conjunction with the Hari Raya celebrations, S P Setia Foundation contributed to B40 families through their schoolchildren studying at our SCSP schools in Selangor, Penang and Johor. RM120 worth of groceries were given to each selected SCSP underprivileged pupil for their family. We identified 270 schoolchildren and their families who were facing financial woes due to economic uncertainty and they benefitted well from this SCSP Festive Food Basket programme.

Impacted: 270 school children and 1,350 family members from 9 schools under SCSP in Selangor, Penang and Johor.

"Unity in Diversity" Programme



As part of our agenda to promote national unity, we collaborated with various parties including Jabatan Pendidikan Negeri Selangor (JPNS), Pejabat Pendidikan Daerah Sepang dan Hulu Langat, Jabatan Kemajuan Orang Asli ("JAKOA") Sepang, Yayasan Sukarelawan Siswa (YSS) and student volunteers from IPG Kampus Raja Melewar, Seremban, Negeri Sembilan, for the Unity in Diversity project. With the collaborative partnership with YSS, we selected 60 students from four schools in Selangor, three of which are our SCSP schools in Semenyih, Selangor. The following activities were organised at SK Bukit Tampo (Asli):

- a) Dances of different cultures, including the Orang Asli dance, Tarian Sewang.
- b) Gotong-royong with parents and teachers at SK Bukit Tampo (Asli).
- c) Presenting 10 units of refurbished laptops collected from different BUs that were reformatted by the S P Setia GICT department.

These activities successfully instilled cross-cultural appreciation and the spirit of teamwork among the students and the volunteers. The gotong-royong session resulted in a cleaner and more conducive classrooms while their learning sessions are now made easier with those laptops contributed by S P Setia Foundation.

Impacted: 60 schoolchildren from 4 schools in Selangor, 10 student volunteers and involvement of 16 teachers.

"Sincerely, Setia"



In continuation of our "Unity in Diversity" campaign to promote the spirit of unity among schoolchildren and youths, S P Setia Foundation hosted an educational outing for 90 primary school students from the Foundation's adopted schools under SCSP in Klang Valley, which included including SK Semenyih, SJK(C) Kampung Baru Semenyih and SJK(T) Ladang Rinching, as well as Orang Asli students from SK Bukit Tampo, Dengkil, on 13 December 2022.

The students and selected parents from the Orang Asli community of Kampung Bukit Tampo were gathered for a movie viewing of the local animation flick "Mechamoto The Movie", which tells the story of Amato, a boy who becomes the master of a robot that transforms ordinary objects into high-tech devices. The movie outing was followed by an educational play session at Toy8 Playground, an experiential playground focused on early intervention of education for children.

This programme has brought joy and happiness to the 90 selected school students, parents and their teachers, the majority of them were found to have never had any experience watching any movies at cinemas. This was a lifetime experience to most of them.

Impacted: 90 schoolchildren and youths from 4 schools in Selangor, 10 Orang Asli family members and 16 teachers involved.

Demonstrating Inclusivity

Since 2012, S P Setia Foundation has been supporting the National Autism Society of Malaysia ("NASOM") by providing it with four levels of space at Setia Avenue, a commercial hub developed by S P Setia in Setia Alam, Selangor Darul Ehsan, for their operations.

For FY2022, approximately 156 children, from the ages of 4 to 14, benefitted from NASOM's activities, including occupational therapy, group programmes for creative arts, dramas, block therapy and play, behavioural therapy, Intensive Intervention Programme as well as screening and diagnosis for autism. Moving forward, S P Setia Foundation together with S P Setia Berhad Group Human Resources plan to send S P Setia staff as corporate volunteers to support and learn how to deal with autistic children.



Impacted: 156 autistic school children from Selangor.

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

NATURAL DISASTER (EMERGENCY RELIEF ASSISTANCE)



Working together with Jabatan Pendidikan Negeri Selangor ("JPNS"), we selected six schools in the state to benefit from our S P Setia Foundation emergency relief assistance. Two sets of school uniforms and one school bag were given to 969 children from B40 families. Among the schools selected were SK Pulau Indah, SK Sungai Lui, SK Taman Sri Muda, SK Taman Sri Muda 2, SK Padang Jawa and SK Seksyen 24.

Impacted: 969 schoolchildren from 6 schools in Selangor.

RAMADHAN FOOD PACKS FOR B40



In conjunction with S P Setia's Hari Raya Aidilfitri campaign themed 'Setia Berbudi, Ikhlas di Hati' and the holy month of Ramadan, members from S P Setia's Group Branding & Communications and BUs were on the ground to distribute festive food aid to the Orang Asli and the B40 community throughout April 2022.

We distributed food baskets containing festive food items such as rice, condiments, flour, sugar, cordial fruit juice and cookies to a total of 147 families from the identified locations close to S P Setia's developments, which included the Orang Asli settlement near Setia Warisan Tropika in Sepang, Pangsapuri Tun Teja 1 in Setia AlamImpian, Shah Alam, and Kampung Batu 5 in Kajang where villagers were also affected by the heavy floods in December 2021.

Impacted: 147 families

#SETIA4MALAYSIA UNITY RUN 2022



Celebrating the spirit of unity and in an effort to promote a healthier nation, S P Setia organised the #Setia4Malaysia Unity Run 2022, which saw the attendance of 2,106 participants at the 10-acre Setia Bayuemas Lake Park, Klang, on 18 September. The event consisted of a 5 km fun run which had participants from all walks of life and a 21.1 km half-marathon for running enthusiasts and veterans.

This was the first physical edition of the #Setia4Malaysia Unity Run series, following the virtual run that was held during the Merdeka-Malaysia Day period in 2021.

IN REFERENCE TO GRI UNIVERSAL STANDARDS

Statement of Use: S P Setia Berhad has reported the information cited in this GRI content index for the period 1 January to 31 December 2022 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD	GRI DISCLOSURE	REMARKS	PAGE REFERENCE	
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	The organisation and its reporting practices			
	2-1	Organisational details	Pages 12 to 13	
	2-2	Entities included in the organisation's sustainability reporting	The scope of reporting for the Sustainability Statement is limited within the operations in Malaysia.	Pages 13
	2-3	Reporting period, frequency and contact point	ir@spsetia.com or 603-33482576.	Pages 8 to 9
	2-4	Restatements of information		
	2-5	External assurance		
	Activities and workers			
	2-6	Activities, value chain and other business relationships		Page 13
	2-7	Employees		Page 48, Page 125 to 128
	2-8	Workers who are not employees		Pages 125 to 128
	Governance			
	2-9	Governance structure and composition		Pages 174 to 175
	2-10	Nomination and selection of the highest governance body		Pages 179 to 182
	2-11	Chair of the highest governance body		Page 170
	2-12	Role of the highest governance body in overseeing the management of impacts		Pages 174 to 175
	2-13	Delegation of responsibility for managing impacts		Pages 174 to 175
	2-14	Role of the highest governance body in sustainability reporting		Page 176
	2-15	Conflicts of interest		Page 184
	2-16	Communication of critical concerns		Page 109
	2-17	Collective knowledge of the highest governance body		Page 178
2-18	Evaluation of the performance of the highest governance body		Page 179	
2-19	Remuneration policies		Pages 179 to 182	
2-20	Process to determine remuneration		Pages 179 to 182	
GRI 2: General Disclosures 2021	Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	Pages 16 to 17	
	2-23	Policy commitments	Page 109	
	2-24	Embedding policy commitments	Page 109	
	2-25	Processes to remediate negative impacts	Page 108	
	2-26	Mechanisms for seeking advice and raising concerns	Page 108	

IN REFERENCE TO GRI UNIVERSAL STANDARDS

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GRI STANDARD	GRI DISCLOSURE	REMARKS	PAGE REFERENCE
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	ISO 14001:2015 Environmental Management System certification, ISO 45001:2018 for Occupational Health and Safety Management System
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Pages 188 to 191
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 39
	3-2	List of material topics	Pages 40 to 41
ECONOMIC			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 14
	201-2	Financial implications and other risks and opportunities due to climate change	Aim to adopt TFCF framework in the next financial year
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	100%
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Total investment for communities by S P Foundation: RM405,154.07.
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	100% local suppliers
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Pages 108 to 109, Pages 198 to 199
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 104
ENVIRONMENTAL			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Page 120
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	2022: 18.15 Mw/h
	302-3	Energy intensity	2022: 12.19 kW/m ²
	302-4	Reduction of energy consumption	2021: 32.6 MW/h 2022: 18.15MW/h ²
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	Pond water retention at D'network which saved up RM6,840 per year.
	303-5	Water consumption	Water consumption in 2022: 588.519 m ³
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Setia Eco Park, Setia Eco Templer, Setia Eco Glades, Setia EcoHill and Setia EcoHill 2
	304-2	Significant impacts of activities, products and services on biodiversity	Urbanisation main cause of biodiversity decline Urban heat island effect

GRI STANDARD	GRI DISCLOSURE	REMARKS	PAGE REFERENCE
ENVIRONMENTAL			
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	Development and landscape planning of bayuemas was based on the findings from the ecological studies held
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	E-waste management Food waste composting facility at D'network
SOCIAL			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 128
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Special leaves, naluri programme, work flexibility etc.
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 135
	403-2	Hazard identification, risk assessment, and incident investigation	Page 138
	403-3	Occupational health services	Page 137
	403-4	Worker participation, consultation, and communication on occupational health and safety	The Group Safety Committee is overseen by the COO and supervised by the GQM and HSE representatives from various BUs.
	403-5	Worker training on occupational health and safety	281 participants.
	403-6	Promotion of worker health	Naluri Programme.
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Hazard risk identification, risk assessment and incident investigation
	403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health Act ("OSHA") 1994 and the HSE Governance Structure
	403-9	Work-related injuries	0 LTI in 2022.
	403-10	Work-related ill health	0 work related ill health 2022.
GRI 404: Training and Education	404-1	Average hours of training per year per employee	By gender and employee category
	404-2	Programs for upgrading employee skills and transition assistance programs	Innovation & thinking, leadership programmes
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	By age, gender and ethnicity.
	405-2	Ratio of basic salary and remuneration of women to men	Not salary but promotion.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Pages 140 to 144
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Pages 104 to 105

