

Sustainability Statement

S P Setia Berhad

2019



SUSTAINABILITY STATEMENT



ECONOMIC



ENVIRONMENTAL



SOCIAL

This Sustainability Statement provides S P Setia Berhad's stakeholders insights about our sustainability performance in a transparent and accountable manner. It covers our journey in sustainability management including stakeholder engagement initiatives and implementation of economy, environment, and social ("EES") programmes which are crucial to our business sustainability.

We live by our philosophy **LiveLearnWorkPlay** with everything that we do, we strive to strike a balance to ensure all of our stakeholders' needs are being fulfilled.

Reporting Period

This statement describes S P Setia Berhad's sustainability activities for the period from 1 January 2019 to 31 December 2019.

Reporting Scope

S P Setia Berhad has considered key sustainability matters and standards in accordance with:

- Bursa Malaysia Sustainability Listing Requirements; and
- Bursa Malaysia's Sustainability Reporting Guide (2nd edition).

We envisage to achieve the best in our sustainability initiatives. As part of these efforts, we have initiated to review our business processes and operations to consider the following key sustainability frameworks and standards that are globally adopted:

- Global Reporting Initiative ("GRI");
- United Nations Sustainable Development Goals ("UNSDG"); and
- Global Real Estate Sustainability Benchmark ("GRESB").

The information and figures in this statement refer to S P Setia Berhad and its active ongoing projects within Malaysia, Vietnam, Singapore and Australia, unless otherwise stated. The 'RM' sign used in this report refers to Ringgit Malaysia which is also the functional currency.

Since our first Sustainability Statement published in 2016, we have engaged external consultants to perform an annual gap analysis and identify any improvements required based on the sustainability frameworks and standards.

The sustainability objectives, strategies and action plans established in the coming years would take into consideration these global sustainability practices. This is further explained in the "Moving Forward" section.

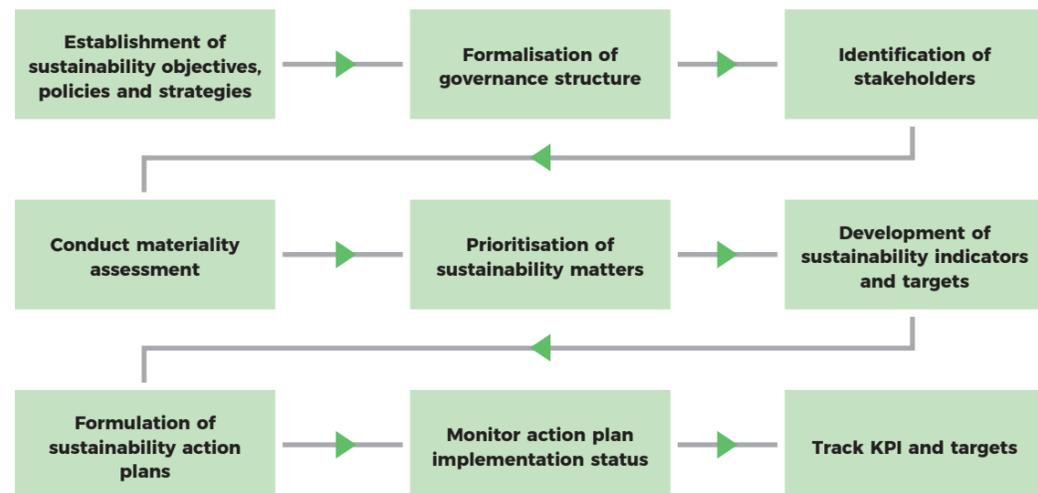
Feedback

Stakeholders' feedback is important to us. We welcome any feedback on this Statement and any aspect of our sustainability performance. Please address all feedback to our Management Risk Team at groupriskmanagement@spsetia.com.

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Our Sustainability Journey

S P Setia Berhad manages sustainability matters through our established sustainability implementation roadmap as summarised below:



In FY 2019, our emphasis was on strengthening the sustainability governance framework within S P Setia Berhad to ensure effective accountability, oversight and monitoring of the sustainability matters within the Company. The tasks involved include alignment of sustainability objectives with the business goals and strategy, establishment of sustainability policies and procedures, formalisation of reporting structure, roles and responsibilities; and implementation of the sustainability programmes in a more structured approach.

Our inclusivity extends beyond our clients and employees. Specific stakeholders relevant to different aspects of the Company's business such as investors, regulators and the wider communities were engaged on a regular basis to ensure business-as-usual without sacrificing their needs and requirements.

We conducted a materiality assessment during the year and the Company's top ten (10) material sustainability matters were identified enabling the sustainability management within S P Setia Berhad to be more focused and targeted.

S P Setia Berhad acknowledges that sustainability management is an on-going process and strive to continuously enhance, review and update its sustainability practices within the Company.

AT A GLANCE

We initiated various programmes and initiatives to enable achievements of our sustainability objectives. Key highlights of our achievements include:

ECONOMY		
 RM246.56 million Spent over a period of 3 years on providing various infrastructures in our projects including highway connectivity, public transportations, health institutions and schools	 A total of 26 awards (2018 - 21 awards) received by S P Setia Group for its exemplary achievements in environmental and social sustainability	
ENVIRONMENT		
 We strive to allocate more than 10% Green Areas in our projects	 We recorded up to 82 species (2018 - n/a) of birds visiting the parks and lakes in some of our Eco-series projects	 We planted 20,000 food and nectar plants and propagated 1,000 plants for butterflies living in some of our Eco-series projects
 We recorded up to 27 species (2018 - n/a) of fishes in some of our Eco-series projects	 We consumed a total of 38.67 million kW/h (2018 - 32.03 million kW/h) of electricity in our sales galleries, site offices and commercial spaces	 We used a total of 1.03 million m³ (2018 - 0.89 million m³) of water in our sales galleries, site offices and commercial spaces
SOCIAL		
 We achieved 0 major incidents in our projects	 43% female (2018 - 44%) employees are employed in S P Setia Berhad	 We provided 74,937 training hours (2018 - 73,770) to develop and upskill our people
 RM13.90 million disbursed in our S P Setia Foundation since 2014 for the #StandTogether campaign and Setia Caring School Programme	 We held 127 community programmes (2018 - n/a) for buyers of our projects and the general public	

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GOALS AND PROGRESS

As part of our sustainability improvement programmes, we identified and aligned the following sustainability principles, strategies, activities and key performance indicators to measure our achievement.

Sustainability principle	Strategies/Activities	Performance indicators
Creating communities	<ul style="list-style-type: none"> Accessible developments - infrastructure accessibility such as roads and public transportation access Green leisure developments such as parks and gardens Excellent features, amenities and facilities 	<ul style="list-style-type: none"> Customer satisfaction survey > 80/100 More than 10% of developments allocated to green spaces and amenities No. of award recognitions and certifications
Environmental-friendly development	<ul style="list-style-type: none"> Introduce pioneering green and sustainable projects Community and people consideration 	<ul style="list-style-type: none"> No. of award recognitions and certifications No. of birds, vegetation and other species
Providing safe and conducive working environment	<ul style="list-style-type: none"> Zero major incidents Conducive working environment 	<ul style="list-style-type: none"> Zero major incident Low employee turnover
Retaining talent	<ul style="list-style-type: none"> Develop talents with high ethics and integrity Employee performance and retention 	<ul style="list-style-type: none"> Employee survey on happiness rating >80/100 No. of training hours
Delivering quality products	<ul style="list-style-type: none"> Close working relationship with suppliers, vendors and business associates Customer satisfaction - low defects claim 	<ul style="list-style-type: none"> Contractors' quality excellence >75% Customer satisfaction survey >80/100

S P Setia Berhad recognises that sustainability management is a continuous process and strive to refine its goals and performance indicators as we go along this journey. The enhancements in the sustainability process are highlighted in the "Moving Forward" section.

SUSTAINABILITY GOVERNANCE

Sustainability Objectives

S P Setia Berhad remains committed to meeting its various stakeholders' interest while achieving its strategic objectives. In order to achieve this effectively, it is critical for the Company to possess the capability of managing its material sustainability matters to an acceptable level for the achievement of its strategic objective.

We believe high standards of corporate governance form a strong basis for safeguarding shareholders' interests. By being responsive and transparent in our business practices, we can demonstrate our accountability and ensure long-term business growth. We also continue to act as early adopters of new regulations, best practices, policies and procedures throughout our operations.

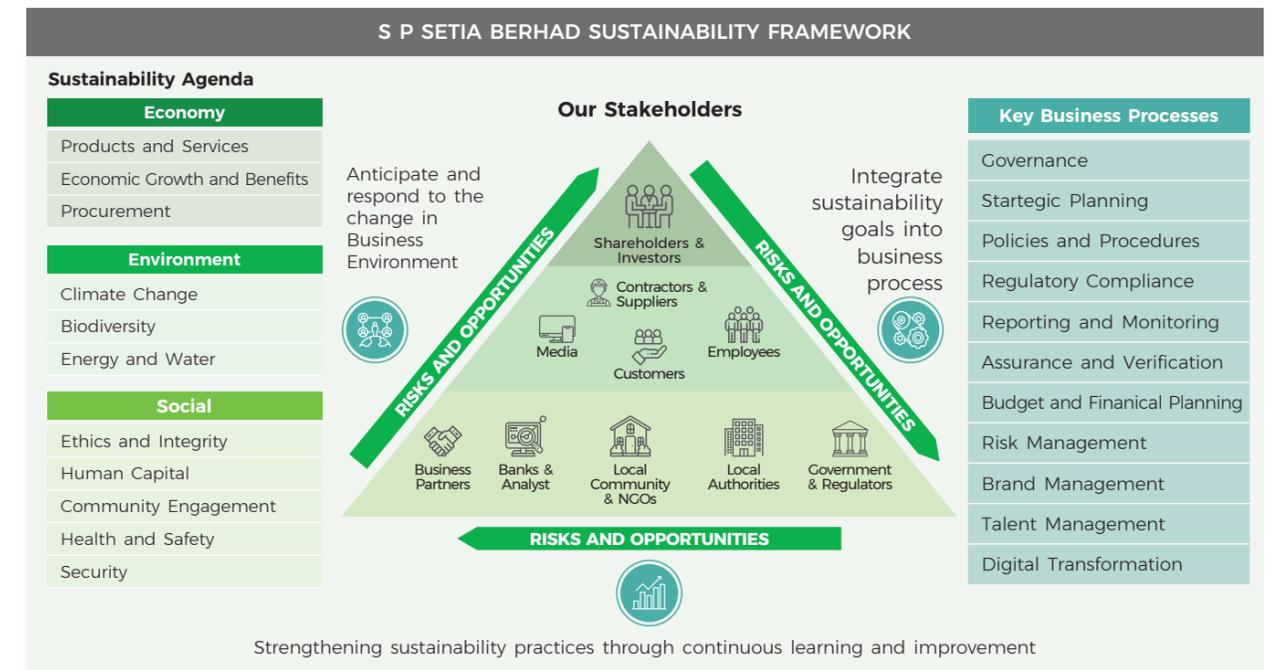
The Board has a stewardship responsibility to understand the material sustainability matters, provide guidance on dealing with these matters and to ensure they are managed proactively, in a structured and consistent manner.

Sustainability Policy

The Board has approved and adopted the Sustainability Policies for the Company which includes:

- To integrate sustainability management into the culture, business activities and decision-making processes.
- To anticipate and respond to the changing economic, environmental, social and governance landscape and requirement proactively.
- To manage sustainability matters pragmatically to an acceptable level given the circumstances of each situation.
- To implement a robust Sustainability Framework that is aligned with S P Setia Berhad's strategic and sustainability objectives and in accordance with best practices.
- To continuously strive towards strengthening the sustainability management practices through continuous learning and improvement.

Sustainability Framework



A sustainability framework was developed to govern sustainability management within the Company. The sustainability framework encompasses three (3) pillars i.e. Sustainability Agenda, Our Stakeholders and Key Business Processes.

Relevant sustainability matters are identified and categorised under the broad categories of economic, environment and social. The sustainability agenda for each of the broad categories are determined as follows:

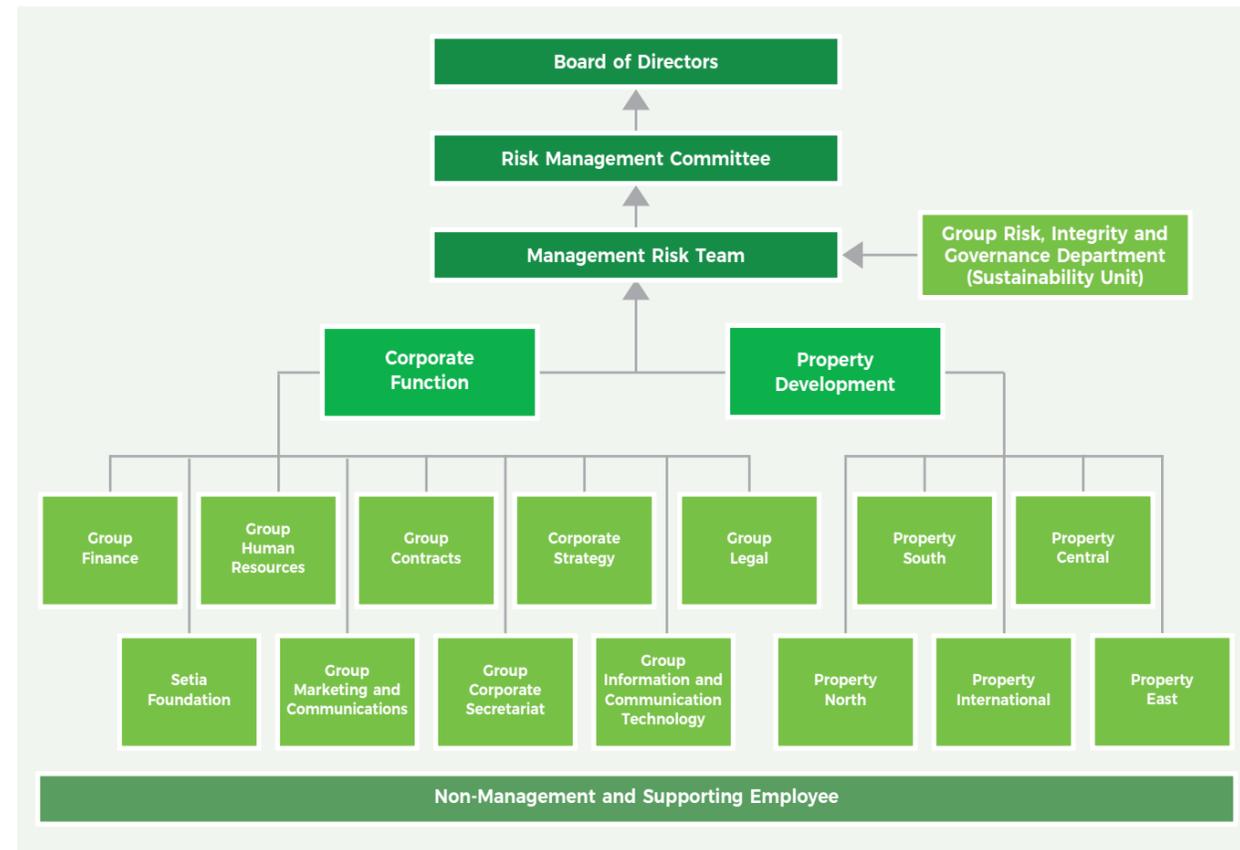
- Economy:** We emphasise on economic performance in every value created and distributed by the organisation while ensuring consistent contributions as corporate citizen.
- Environment:** We identify and adopt appropriate measures for conservation and protection of ecological and biological affecting plants and animals in our developments.
- Social:** We encourage continuous community engagement and social interaction while portraying strong work ethics and integrity.

We strive to achieve each of the sustainability agenda with the involvement of all our stakeholders to understand their specific needs and requirements. We focused at anticipating and responding to the changes in business environment to remain relevant and ensure business sustainability, maintaining continuous embedment of risk management culture, recognising opportunities which would enhance value creation to stakeholders and strengthening of our sustainability practices through continuous learning and improvement. This is further elaborated in the following "Stakeholder Engagement" section.

Sustainability practices are integrated in all aspects of business in S P Setia Berhad such as governance, strategic planning, regulatory compliance, reporting & monitoring and risk management. This is to uphold good corporate governance practices, contribute to the building of the nation and protection of the Company's brand as Malaysia's No. 1 Property Developer and remain relevant in the property industry.

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Governance structure



The Risk Management Committee oversees the sustainability practices in S P Setia Berhad while the Board remains to have the ultimate responsibility. RMC monitors the consistent enforcement of Sustainability Policies across S P Setia Berhad and reviews on a regular basis to ensure relevancy to the business and operations, alignment with prevailing laws and regulations and compliance with the Company's sustainability targets and goals. The committee articulates, challenges and provides guidance on identified sustainability matters, materiality ratings, targets and indicators, and sustainability action plans if any.

As a continuous effort to enhance the sustainability management within S P Setia Group, sustainability matters will be discussed as a quarterly agenda during the RMC meetings and Board meetings starting next financial year to ensure the matters are communicated and managed timely.

S P Setia Berhad's sustainability management is delegated to the Management Risk Team, which consists of members of the Company's Senior Management. The MRT is supported by the business units which, guided by the MRT, focus on operational risks and monitoring the progress of our EES activities. The MRT deliberates on material sustainability matters relating to EES risks as well as new opportunities on a quarterly basis and keeps the RMC and Board updated on these issues.

Subsequent to the financial year, a Sustainability Unit under the Group Risk, Integrity and Governance Department was established to assist the MRT in managing the sustainability matters within the Company. The Sustainability Unit's key roles include facilitating the sustainability management processes such as data collection and reporting. The Sustainability Unit provides independent input on sustainability materiality assessment, targets and indicators, and action plans comprehensiveness. The Sustainability Unit is also responsible to lead the sustainability education programmes and regularly sharing insights into sustainability trends with the business units.

Principal roles and responsibilities for each of the reporting line and job description for various levels of sustainability officers were also established.

STAKEHOLDERS ENGAGEMENT

As a leading property developer, we are aware of how our business decisions affect our stakeholders, which include shareholders, customers, regulators, employees and the local communities.

We continuously engage with our stakeholders to understand their concerns and areas of interest and to obtain feedback through various channel of engagements including meetings, events and roadshows, surveys and online platforms (website and social media) as summarised in the table below.

Key Stakeholder Group	Channel of Engagement	Frequency of Engagement	Concerns Raised	Our Response
INVESTORS Our investors are the provider of our capital with the expectation they receive monetary benefits in return.	<ul style="list-style-type: none"> General meetings Corporate announcements Regular analysts and investors briefings Media announcements Annual reports Company websites Project specific micro-websites Project launches 	DY WK MO QT AN	<ul style="list-style-type: none"> Economic and financial performance Sustainable revenue and profit growth Dividend prospects 	We engage with investors and potential investors regularly through our channel of engagement, ensuring they understand our prospects and future growth. Other areas we provide to investors include: <ul style="list-style-type: none"> Share liquidity Share price performance Dividends growth prospects Sustainability, social investment and corporate governance
SHAREHOLDERS Our shareholders invest in us as the provider of our capital with the expectation they receive monetary benefits in return and believe in our cause and economic benefits.	<ul style="list-style-type: none"> General meetings Corporate announcements Analysts briefings Media announcements Annual reports Company websites Project launches 	DY WK MO	<ul style="list-style-type: none"> Economic and financial performance Dividend and growth prospects Sustainability performance and tracking 	Similar to investors, we engage our shareholders updating them on: <ul style="list-style-type: none"> Share liquidity Share price performance Dividends growth prospects Sustainability, social investment and corporate governance
FUND PROVIDERS Fund providers support us through the provision of short- and long-term capitals enabling us to manage our operation and achieve our business objectives.	<ul style="list-style-type: none"> Periodic reporting Loan covenant compliance reporting 	PR QT HY AN	<ul style="list-style-type: none"> Economic and financial performance Dividend and growth prospects 	We report to our fund providers through periodic reporting such as regular loan covenant compliance report.
ANALYSTS Our analysts provide us with information such as economic conditions, business prospects and regulatory updates. They provide the information of our Company to our investors through media briefings, commentaries and articles.	<ul style="list-style-type: none"> General meetings Corporate announcements Analysts briefings Media announcements Annual reports Company websites Project launches 	PR QT AN	<ul style="list-style-type: none"> Business overview Strategic imperatives Economic and financial performance Growth prospects Corporate governance Sustainability performance and tracking 	We update our analysts through our regular briefing updates. We organise various events engaging our analysts briefing them about our businesses, its prospects and our achievements.

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Key Stakeholder Group	Channel of Engagement	Frequency of Engagement	Concerns Raised	Our Response
GOVERNMENT/REGULATORS We work closely with both Federal, local governments and municipalities. Through our experience and expertise in private sector operation, we help managing infrastructure investments and to shape policy and regulatory changes relevant to our businesses.	<ul style="list-style-type: none"> Direct meetings Industry associations Regulatory requirements reporting Compliance reporting Site inspections and visits 	PR	<ul style="list-style-type: none"> Regulatory requirements Economic issues Environment issues Public and community engagements Government policies 	We regularly involve with various government and authorities' discussions related to our businesses and discuss government policies and regulatory requirements.
CUSTOMERS Customers are at the heart of our business. We understand our markets and endeavour to exceed our customers' expectations. We care how our customers' feel about us, our products and services so we can deliver improvements.	<ul style="list-style-type: none"> Corporate announcements Media announcements Company websites Project launches Customer satisfaction surveys Online platforms Customers events Corporate and product brochures 	DY WK MO QT AN	<ul style="list-style-type: none"> Product and service quality Product and services features/ amenities and facilities Timely delivery Pricing of products and services Safety and security 	We conduct regular planned meetings and briefings to both our potential and existing customers through the following. <ul style="list-style-type: none"> Project launches Customer community events - e.g. open day, women's day, marathon Customers forum Customer satisfaction
MEDIA Media comprise organisations, both profit and non-profit channels and formats controlled by communities of practice and interest	<ul style="list-style-type: none"> General meetings Corporate announcements Analysts briefings Media and press announcements Annual reports Company websites Project launches 	DY WK MO QT AN	<ul style="list-style-type: none"> Long-term relationship building Impact to communities Awareness and promotions Advertisements 	We brief media on our business operations, products and services, business plans and strategies through series of programmes established as part of media communication.
EMPLOYEES Our people drive our businesses. We strive to create a diverse and inclusive workplace where all our colleagues can reach their full potential. We provide conducive working environment enabling our people to work comfortably, effectively and efficiently.	<ul style="list-style-type: none"> Induction programmes Employees activities Corporate activities - such as annual dinner Performance development programmes Employees well being 	DY WK	<ul style="list-style-type: none"> Compensation and benefits Career enhancements Health, safety and environment Performance development Exit and retirement benefits Succession plan 	Our people are most important to us. We ensure our employees are well taken care of through several initiatives including competitive compensation and benefit plans, their health and wellness and providing a safe and conducive working environment.
SUPPLIERS/CONTRACTORS Our suppliers and contractors provide us with the materials and services we require enabling our businesses to serve the customers and communities.	<ul style="list-style-type: none"> Daily contacts - telephones and e-mails Periodic meetings and briefings Tender briefings Contract and legal discussions Project updates and meetings 	DY WK MO	<ul style="list-style-type: none"> Payment terms Contract terms and conditions Future business dealings 	Our suppliers and contractors are directly impacted by our business operation. We ensure that our suppliers and contractors understand our business needs and areas covering integrity, labour and human rights, inclusivity and health, safety and environment.

Key Stakeholder Group	Channel of Engagement	Frequency of Engagement	Concerns Raised	Our Response
LOCAL COMMUNITIES Our business impact the surrounding communities where we operate. We aim to provide social and economic benefits to the communities.	<ul style="list-style-type: none"> General meetings Corporate announcements Analysts briefings Media announcements Annual reports Company websites Project launches Community activities - bullying, women empowerment Festive seasons celebrations 	DY WK	<ul style="list-style-type: none"> Economic well-being Safety and health Impact of operations on surrounding communities and environment Employment opportunities 	<ul style="list-style-type: none"> Sponsorship, financial assistance and charity Industrial training CSR Programmes Recruiting from impacted communities Visits, seminars and joint activities

DY Daily
 WK Weekly
 MO Monthly
 QT Quarterly
 AN Annually
 PR Periodically
 HY Half Yearly

Throughout the year, we diligently consider feedback and comments gathered and through these encounters gain valuable input on our economic, environmental and social performance. Based on this information, we continuously improve our business processes and create products that our customers appreciate.



S P Setia Berhad Annual General Meeting 2019

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MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

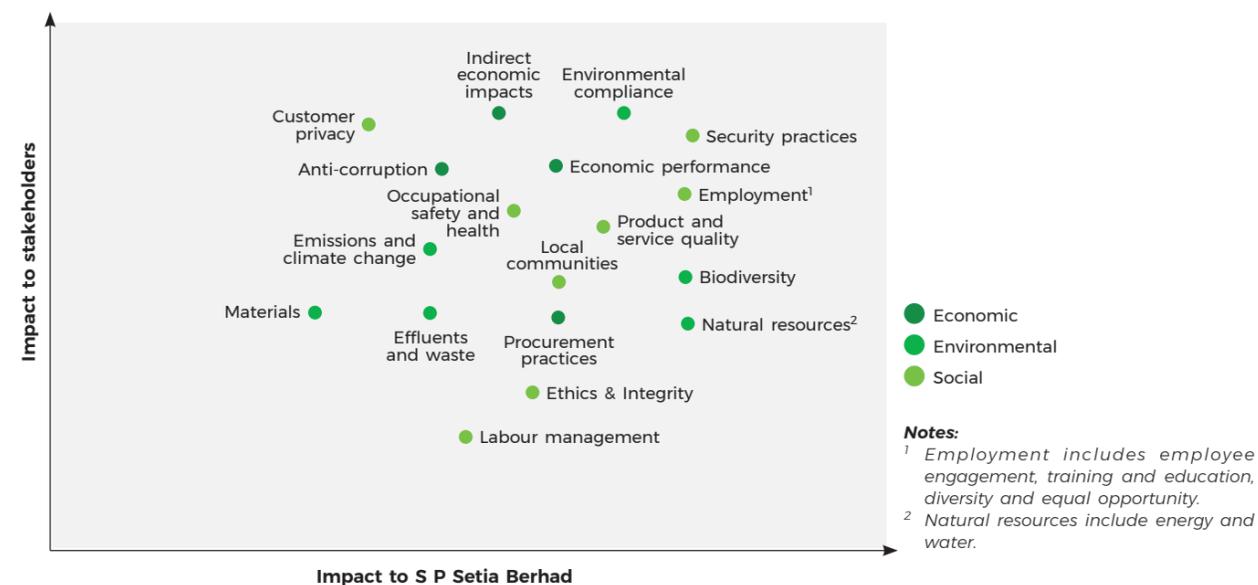
During the year, materiality assessment was conducted and material sustainability matters which are critical to S P Setia Berhad's business and our stakeholders were identified.

The process of materiality assessment was guided by the GRI sustainability standards, a widely adopted global standards for sustainability reporting, and as recommended by Bursa Securities for all listed entities. In addition, we have also adopted several goals under the UNSDG Agenda and GRESB Framework sustainability framework and indicators which we feel are important and relevant to the business and the Company.

Global Reporting Initiatives	
GRI is an independent international organisation which helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues. GRI Standards are the most widely adopted global standards for sustainability reporting and are designed to enhance the global comparability and quality of information on these impacts, thereby enabling greater organisational transparency and accountability.	
United Nations Sustainable Development Goals	Global Real Estate Sustainability Benchmark
UNSDG are 17 interconnected and equally valued initiatives aimed to build a sustainable and inclusive world by 2030. Unanimously committed to by 193 nations in 2015, the 17 sustainability goals contain 169 proposed targets with implementation strategies for countries to adopt.	GRESB was launched in 2009 by a group of large pension funds who wanted to have access to comparable and reliable data on the ESG performance of their investments. In the intervening years, GRESB has grown to become the leading ESG benchmark for real estate and infrastructure investments across the world.

We conducted 13 materiality workshop sessions with all business units to identify and assess the sustainability matters which are relevant and important to both S P Setia Berhad and our stakeholders. In these workshops, the impact to both S P Setia Berhad and impact to our stakeholders were measured against an established impact parameters and materiality matrix.

The materiality profile of the Group was plotted based on the feedback gathered during these workshops as shown in the table below.



The sustainability matters identified were categorised into three (3) wider sustainability factors, based on GRI standards – Economic, Environment and Social. From thereon, the top eleven (11) material sustainability matters critical to S P Setia Berhad were identified as follows:

S P Setia Berhad Top Eleven (11) Material Sustainability Matters

1. Security practices
2. Employment
3. Environmental compliance
4. Indirect economic impacts
5. Economic performance
6. Product and service quality
7. Occupational health and safety
8. Biodiversity
9. Natural resources
10. Local communities
11. Procurement practices

Based on the top eleven (11) material sustainability matters identified, S P Setia Berhad had reviewed and adopted the UNSDG which are relevant and aligned to S P Setia Berhad's policies and agendas. This include:



The top eleven (11) material sustainability matters mapped to the UNSDG are shown in the table below:

Material Sustainability Matters	UNSDG Reference	Why Is It Important	Risk/Opportunities	Our Responses
Economic performance		Sustain economic growth and achieve higher levels of economic productivity to meet the needs of our shareholders and investors.	Changing customer requirement and increasing regulatory requirement has made the property industry a challenging one.	We strive to find a balance between creating value for our customers and achieving financial results to meet the benefits of our stakeholders especially shareholders and investors. Please refer to page 135 for more details.
Indirect economic impacts	 	<ul style="list-style-type: none"> Ensure access for all adequate, safe and affordable housing and basic services. Provide safe, accessible and sustainable transport systems for all, improving road safety. Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management. Increase income-generating employment opportunities. 	Consideration of broader economic, environmental, social and governance principles in the context of direct and indirect financial performance.	Indirect economy benefits such as infrastructure investments, job opportunities and healthy well-being to the communities are considered in all our project developments, particularly with our Eco-series township projects. Please refer to page 135 for more details.
Procurement practices	 	<ul style="list-style-type: none"> Improve progressively global resources efficiency in consumption and production. Endeavour to decouple economic growth from environmental degradation. Ensure sustainable consumption and production patterns. 	Natural resources are finite, and the availability and rising costs of these resources (e.g. building materials) have significant impact on a developer's bottom line and financial performance.	We were the first property developer in Malaysia to obtain the Chain of Custody ("COC") certification issued by the Malaysian Timber Certification Scheme ("MTCS") since 2017. In addition, almost 100% of our purchases were sourced locally and a very minimal amount of purchases was sourced from overseas supplier. Nonetheless, purchases are made through local agents, wherever possible. Please refer to page 139 for more details.

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Material Sustainability Matters	UNSDG Reference	Why Is It Important	Risk/Opportunities	Our Responses
Environment				
Natural resources (energy and water)/ Environmental compliance	  	<ul style="list-style-type: none"> Ensuring access to reliable, sustainable and modern energy services. Increase the share of renewable energy and improve energy efficiency. Strengthen resilience and adaptive capacity to climate-related hazards and reduce impact on social, economic and natural systems. Ensure availability and sustainable management of water for all. 	<p>The building sector has strong environmental impact and is heavily reliant on natural resources for its operations.</p> <p>Climate-related litigation, new policies and more stringent regulations such as carbon pricing, water tariffs hike and stricter building standards are expected. Rising energy cost and carbon pricing will pose challenges to maintain profitability and sustained growth.</p>	<p>Environmental concerns are centric in all our property development projects. Green design such as efficiency use of energy and water are considered throughout the project lifecycle from design, planning to construction.</p> <p>Our initiatives are guided by S P Setia Berhad's Group Environmental Management System which has been certified ISO 14001:2004, resulting in S P Setia Berhad garnering various green building awards and certification for a number of our projects.</p> <p><i>Please refer to page 143 for more details.</i></p>
Biodiversity		<ul style="list-style-type: none"> Conserve and restore the sustainable use of terrestrial and inland freshwater ecosystems. Promote sustainably managed forests and combat desertification, halt and reverse land degradation and halt biodiversity loss. Integrate ecosystem and biodiversity values into planning and development process. 	<p>Failure to comply environmental regulation on conserving forest and habitat can lead to consequence of reputation and ability to achieve business operation.</p> <p>A township that integrates greens initiatives bodes well for the customers as there are increasing awareness on longer-term sustainability and environmental concerns.</p>	<p>Our eco-philosophy DNA safeguards environmental protection and advocates green initiatives to preserve the biodiversity and ecosystem. This is particularly evident in our Eco-Series projects such as Setia Eco Glades, Setia Eco Park and Setia Eco Templer.</p> <p>We collaborated with various environmental associations and interest groups such as Forest Research Institute Malaysia ("FRIM"), Malaysian Nature Society ("MNS"), Zoo Negara and Penang Butterfly Farm to conduct an analysis of the biodiversity landscape in the selected project locations.</p> <p><i>Please refer to page 144 for more details.</i></p>
Social				
Employment (incl. training and development and diversity and equal opportunity)	  	<ul style="list-style-type: none"> Provide decent work for all women and men, including for young people and persons with disabilities. Achieve full and productive employment and promote safe, secure and conducive working environment that supports creativity and innovation. Ensure equal opportunities, equal pay for work of equal value, reduce inequalities of discrimination and promoting appropriate legislation and policies. 	<p>Talent development opportunities are provided to groom our employees to be the future leaders of S P Setia Berhad and part of our succession planning.</p> <p>The outflow of talent will impact on S P Setia Berhad's human resources, operational efficiency and sustained growth.</p>	<p>Diversity and inclusion form the essence of Team Setia. We also put emphasis on workplace and employee benefits, talent development and various engagement activities.</p> <p><i>Please refer to page 149 for more details.</i></p>

Material Sustainability Matters	UNSDG Reference	Why Is It Important	Risk/Opportunities	Our Responses
Social (Cont'd.)				
Occupational health and safety		<ul style="list-style-type: none"> Achieve universal health coverage, including financial risk protection and access to quality healthcare services and medicines / vaccines for all. Address the growing burden of mental health and well-being. Tackle deaths and illnesses from hazardous chemical, air, water and soil pollution. 	<p>The safety, health and wellness of employees and contractors' workers may affect work performance and productivity.</p> <p>As most activities at construction sites and managed buildings are carried out by third parties, the appointed contractors are also exposed to workplace health and safety risk if the management of contractors is not sufficiently stringent.</p>	<p>The safety and wellbeing of our people is our priority and we place great emphasis on strong health and safety standards being maintained across the Group, both in our offices and at project sites.</p> <p>Various programmes are in place to ensure conducive and safe workplace such as establishment of Group Safety Committee, OSHAS 18001 compliant, implementation of Quality Excellence Award Programme ("QEAP"), continuous Health, Safety and Environment ("HSE") awareness and trainings, and provision of adequate employee medical benefits and insurance.</p> <p>Through our continuous and relentless safety efforts, we achieved ZERO Lost Time Incident ("LTI") major incidents.</p> <p><i>Please refer to page 155 for more details.</i></p>
Product and service quality		<ul style="list-style-type: none"> Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being. Increase resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial process. 	<p>Delivery of quality products and services directly affects customer satisfaction, corporate reputation and sales.</p>	<p>Our quality commitments are demonstrated through the maintaining of the ISO 9001 accreditation, our QEAP, In-process Construction Quality ("ICQ") Assessment and Construction Performance Assessment ("CPA"). During the year, our overall property development projects have exceeded the targeted score of 75%, with ICQ score at 81% and CPA score at 79% respectively.</p> <p><i>Please refer to page 158 for more details.</i></p>
Security Practices		<p>Reduce all forms of violence and related death rates.</p>	<p>Failure to meet legal obligation and contractual responsibility to ensure the safety of the occupant at the residential, office and commercial developments could lead to reputational and financial losses.</p>	<p>Providing a safe and secure environment for our customers is our top-most priority. We have assigned auxiliary police force and security guards for our townships, sales gallery and convention centres. We had also constructed and installed integrated perimeter fencing security and tight security system within our projects to enhance the security monitoring.</p> <p><i>Please refer to page 160 for more details.</i></p>
Local Communities		<ul style="list-style-type: none"> Access to education to help lift people out of poverty, bring a deeper understanding of the world around us and provide better opportunities for everyone. Educate on sustainable development, including, among others, sustainable lifestyle, gender equality, peace and non-violence and appreciation of cultural diversity. 	<p>Continuous engagement with the local communities provides a platform for S P Setia Berhad to achieve high quality, efficient and collaborative care that extends beyond its customers.</p>	<p>As a responsible corporate citizen, we have established S P Setia Foundation since 2000 with the aim of helping underprivileged individuals and charitable bodies. Since then, we have provided and disbursed more than RM74.3 million in its area of interest i.e. education, general welfare and medical assistance. This is achieved via its two core programmes i.e. #StandTogether Campaign and Setia Caring School Programme.</p> <p><i>Please refer to page 161 for more details.</i></p>

A detailed explanation for each sustainability areas of economic, environment and social is provided in the next section.

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 **ECONOMIC**

As a leading property developer in Malaysia, we strive to find a balance between achieving financial results to meet the benefits of our stakeholders, especially shareholders and investors, and creating value for our other stakeholder groups.

We are committed to provide accessible and green leisure developments with excellent features, amenities and facilities, which not only benefit the customers but also the surrounding local communities. We create business opportunities by procuring materials for our project developments from local business associates with sustainable practices aligned to the Group.



Battersea Sales & Marketing event at Battersea Hall, Setia International Centre, Kuala Lumpur

ECONOMIC PERFORMANCE

Financial Performance

Our financial performance is monitored through a multi-layered process. The CFO engages the budget holders within each department on a regular basis and based on these interactions, receives a draft budget, which is vetted by the Board. The Management Team discusses financial performance once a month, and does a forecasting review each quarter, which allows to adjust our activity levels and ensure that we remain financially healthy and stable. The Management Team also performs ongoing review of the process throughout the year, to monitor effectiveness and evaluate whether expenses are proceeding as forecasted in the budget.

The Company's financial performance achieved an upward reversal in terms of revenue in FY 2019. Further information can be obtained from Management Discussion and Analysis section in pages 32 to 67 and Financial Statements from pages 177 to 309.

We will continue our efforts to strive better achievement for sustainable long-term growth.

INDIRECT ECONOMIC IMPACTS

Our property development projects are highly concentrated on developing townships not only to bring economic growth in a particular area but also providing indirect economy benefits such as infrastructure investments, job opportunities and healthy well-being to the community particularly with its Eco-Series township projects. We invested heavily in these infrastructures that connect people and enhance the overall accessibility and features for our projects.

Infrastructure Investments

For the past three years, a total of approximately RM246.56 million were invested in constructing various infrastructures such as highways and link roads which provide greater accessibility for the local communities as well as the neighbouring areas. Upgrading of road works were also carried out to improve traffic flow, safety and convenience.

Projects	Type of Infrastructure Investment	Year Completed	Total Investment Amount (RM mil)
KL Eco City	KLEC link bridge	2019	125.58
	Internal roadway	2018	
	Improvement of NPE junction	2017	
	Overall street lightings for internal roadway	2017	
Setia Federal Hill	24 units government quarter	2019	26.8
Bandar Setia Alam	Pasar Muhibbah at Precinct 17	2019	15.86
	Upgrading NKVE Link - Jalan Meru	2019	
	Landscape maintenance works for ring road package 1 & 2 and NKVE Meru Link	2017	
Setia EcoHill	Temporary car park at TNB Reserve Pylon Precinct 8	2017	1.27
	Landscape maintenance works for town park	2019	
	Landscape maintenance works for Setia EcoHill Link	2018	
	Landscape maintenance works for town park	2017	
	Upgrading signages at LEKAS highway	2017	

SUSTAINABILITY STATEMENT

Projects	Type of Infrastructure Investment	Year Completed	Total Investment Amount (RM mil)
Setia EcoHill 2	EcoHill Link 2	2018	53.50
	Soft & hard landscape works for town park (South Creek)	2018	
	Soft & hard landscape works for Adventure Park (Precinct 10)	2018	
	Site clearance, earthworks, road, drainage & associated works for adventure park (Precinct 10)	2018	
	Softscape for Setia EcoHill Link 2	2018	
	Play equipment	2018	
	Fitness equipment, obstacle run & low flying fox	2018	
	Playground and fitness equipment for town park (South Creek)	2018	
Bandar Kinrara	1# single-storey public community hall at BK5B, Bandar Kinrara	2019	3.28
Setia Eco Glades	Road and drainage work for 2 nd southern entrance	2018	3.9
Setia Tropika	Single-storey commercial building (Tesco)	2019	18.77

Future infrastructure investment projects include:

Projects	Type of Infrastructure Investment	Year Completed	Investment Amount (RM mil)
Setia Alamsari	Jalan Reko and Persiaran KWSP for MPKJ	Year 2022 (target)	13.5
	Jalan Bangi Lama	Year 2021 (target)	5.0
Setia Warisan Tropika	JKR Road	Year 2020 (target)	9.27

Commercial Buildings

Setia EcoHill Taipan



Setia EcoHill Taipan

Setia EcoHill Taipan, completed in December 2019, consists of 56 units of shop-offices designed with colourful glass façade, spacious floor plan and high ceiling. The three to four-storey units were fully sold upon launch in 2015, with a good mix of businesses including clinics, trading companies, F&B outlets as well as other services.

The project has created many job opportunities as well as benefited the surrounding neighbourhood area with matured communities of approximately 60,000 residents.

Aeropod



Aeropod Sabah

Aeropod is the largest integrated linear city in Kota Kinabalu spanning over 60 acres of land. Featuring versatile office spaces, a 300,000 square feet lifestyle retail mall, world-class hotels, serviced apartments, luxury residential towers and a modern railway station, it has 3.8 million square feet of gross floor area.

We project 176 SOVO units to be completed in 2020, providing ample job opportunities.

Shangri-La Hotel Melbourne, Australia



Artist impression of Sapphire by the Gardens

Estimated to be completed in 2022, Sapphire by the Gardens in Melbourne creates job opportunities for the locals in Australia. The development consists of 346-unit residential tower and 500 rooms for the Shangri-La Hotel.

An estimation of over 1,000 jobs were provided during the construction stage. Moving forward, the development is expected to provide 950 job opportunities to sustain the operations of the hotel which includes Melbourne's second largest ballroom with the size of 1,600 square meters.

SUSTAINABILITY STATEMENT

Transportation Hub



Abdullah Hukum KTM Station



KL Eco City's pedestrian link bridge

One of the major milestones for S P Setia Berhad is the completion of the Abdullah Hukum KTM Komuter station in 2018 and a pedestrian link-bridge to Mid Valley City and The Gardens last year which further enhances the connectivity to its KL Eco City project. The station has incorporated with energy saving concepts such as natural ventilation and LED lightings.

In our other development, Alam Impian has allocated 6.36 acres of land, earmarked for a transport hub as a smart partnership project with Majlis Bandaraya Shah Alam. It's planned for a regional transportation hub serving Alam Impian township and its immediate surrounding developments.

National Institute of Health



National Institute of Health at Setia Alam

The National Institute of Health ("NIH") building which sits on a land size of 40 acres at Setia Alam is an integrated research complex with state-of-the-art facilities comparable with international health centres. The NIH houses 6 research institutes under the Health Ministry i.e. the institute of Medical Research, Public Health, Health Management, Health System Management, Health Behaviour Research and Clinical Research Centre is able to accommodate 2,000 medical and non-medical employee.

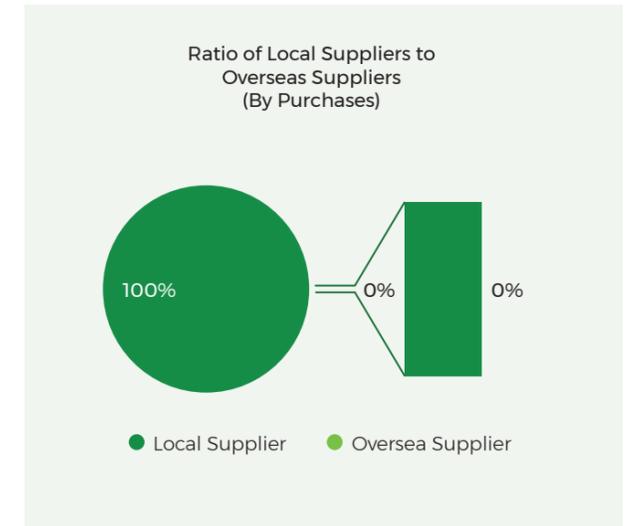
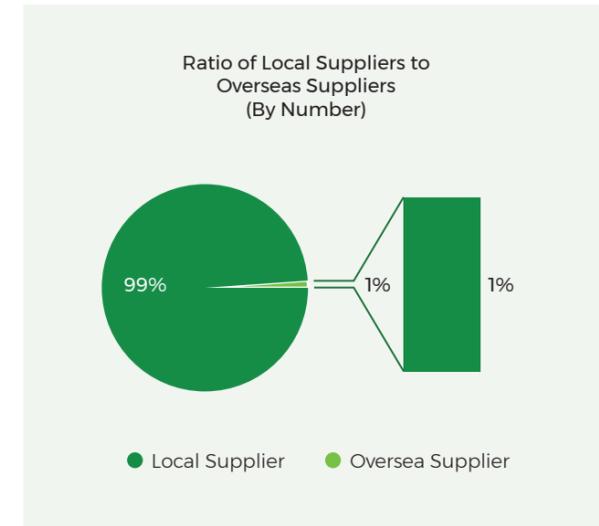
International Schools



Tenby International School, Setia Eco Park

Tenby International School is a leading education group offering private national and international curricular across various states in Malaysia such as Ipoh, Penang, Miri, Johor, Semenyih and Selangor. S P Setia Berhad has partnered with Tenby International for the past few years to provide a conducive learning environment in our eco-theme townships such as Setia Eco Park, Setia Eco Gardens and Setia EcoHill.

Tenby Schools Setia Eco Park was recently awarded the Green Flag status by WWF-Malaysia under the banner of the global Eco-Schools Programme, with its eco-friendly design such as solar panels, rain-harvesting system and a biodiversity garden.



PROCUREMENT PRACTICES

Sourcing Sustainable Materials

S P Setia Berhad endeavour to source its building materials derived from sustainability practices for the Company's property development projects. Setia Wood Sdn. Bhd. ("Setia Wood"), a fully owned subsidiary of S P Setia Berhad is certified by MTCS since November 2017 under "Programme for the Endorsement of Forest Certification Schemes ("PEFC")/COC which demonstrates Setia Wood as a responsible timber manufacturing for the Company's property development projects. With this certification, S P Setia Berhad becomes the first property developer in Malaysia to showcase its support for sustainable forest management.

The certification demonstrates our subsidiary - Setia Wood conformance to the PEFC International Standard which include the purchase of PEFC certified sawn timber, veneer, plywood and PEFC Controlled Sources sawn timber, manufacturing and sales of PEFC certified engineered timber floorings products of the chain of custody standard.

S P Setia Berhad always ensure and requires all suppliers and service providers to adhere to its quality standard and code of ethics. To manage this, all vendors and suppliers will go through a structured pre-qualification assessment, signing of service level agreement and annual performance evaluation.

We support local business by building and maintaining close relationships with the suppliers and service providers. Almost 100% of our purchases were sourced locally. A very minimal amount of purchases was sourced from overseas supplier. Nonetheless, purchases are made through local agents, wherever possible.

SUSTAINABILITY STATEMENT



ENVIRONMENTAL

Sustainability management is integrated into the day-to-day activities of S P Setia Berhad, particularly in its core business of property development. Sustainability is considered throughout the project lifecycle from design, planning to construction. This include the simplest elements of green design such as leveraging on renewable energy sources such as solar energy, optimise building design such as maximise use of daylight and efficient ventilation, usage of energy-efficient lighting, water harvesting methods and usage of non-toxic material.



Setia City Convention Centre, Setia Alam

These initiatives are guided by the Company's Environmental Management System which has been certified ISO 14001:2004, resulting in S P Setia Berhad garnering various green building awards and certification for a number of our projects.

In 2019, for the fourth-year running, S P Setia Berhad clinched the top spot in The Edge Top Property Developer Awards and reigned among the top honours for the 12th time since the award inception.

S P Setia Berhad was also awarded the Best Qualitative Attributes sub-awards during the year. Other notable accolades this year include 12th time winner of FIABCI Malaysia Property Awards, 11th time winner of FIABCI World Prix d'Excellence Award, Malaysia Landscape Architecture Awards ("MLAA"), StarProperty.my Property Award and BCI Asia Awards 2019 Top 10 Developers (Malaysia) Awards.

Projects	Accolades and Recognitions	Year Awarded
Bandar Setia Alam	FIABCI World Prix d'Excellence Awards World Gold Winner – Affordable Housing Category	2018
KL Eco City	FIABCI Malaysia Property Award – Office Category	2019
S P Setia Berhad Corporate Headquarters	Malaysia Green Building Council 10 th Anniversary – Top 10 Green Buildings of the Decade Award 2019	2019
Seputeh	StarProperty Malaysia The Skyline Award (Excellence) – Best High-Rise Residential Development	2019
Setia City Convention Centre	Malaysian Business Events Awards – Purpose Built Convention & Exhibition Centre 2019 Winner under the Total Saleable Space 15,000 sqm & Below	2019
Setia Eco Glades	EdgeProp-ILAM Malaysia's Sustainable Landscape Award Gold Winner	2019
Setia Eco Glades	StarProperty Malaysia The Poseidon Award (Excellence) – Best Waterfront Development	2019
Setia Eco Glades	FIABCI World Prix d'Excellence Awards World Gold Winner – Master Plan Category	2018
Setia Eco Park	MLAA – Excellence Award for Landscape Development (Developer Category)	2019
Setia Eco Park	MARDI 50 th Anniversary – Best Technology Commercialisation Award	2019
Setia Eco Park	MIPPEA Merit Award for Design Excellence Award (Above 500 Acres) Category	2018
Setia EcoHill	The Edge Top Property Developers Award – Affordable Urban Housing Excellence Award	2019
Setia EcoHill	MLAA – Honour Award for Landscape Development (Developer Category)	2019
Setia EcoHill	MIPPEA Merit Award for Place Making and Public Space Award (Private Sector) Category	2018
Setia EcoHill	MLAA Excellence Award for Landscape Development (Developer Category)	2018
Setia Federal Hill	CIDB Highest Industrialised Building System ("IBS") Score	2019
Setia Fontaines	Singapore Landscape Architecture Awards 2019 – Merit Award for Analysis and Planning	2019
Setia International Australia	FIABCI Prix D'Excellence Awards – World Silver Awards in the Residential High-Rise Category	2019
Setia International Singapore	FIABCI World Prix d'Excellence Awards World Gold Winner – Sustainable Development Category	2018
SPICE	FIABCI World Prix d'Excellence Awards 2019 – World Gold Award in the Purpose-Built Category	2019
SPICE	ACEM Engineering Awards – Gold Award of Special Merit	2019
SPICE	StarProperty Malaysia The WOW Award – Most Iconic Development (Commercial)	2018
SPICE	MLAA Honour Award for Landscape Development (Developer Category)	2018
SPICE	FIABCI Malaysia Property Award – Purpose-Built Category	2018

SUSTAINABILITY STATEMENT

Several of our projects have also garnered the Malaysia's Green Building Index ("GBI") certifications, United States of America's Leadership in Energy and Environmental Design ("LEED") for Core & Shell, and the Australia's Green Star Rating as illustrated below:



RESPONDING TO CLIMATE CHANGE

The recent event and physical risks resulting from climate change could have a material adverse effect on our properties, operations and business. Climate change causes changes in weather patterns, our coastal markets of Penang, Sabah, Johor and low-lying areas in Wilayah Persekutuan of Kuala Lumpur and Putrajaya could experience increasingly severe storms, extreme temperatures, rising sea levels and/or drought. Climate change may have indirect effects on our business. These effects may include increasing the cost of property insurance on competitive and challenging terms, increasing the cost of energy and water and increasing the cost of business continuity risk at our properties. These conditions could result in financial implications, such as direct damage to properties, supply chain disruption, declining demand for our developments or our inability to sell our properties and operate our offices at all.

Our stakeholders support climate preparedness and resiliency efforts, including our Risk Management, Property Development, Construction, Property Management departments, external consultants and executive leadership.

S P Setia Berhad develops and operates in geographically diverse locations. Each of our development projects and business operation have unique risk profiles and insurance requirements. Our projects are also at different stages of their lifecycles. These projects may be in operation and/or in stage of pre-sales activities and not up for intensive capital investment, while other projects are under development. Our resiliency activities are largely dependent on each of these unique attributes, physical location and risk profile of the projects.

On our contribution to climate change, our efforts are concentrated towards 3 main themes:

- Energy
- Water
- Biodiversity

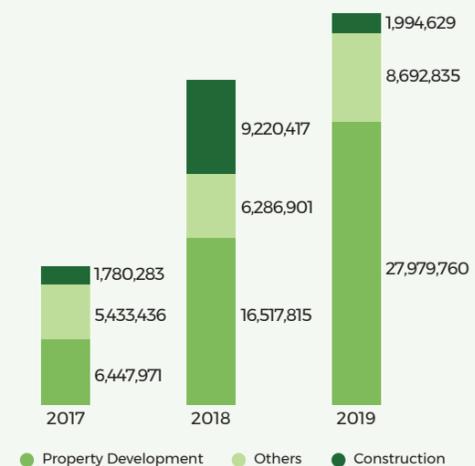
The following sections highlight our activities relevant for each theme.

NATURAL RESOURCES

Energy

As part of the green building design, energy efficiency is improved through installation of solar panels, usage of energy-efficient fittings such as LED lightings and rated air-conditioning system, smart meter and sensors, natural ventilation and adequate building insulation to reduce heat gain.

S P Setia Berhad Electricity Consumption (in kW/h)



During the year, S P Setia Berhad had consumed a total of 38.67 million kW/h (2018 - 32.03 million kW/h) of energy. The increase of 71% from 2018 to 2019 for the Property Development segment was due to the completion of new sales gallery and administration offices for the Company's new projects and phase launches such as Aeropod, Setia Alamsari, Setia Eco Templer, Setia EcoHill and the full operation of KL Eco City Mall.

Others segment which include S P Setia Berhad Corporate Headquarters, convention centres and security function saw an increase of 38% from 2018 to 2019, mainly from an increase in activities and programmes held in SPICE Convention Centre. Whereas, the decrease in the energy consumption for the Construction segment was due to decrease in precast and Industrialised Building System ("IBS") projects during the year.

Water

During the year, S P Setia Group had consumed a total of 1.03 million m³ (2018 - 0.89 million m³) of water. The water consumption increased 19% from 2018 to 2019 for the Property Development segment mainly due to the completion of KL Eco City ("KLEC") Mall. KLEC Mall completion resulted in higher water consumption due from commercial activities, cleaning and maintenance services.

S P Setia Berhad Water Consumption (in m³)



The others segment resulted in a slight decrease of 1% as the decrease in water consumption at S P Setia Berhad Corporate Headquarters was offset by the increase in water consumption at SPICE Convention Centre. The Construction segment sees a decrease of 17% due to decrease in volume of precast and IBS projects during the year.

To manage water consumption, S P Setia Berhad will be setting a water consumption baseline and targets; and has initiated various programmes to reduce water consumption. These initiatives for responsible water consumption include installation of rainwater harvesting tanks, water efficient taps and fittings; and smart meter to detect any leakages.

SUSTAINABILITY STATEMENT

BIODIVERSITY

S P Setia Berhad's eco-philosophy DNA integrates the beauty of nature's wonder with its home-living lifestyle to create an eco-lifestyle concept for its residential projects. Our eco-philosophy DNA not only ensures energy and water efficiency, but also safeguards environmental protection and advocates green initiatives to preserve the biodiversity and ecosystem. This is particularly evident in our Eco-Series projects such as Setia Eco Glades, Setia Eco Park and Setia Eco Templer.

We collaborated with various environmental associations and interest groups such as the Forest Research Institute Malaysia ("FRIM"), Malaysian Nature Society ("MNS"), Zoo Negara and Penang Butterfly Farm, to conduct an analysis of the biodiversity landscape in the selected project locations.

Setia Eco Glades

One of our greatest achievements is Setia Eco Glades, which have garnered multiple awards and recognitions for its green initiatives, such as preservation of original flora and fauna, reusing building material such as topsoil, and preparation of orchard garden. Approximately 30% or about 8-acres of the township are designated parks, gardens, lakes, waterway and communal spaces, which were higher than the minimum 10% requirement set by the authorities.

95 tree species were identified at the project location. Out of these, 45 species were identified suitable for transplanting. Altogether, we have transplanted 1,545 mature trees as well as 3,000 saplings within the project location.

55 species were identified at the project location. Due to the more open habitats, 10 species not recorded previously were encountered during this survey, comprising 7 open country birds and 3 migratory species.

Bird species found in Setia Eco Glades include:

White Throat Kingfisher	Little Heron	Pink-Necked Pigeon	Dollarbird
Common Iora	Olive-backed Sunbird	Paddyfield Pipit	Peaceful Dove

We collaborated with Entopia by Penang Butterfly Farm and identified and planted 20,000 different food and nectar plants to provide a rich food source for the butterflies as well as to sustain the butterflies' colony. We also planted and propagated 1,000 plant species for the betterment of butterflies living.

A mini butterfly sanctuary was opened at our sales gallery in 2018 with samples of different butterfly species from Setia Eco Glades, which aimed to raise awareness on biodiversity, particularly butterflies, and to educate the community on the ecosystem value of butterflies.

Its theme of "eight islands, eight heritage design, eight fountains" bodes well for the 25 species of fishes identified. Lakes, waterways and canals preserved the mini ecosystem for flora and fauna alike.

Setia Eco Templer

Nestled amidst the majestic Bukit Takun lies Setia Eco Templer embraced by the Templer Park and Kanching rainforest reserves, home to various flora, fauna, animals and birds co-existing in harmony. We worked with MNS to create a natural habitat for the numerous species of birds that can be found in this vast forest reserve while great care has also been taken in transplanting trees within the project development as part of our environmental conservation efforts.

385 trees from 26 species of existing trees were identified, tagged and successfully transplanted throughout the project site. Whereas, 250 trees were identified for preservation to ensure continue food, shelter and nesting sites for birds.

In the middle of the project site uncovers "the story of five trees". A road reserve was re-routed to preserve 5 mature *Alstonia spatulata* trees that were growing at the site. All other affected trees were carefully protected during construction to prevent root stress and injury.

82 species belonging to 37 families were recorded, which include 10 species of migratory birds (which occur from August to May) and 3 species are categorised as Near-Threatened species i.e. Helmeted Hornbill, Darkthroated Oriole, Green Iora.

Forested patches, creeks and forest edges are preserved to ensure good habitat and essential food for the birds are maintained.

Based on past experience working with the Penang Butterfly Farm on Setia Eco Park and Setia Eco Glades, our in-house experts carried out a Site Survey on resident species of butterflies.

27,800 nectar plants were introduced and 1,000 species of plants were propagated to attract different species of butterflies back to the completed project site. In addition, feeding stations and butterfly hatches were constructed and sugar-spraying onto plants was carried out to attract butterflies.

27 species of freshwater fishes were identified. Prior to starting earthworks and during rehabilitation of the existing creeks/lakes, fishes were relocated to preservation ponds located around the project site. Once completed, periodical release of suitable fish species was carried out to ensure a balanced ecosystem.

At the Essex Garden, we planted suitable aquatic plants at each individual creek to oxygenate the water and create new habitats and food sources for the fishes and cultivated different fish species in each creek.

Essex Garden, Setia Eco Templer

SUSTAINABILITY STATEMENT

Setia Eco Park

Situated next to the Bukit Cherakah Forest Reserve, this provides Setia Eco Park a greener landscape and cooler environment. In our latest phase, Forest Hill Villas, the construction has worked around the contours, rather than cutting through the terrain, to preserve the natural landscaping and eliminate unnecessary disruption to the environment.



22 tree species were identified. 56-acres was reserved as forest park, where the residents are able to enjoy jungle trekking, eco-discovery walks, and a specially created tropical landscape with a diversity of flora and fauna.



65 species belonging to 33 families were recorded in Setia Eco Park and its periphery forested habitat, of which 42 species were recorded within the boundaries of the project site.

The joint research and collaboration between Setia Eco Park and Kuala Lumpur Bird Park was carried out with the objective of attracting and sustaining bird's colony in the project site's natural ecosystem.

Trees with ideal nesting characters are preserved. Feedings stations were constructed and natural fruit trees were planted to attract the birds.



20,000 nos different butterfly food and nectar plants are identified and planted strategically to sustain the butterflies' colony particularly at places like Butterflies Creek and the Swan Lake within the project development. Nearly 1,000 species of plants are planted and propagated to attract different species of butterflies.

A Butterflies Sanctuary was constructed in Setia Eco Park. Caterpillar and larva of butterflies are well taken care of at the nursery before freeing the butterflies back to nature. Between March - September 2018, the sanctuary hatched and released 526 butterflies to the field.



Butterfly Sanctuary in Setia Eco Park



12 native species and 2 introduced fish species were identified within its 94-acres of dedicated waterways, lakes and creeks.

ENVIRONMENTAL COMPLIANCE

At S P Setia Berhad, our Health and Safety ("HSE") team champion's compliance and monitoring of environmental indicators on our development sites. They monitor and audit contractors on a bi-weekly basis on construction waste management, noise pollution, air pollution and effluent management.

We adhere to the guidelines of the Department of Environment ("DOE"). As required by the licencing agreements, respective business units have the following measures in place:

- An Environmental Impact Assessment ("EIA") will be conducted prior to the commencement of any development project that is more than 50 hectares.
- An Environmental Management Plan is designed together with a third-party consultant to ensure that appropriate environmental management practices are adhered to during the construction phase.
- Monitoring and analysis of the quality of the air, water and noise quarterly with measuring equipment placed at strategic points within and around the parameter of the project site.
- Monitoring traffic flows and waste management processes.
- Water spray is deployed to reduce air pollution.
- Emergency Response Plans ("ERP") are established at sites to manage fire, floods and chemical spillages.
- Noise control initiatives are implemented, which include barriers at source of noise pollution and mufflers for machinery.
- On-site toilets are equipped with septic tanks to prevent water pollution.

For smaller projects that do not require an EIA, our internal checklist and standards apply to ensure necessary HSE practices are implemented and environment impact is minimised. The Company has in place its own monitoring and tracking system called Health, Safety and Environment Inspection. The findings are reported to the monthly Senior Management meetings on a monthly basis.

OTHER GREEN INITIATIVES

- Using low and non-Volatile Organic Components ("VOC") content paints, solvents, adhesives and carpets to improve air quality.
- Zero ozone-depleting potential of building insulants.
- Strict waste minimisation schemes, such as the implementation of wall panel and incorporation of recycled materials.

The Group did not violate any environmental laws and regulations and has not been penalised or fined for any major environmental violation in financial year ended 31 December 2019.

The Group regularly reviews any risks and potential issues related to the environment for its operations. Actions and steps are taken ensuring all environmental factors are within the regulatory requirements of its operations. This include reviewing and monitoring all environmental parameters at all its project locations.

SUSTAINABILITY STATEMENT



S P Setia Berhad acknowledges the social influences of its operations and activities to its employees, customers and local communities. We pride on being a nurturing organisation that provides a diverse and inclusive workplace, training and career development opportunities as well as competitive benefits to our dedicated employees.

Security and occupational health and safety are our utmost priority and we have invested heavily on trainings to provide a safe and secure workplace and community. Our product and service quality are maintained at its highest as indicated by our quality scoring and customer satisfaction scoring that exceeds expectations.

We have transformed our townships into thriving communities with the array of social amenities provided and meet the aspirations of our residents and the larger community with our various social engagement programmes. This has enabled S P Setia Berhad to sustain the leadership position in the industry.



S P Setia Berhad's 2019 Family Day

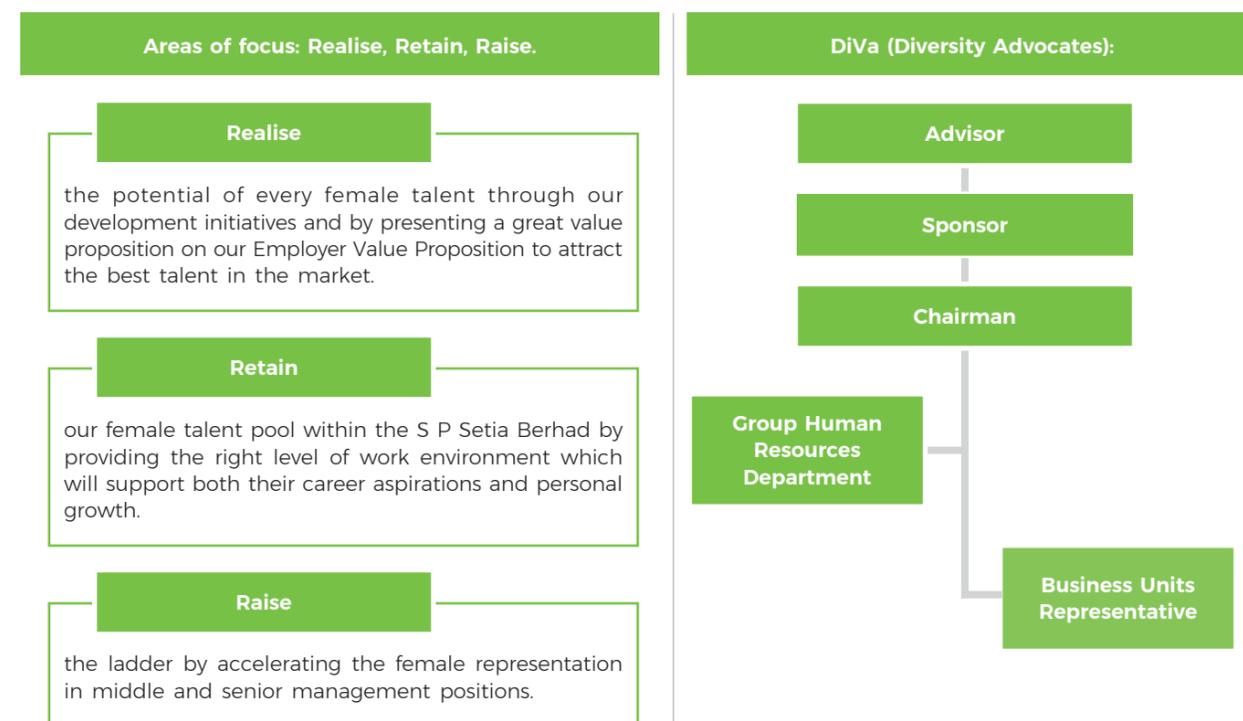
EMPLOYMENT

Diversity and Inclusion

At S P Setia Berhad, we are consistently focused on inspiring, nurturing and empowering our employees irrespective of background, race and religion. Thus, "Team Setia" was born which creates a unified identity among the employees.

Diversity and inclusion form the essence of "Team Setia" which encourages the acceptance and respect of differences for the minority groups (i.e. gender, age, ethnicity) and maximises on the richness of our people through the diversity of "Team Setia".

To reflect on the importance of diversity and inclusivity in S P Setia Berhad, we have implemented a diversity framework as well as identified diversity advocates within the Group. Our diversity advocates are led by a Board member as the Advisor, CEO as the Sponsor, and COO as the Chairman.



Under the bigger umbrella, Women of Inspiration ("WIN") @ Setia which was launched in March 2017, focuses on empowering women in S P Setia Berhad by ensuring development of a good talent pipeline for female talents who are supported by the right work environment. This is supported by the diversity framework which focuses on realising, retaining and raising women talents within the Group.

Our areas of focus reflects on the 3 pillars of leadership, engagement, and communication; where activities and trainings were carried out to achieve the above principles of diversity and inclusion.

Leadership	Engagement	Communications
<ul style="list-style-type: none"> WIN 2019 Summit - Divas Wear Passion 	<ul style="list-style-type: none"> WIN Circles International Women's Day Healthy DIVA Pink Facilities 	<ul style="list-style-type: none"> Talent Attraction

SUSTAINABILITY STATEMENT

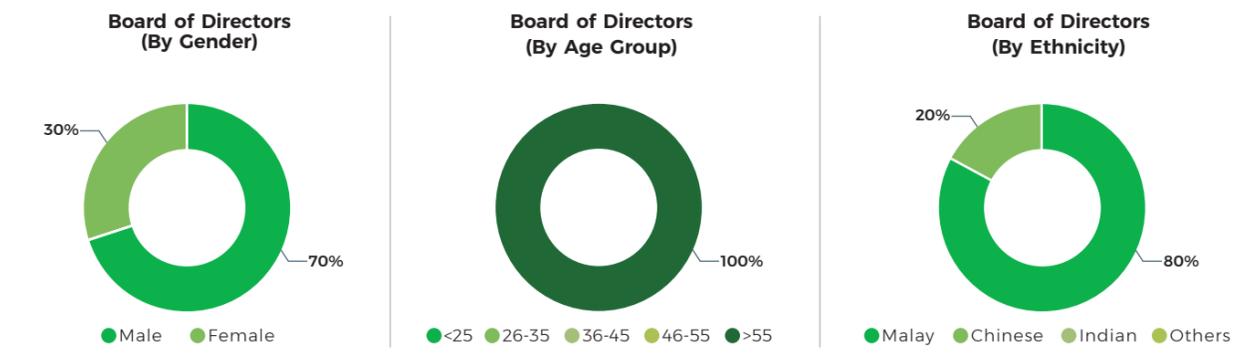


Women of Inspiration @ Setia (WIN @ Setia) - one of our International Women's Day 2019 Celebration held in 3 regions; Central (photo above), Southern and Northern Region.

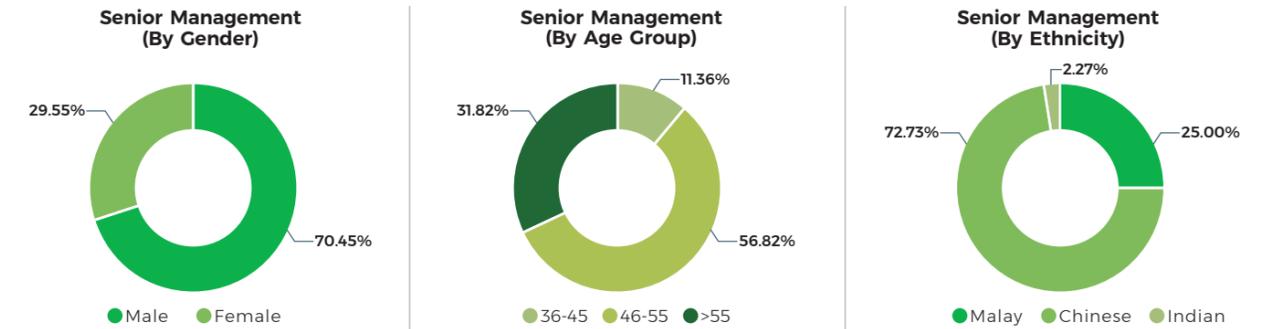
S P Setia Berhad continues to support the national aspiration to increase women's participation at the Board level by participating in the 30% Club Malaysia's Mentoring Programme for Board-ready female mentees through voluntary participation of our Board members as Mentors for the Mentoring Programme.

We strive to achieve a balanced representation of men and women at all levels of the organisation to provide access to the same rewards and opportunities. During the year, the Board and Senior Management profile remains unchanged. While, the female to male employee ratio has slightly decreased to 43:57 (2018 - 44:56).

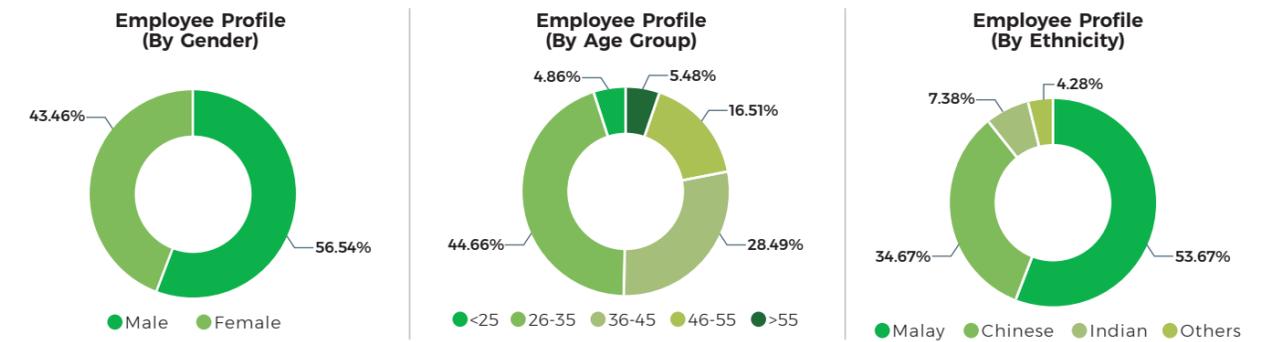
Board of Directors Profile



Senior Management Team Profile



Employee Profile



New Hires Profile

During the year, we had a single digit employee turnover rate, similar to that of the previous year. The talent acquisition strategies are effectively managed by our Group Human Resources Department who actively organises recruitment drives all year round in partnership with the business units, ensuring that we promptly fill the vacancies and reduce any disruptions arising from staff turnover.



SUSTAINABILITY STATEMENT

Workplace and Employee Benefits

We value the hard work and contribution made by Team Setia. This includes providing a conducive workplace and environment in line with our philosophy **LiveLearnWorkPlay** that not only sparks creativity but also fosters teamwork among Team Setia. Feedback from each Business Unit is received to continuously improve the quality of our working environment.

We acknowledge the different needs of our employees, thus, various facilities were provided at our Corporate Headquarters as well as several sales galleries, such as a network hub/event space, parking for expectant mothers, nursing room, library, gym/hotspot, health corner, children corner and so on. The health corner which serves as a one stop centre in our Corporate Headquarters allows employees to seek medication and rest, if unwell. The health corner is equipped with off-the-shelf medications, wheelchair and blood pressure machine. The space allows employees to be well-rested and rejuvenated while maintaining work productivity.

Our employees are our utmost priority. An array of employee benefits which are above the minimum legal requirement and at par with best practices standards are provided to our employees, including Group Hospitalisation and Surgical, Group Personal Accident, Group Term Life, Travel Insurance (where applicable), and outpatient medical benefits.

On top of that, S P Setia Berhad also provides annual leaves and special leaves such as maternity, paternity, study and marriage leave. During the year, a total of 196 employees had enjoyed the benefit of both the maternity and paternity leave. Flexible working arrangements are also made available for employees who may have errands or other commitments to attend to during a working day.

ESOS and ESGP are also provided at the discretion of the Board as governed by the By-Laws of the Group's LTIP. Further information can be obtained from the Financial Statements at pages 108 to 111, 172, 210 and pages 255 to 257.



S P Setia Berhad's Corporate HQ Gym Facilities



Setia Hotspot

Talent Development

We take great pride in nurturing our organisation by providing career development opportunities to Team Setia. Ours is a workplace where talents are groomed and achievements are credited to the team. We promote a culture of excellence by emphasising on a commitment to quality, teamwork and professionalism amongst our employees.

We believe that Leadership Development is the key enabler in ensuring **a strong leadership bench for our succession planning** in growing further, in line with having the right talent at the right role, optimising on people productivity. This year, we have added 3 more programs to complete the leadership cycle. The new Leadership Development Program covers through all levels of leadership in S P Setia Berhad through programs such as, **PersonalExcellence@Setia** (Executives), the existing **PeoplExcellence@Setia** (Managers), **People4ward@Setia** (Senior Managers/Heads), and **Harvard Leadership Direct** (GM). These programs drives a strong foundation of people management through building inspiring leadership, cultivating leadership resilience in a world of volatility, uncertainty, complexity and ambiguity ("VUCA"), changing the mind sets of the leaders in adopting innovation and change in preparation of growing a workforce of the future.



Leadership Direct Training conducted by Harvard Business Publishing



PeopleXcellence Series Graduation Ceremony - Managers making a pledge to be an effective leader by painting their hand print.

SUSTAINABILITY STATEMENT

Engagement Activities

Team Setia is undoubtedly our most critical stakeholder. We are able to continuously serve our customers at the highest quality with credits to Team Setia. As the company grows, it is important for us to engage with our employees on a timely basis to address the different needs of our multi-generational workforce.



CEO Dialogue which is held twice a year, is townhall-like session which brings together employees across all levels and provides opportunity for employee to get up close and personal with the Group leader.



Good Morning Setia is a sharing and discussion session within business units/division teams every weekday morning to update on current issues. This platform strives to provide cross learning, enhance communication and sharing among employee and improve employee engagement.



S P Setia Berhad's Family Day is held once a year, where employees and their families and friends from all regions come together to network and have fun with the rest of Team Setia.



Our annual wellness campaign, with the 2019 theme "Health is all about living", aims to promote healthy lifestyle and educate/raise awareness on topics which focus on the health of Mind, Relationships and Wealth.



S P Setia Berhad's annual dinner, a night with good food and spectacular show. This also serves as a platform where employee could showcase their leadership capabilities during the organising and performance practice.



Festive luncheons are celebrated every year across various regions in Malaysia for an excellent get-together. The luncheon is accompanied with fun games and live performances to boost engagement with the participants.

We continue to engage our people through various channels as we focus on building a high-performance culture based on excellence. Our People Pulse Survey ("PPS") is conducted annually by external consultants, Korn Ferry in November and Kincentric (fka AON) in May. It covers key engagement and leadership dimensions and surveys employees, HR and a face-to-face interview with the President and CEO.

Based on the 2019 PPS, our overall employee engagement score was 86% (2018 - 83%), higher than the average for Malaysian companies of 74%. The Kincentric Survey positioned S P Setia Berhad as the Best Employer Award winner for the 10th time and was honoured the Best Employer Hall of Fame. We believe the award can be attributed to our consistent efforts to engage our people using different channels and genuinely address issues arising from the results.

OCCUPATIONAL HEALTH AND SAFETY

Key Health and Safety Metrics

Health and safety are always our top priority. Our focus to achieve zero fatalities and incidents through our enforcement, monitoring and awareness activities amongst our employees and contractors, strengthening the accountability of management for ensuring safe working environment, implementing workplace improvements on a regular basis and promoting a safety culture in our everyday activities. Our key health and safety highlights and achievements during the FY 2019 include:



Our aim is to be an employer of choice. The safety and wellbeing of our people is our priority and we place great emphasis on strong health and safety standards being maintained across the Group, both in our offices and at project sites. Our efforts to improve HSE include:

- Enforcement**
 - Conduct safety audits
 - Establish ID cards and access restriction
 - Adherence of quality and HSE standards by contractors and sub-contractors
 - Impose penalties and fines for safety violations
 - Provide incentives to employees, contractors and sub-contractors for safety performance achievement
 - Certification approval to operate heavy equipment and vehicles
 - Regular equipment, machinery and vehicle inspection
- Monitoring**
 - Group Safety Committee on overall HSE aspects
 - HSE Committee meetings at business unit levels
 - Regular discussions with third parties HSE personnel
- Awareness**
 - Number of HSE trainings including type and frequency ranging from toolbox briefing to personal protective equipment
 - Safety briefings at all projects

SUSTAINABILITY STATEMENT

HSE Governance

S P Setia Berhad's HSE management is governed through a Group Safety Committee comprising HSE representatives from each business unit, Head of Group Quality Management – Product Quality and HSE and chaired by COO. The Group Safety Committee meets quarterly to discuss on HSE initiatives and improvements at group level. Operationally, we established HSE Committee at each business units to oversee HSE matters at project sites on matters such as safety performance, issues, challenges and accident avoidance measures. These HSE Committees meet and conduct HSE meetings on a monthly basis.



In 2019, we continued to inculcate a culture of health and safety excellence within S P Setia Berhad. Driven by strong leadership, our people are committed to putting the safety of themselves and others first. We will also continue improve on health and safety measures to prevent accidents and ensure the safety of our workforce.

Health and Safety Monitoring

In 2017, a safety incident occurred in one of the Group's project in Kuala Lumpur. S P Setia Berhad had taken the initiative in providing medical and emotional assistance to the affected workers. We conducted a comprehensive review on this matter and imposed a more descriptive safety standard for our contractors and sub-contractors. The construction has since been completed and was officially opened to the public in November 2019.

In view of this incident, we have strengthened and intensified our HSE initiatives through continuous improvement programmes and implemented a group wide HSE monitoring project through the following initiatives:



Our Head of Group Quality Management – Product Quality and HSE ensures that HSE regulations, policies and procedures are implemented across all business units.

We are Occupational Health and Safety Assessment Series ("OHSAS") 18001:2017 compliant. On an annual basis, we conduct OHSAS 18001 management review meeting to review our occupational health and safety management system to manage risks associated with health and safety within the workplace.

Key Performance Indicators are developed as part of S P Setia Group's QEAP. In 2019, all business units have met the minimum scoring of 75%. Please refer to "Product and Service Quality" section for further details on the QEAP.

Through our continuous and relentless safety efforts, we achieved ZERO Lost Time Incident ("LTI") major incidents. We will continue to expand our HSE efforts to capture relevant HSE data to cover all our projects and enhance our HSE reporting.

HSE Awareness and Training

In 2019, we continue to improve our HSE efforts by implementing strict HSE enforcements for HSE violations by our contractors and conducted 55 HSE awareness briefings and trainings for our contractors.

We are imposing stringent safety measures at project sites for our contractors and sub-contractors. As part of our safety improvements, we are introducing detailed trainings, briefings and awareness campaigns focusing on the following construction safety activities:

Whereas, at the Group level, various trainings relating to HSE were conducted, with a total employee participation of 1,428 hours. The HSE awareness briefing and trainings cover relevant topics such as handling of scaffolding, rigging and slinging, and working at height.

Continuous education and updates are provided to the contractors, suppliers and other business associate on HSE matters and latest regulatory requirement through the CEO/COO Dialogue. During the year, 352 companies had attended the CEO/COO Dialogue. The objective of the CEO/COO Dialogue is to discuss on the common mistakes, expectation on products and services quality, educate on HSE matters and update on the latest regulatory compliance (e.g. anti-bribery). To encourage commitment, awards were given out to S P Setia Berhad's contractors who have performed best under the two (2) main categories of the QEAP, i.e. HSE and Product Quality.

Setia Wellness Campaign 2019

Each year, we host a health campaign where we encourage our employees to practise a healthy lifestyle and raise awareness within the area of wellness – be it mental, physical or in general. The Setia Wellness Campaign 2019 was themed "Health is all about living" which focused on the health of the **MIND**; building, strengthening and maintaining healthy **RELATIONSHIPS** and encouraging productive **WEALTH**.



CEO Dialogue



HSE awareness and trainings being carried out



Setia Wellness Campaign 2019

SUSTAINABILITY STATEMENT

PRODUCT AND SERVICE QUALITY

Delivering Quality Product

We develop sustainable townships that take into account the needs of residents while protecting the environment. For us, quality means the best materials, sound workmanship and excellent customer service experience. We strive to meet customer expectations for both our services and products.

Quality Commitment

S P Setia Berhad has a dedicated team to support the Company progressively improve its product and service quality by maintaining the accreditation of ISO 9001 Quality Management System. S P Setia established QEAP which is an incentive programme to reward and recognise quality performance including products and services achieved by business unit.

S P Setia Berhad's Quality Management System measures the business unit system and product quality performance at every stage of construction. S P Setia Berhad conducts ICQ assessment and CPA for measuring quality of workmanship. ICQ or In-Process Construction Quality is a measurement of in-process construction quality during the construction period in accordance with S P Setia Berhad's quality standard and specification. ICQ assessments are usually conducted during the regular site quality audit and allows defects to be highlighted promptly for immediate corrective and preventive actions. Whereas, CPA or Construction Performance Assessment assesses on quality



Bandar Setia Alam Team won the 2019 Quality Excellence Award under the Business Unit Excellence Category

level achieved in architectural work of a completed project in accordance with S P Setia Berhad's quality standard. The CPA quality score must achieve a minimum 75% in order for the Certificate of Practical Completion ("CPC") to be issued. During the year, our overall property development projects have exceeded the targeted score of 75%, with ICQ score at 81% and CPA score at 79% respectively.

Customer Satisfaction

Customers are the heart of our business and meeting their needs always as top priority. For continuous improvement and as part of our quality commitment, we conduct customer satisfaction survey to gauge the level of satisfaction that the customers have with respect to services, products and overall experience. We have different avenues for customer feedback via email, website and postal mail.

In 2019, over 15,000 home buyers participated in our survey to identify areas requiring further improvement. The survey findings reveal that over 86% of home buyers recommend purchasing S P Setia Berhad property to their friends or relatives which resulted an increase of 5% as compared to 2018. Furthermore, almost half of our property development projects achieved 100% in overall satisfaction and all service elements. In terms of customer service, our sales and marketing teams achieved remarkable highest satisfaction score for "Courtesy and Helpfulness". Continuous area improvement includes product quality, workmanship, ability to handle rectification works and ability to provide follow-through services.

Cutting Edge Technology with Industrialised Building System

IBS uses precast elements manufactured in factories that are transported to construction sites. IBS brings significant improvements to construction through better control of the production environment, minimising construction waste, improving construction efficiency and stabilising work conditions.

S P Setia Berhad's emphasis on using IBS in production and construction has resulted in efficient solutions for building affordable apartments. Setia Precast Sdn. Bhd. ("Setia Precast"), our wholly owned subsidiary, manufactures structural components such as precast columns, beams, walls and staircases. In 2019, Setia Precast achieved the highest IBS score in Malaysia, at 93.95, for the construction of Kementerian Kesihatan Malaysia ("KKM") Government Quarters building in Setia Federal Hill.

By using IBS in our residential and commercial developments, we have managed to increase the efficiency of our construction and assembly processes and improved timeline in project completion and handover. This has also led to a reduction of 3% of construction material wastages as compared when using conventional construction methods.



Setia IBS manufacturing yard

S P Setia Berhad's residential and commercial developments that features IBS:

Project Name	Location	Year
Auritum (2-Storey Houses)	Bandar Setia Alam	2019
De Cemara Apartment	Bandar Setia Alam	2019
TRIO By Setia Apartment	Bukit Tinggi Klang	2018
D'Kristal Apartment	Setia EcoHill	2018
De Cendana Apartment	Setia Alam	2018
Government Quarters	Bangsar	2017
D'Camellia Apartment	Setia EcoHill	2017
D'Cassia Apartment	Setia EcoHill	2017
D'Cerrum Apartment	Setia EcoHill	2017
Setia City Residences	Setia Alam	2017
De Bayu Apartment	Setia Alam	2017

SUSTAINABILITY STATEMENT

SECURITY PRACTICES

Customer and public safety are the top-most priority in S P Setia Berhad. We have assigned auxiliary police force and security guards for our townships, sales galleries and convention centres to ensure we provide safe and secure locations to customer and public.

Each of our auxiliary police personnel has undergone 99 training hours to ensure we have a high capability auxiliary police force in order to protect our residents and public. Our security function is also supported with 10 security guards hired for our townships which perform 24-hour patrol with guard dog.

Most of our townships are protected and controlled by a tight security system featuring a single entry and exit point via a main guard house to control the vehicles entering and leaving the neighbourhood. Several residential projects were provided with built-in security alarm system that has intercom and panic button link to central guardhouse.

Furthermore, we had implemented an integrated perimeter fencing security for our township which allows us to monitor and detect any attempts to climb or break in within our township vicinity. Inspired by the security measures for Changi Airport Singapore, Setia Eco Park was the 1st residential development that implemented the AgilFence Perimeter Intrusion Detection System which is capable of providing high probability of detection and pin-point intrusion location.

Our commitment and efforts in customer and public safety are illustrated as below:



S P Setia Berhad Auxiliary Police

LOCAL COMMUNITIES

S P Setia Foundation

S P Setia Foundation is a charity trust founded in 2000, through the auspices of S P Setia Berhad, with the aim of helping underprivileged individuals and charitable bodies. Governed by a Board of Trustees, the key areas of interest for S P Setia Foundation are education, general welfare and medical assistance. This is achieved via two core programmes under S P Setia Foundation i.e. #StandTogether and Setia Caring School Programme.

Since 2014, it has disbursed more than RM13.9 million in its areas of interest and has touched the lives of more than 11,300 children over the years.

#StandTogether Campaign

We continue to contribute to the communities via the annual #StandTogether anti-bullying campaign. Our main objective is to rally students, educators, and society at large, to stand up against bullying and to revive the lost art of kindness.

#StandTogether 2019 was focused on a nationwide "Kindness Tour" by bringing fun, educational workshops to every state across the country. The campaign activities comprise of:



1

Kindness Tour Workshops

15 Kindness Tour workshops across all states and Federal Territories in Malaysia.



2

Kindness Competition

- A competition was held amongst schools to submit their ideas on what are the kindness activities the students want to introduce in the school.
- The 20 winning schools who were shortlisted received cash grants of up to RM1,000 each to implement their Kindness Project ideas and receive a Celebrity School Visit.
- The grand prize winners get the title of "Malaysia's Kindest School" and a feature article in The Star.



3

Back-to-School by Celebrities/Ambassadors

- Chef Wan returned to his former school after 45 years to share messages of joy and kindness to its current students.
- Dr Jezamine Lim Iskander and her husband Harith Iskander were greeted by some inspiring students while visiting her former school for the #StandTogether campaign.
- Rapper Rabbit Mac went back to his former high school St. Xavier's Institution in Penang to show that kindness is cool.



4

Celebrity School Visits

Among the appointed celebrities who visited the winning schools include Korean Pop Idol, Choi Siwon, Malaysia's sweetheart, Lisa Surihani and YouTuber, Jinnyboy.

SUSTAINABILITY STATEMENT



5

Tea-Talk with Team Setia

Two topics were discussed:

- “Fixing the world and your workplace with kindness” by Mr. Alexius Cheang, a Lecturer in Psychology, International Medical University.
- “Celebrity Meet & Greet Session” with Lisa Surihani and Nik Qistina who shared their experiences with kindness, what they have learned through this campaign and how they struggled as celebrities with bullying.



6

#StandTogether Kindness Concert @ SCCC2

The #StandTogether campaign culminated in the Kindness Concert, which saw Malaysians joining hands to celebrate kindness and love. Some of the top acts including Man Bai, Kyoto Protocol and The Venopian Solitude. SK Taman Maluri (primary school category) and SMK Chung Hwa (secondary school category) brought home the title of Malaysia’s Kindest School 2019 that day.

Setia Caring School Programme

Under this programme, S P Setia Foundation adopts underperforming schools with the goal of inspiring students, teachers and parents. We work with the community members providing students with good role models, caring teachers, supportive parents and engaged peers.

The programme aims to cultivate future leaders who are not only academically successful, but also grounded in positive moral values and possessing empathy for all in a multicultural community. Anchored by the idea of sustainability, the programme is focused on creating changes that live on after the completion of the programme.

live



Caring Visit and Celebration

Engaged the elderly folks with various activities and donated essential items.



Hydrotherapy session at SPICE Aquatics7

28 students from SCSP Penang and SJKC Aik Hua attended the hydrotherapy session which involved body movements and coordination to improve muscle awareness and ability to utilise body movements.

learn



Standard 6 Leadership Camp

Conducted Standard 6 Leadership Camp for SCSP Johor (at Savanna Hill Resort) and Penang (at SK Batu Ferringhi) which focused on empowering the students with values and leadership qualities.



Science Camp

Students were exposed to programming concepts and were able to apply these concepts to create new digital content such as games and animations.



Unity Field Trip Melaka

30 students each from SCSP Penang and SCSP Johor enjoyed a fun-filled three-day field trip at the Historic City of Melaka.

work



SCSP Teachers Teambuilding

Teachers from SCSP Johor and SCSP Penang came together to further strengthen the bond between the teachers, encourage knowledge and experience sharing among teachers, and expose the teachers to 21st century learning best practices, classroom management and Higher Order Thinking Skills.

play



SCSP Children's Day

Held at SK Kota Dalam, Johor with the participation of 600 students including 80 students from SJKC Seelong and SJKT Kulai Besar. Students were able to play games at a few educational booths, sports activities booths and had fun with the magicians and clowns on-site while playing games with new friends.



Unity Sports Day

120 students each from SCSP Johor and SCSP Penang enjoyed a half day programme filled with fun and interactive physical games to instil unity, teamwork, creativity and effective communication among students.

SUSTAINABILITY STATEMENT

Charity Dinner

S P Setia Foundation Charity Dinner is a prestigious fundraising event conducted once every three years by S P Setia Foundation Board of Trustees. The fund collected will be used for the initiatives or programmes held by S P Setia Foundation with the aim to help underprivileged individuals and organisations.

In 2019, RM7.132 million of funds managed to be raised from the charity dinner held on 16th August 2019.

While, at each business units, various community engagement activities were carried out such as festive celebrations and sports activities. In 2019, we have invested up to RM4.14 million across a total of 127 events and activities.

Amenities

We strive to provide a balanced and integrated township with ample amenities to be enjoyed by both our customers as well as the surrounding local communities. In tune with our eco-philosophy DNA, gardens and parks are created within the townships to provide greenery as well as recreational spaces. Whereas, the clubhouses and gyms provided are exclusive for our township residents only.



S P Setia Foundation Chairman, Tan Sri Wan Zahid addressing the audience at Setia Foundation Charity Dinner 2019

Park



Penang Heritage Park

- 100-acre park within Setia Fontaines township which has an investment cost of about RM28 million.
- Act as a Green Lung for the whole township and provide recreational and tourism value.

Town Park

- Available across many of its projects including Setia Tropika, Setia Alam, Alam Impian, and Bukit Indah.
- Provides a large playground for the younger ones, facilities for the elderly, picnic lawns, reflexology, basketball and football fields, multi-purpose court, gazebos and many more.



Pocket Park

- Consists of small playgrounds, jogging tracks and reflexology within the township to provide a fresher and healthier environment to its residents.

Club House



Canopy Club - Setia Eco Park

- A recreational hub with swimming pools, gymnasium, tennis courts, basketball and futsal courts, squash court and fitness studio.
- Benefits the club members of approximately 2,800 persons.



Templer's Club - Setia Eco Templer

- Club facilities include swimming pool, gymnasium, table tennis, football table game, American pool table games and squash.



Club 360 - Setia EcoHill

- Sport facilities and function hall for event and convention.
- Benefits approximately 1,000 club members per month and community that are using the hall and sports arena.



Club@Level 7 - KL Eco City

- Recreational and wellness activities for residents.
- Benefits residents at RVI of approximately 650 persons.



Hammock Club, Setia Rimba - Setia Eco Glades

- Swimming pool, gymnasium, function hall, half-court basketball, playground, and many more.

Clubhouse & Gym - Setia EcoLakes and Setia EcoXuan, Vietnam

- Club facilities include swimming pools, tennis courts, futsal courts, lifestyle centre, clubhouse and gym.
- Benefits approximately 8,800 club members per year.

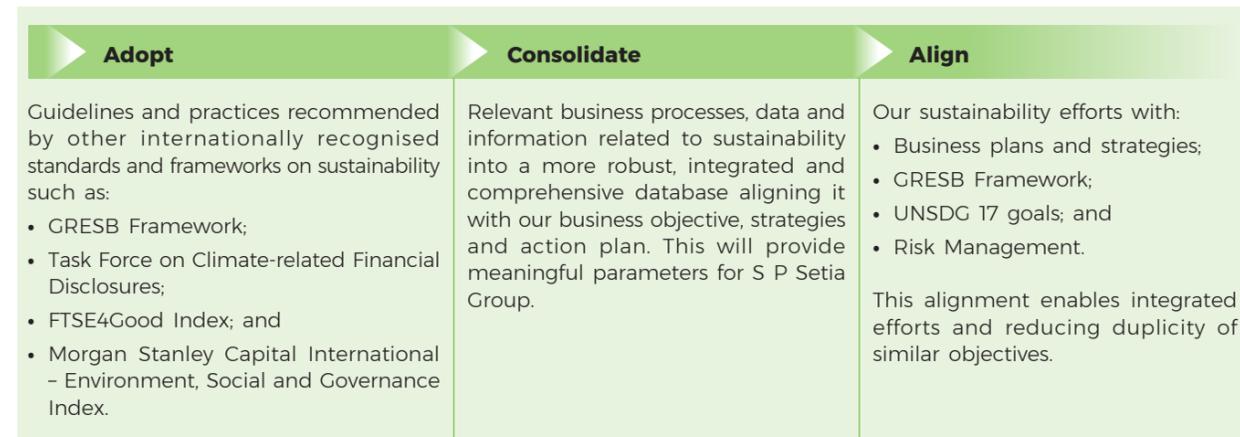
SUSTAINABILITY STATEMENT

MOVING FORWARD

As we embarked on our sustainability efforts, we have consistently identified new areas of improvements and innovative solutions in our development. Translating our objectives into actions remain a challenge including educating our people and communities on sustainable living, protecting the environment, whilst maintaining our business objectives.

We will continue to monitor and manage our material sustainability matters and refine our sustainability indicators and targets. Where essential, we will continue to formulate suitable sustainability action plans, monitor its implementation status and regularly track the KPI and targets by considering various sustainability frameworks, standards and practices adopted both regionally and globally.

As part of our effort in ensuring continuous sustainability journey in S P Setia Berhad, we are transitioning our operation, we are transitioning our sustainability efforts into a 3-year sustainability plan broadening our initiatives to:



SUSTAINABILITY STATEMENT MAPPING TO GRI

MAPPING GRI CONTENT INDEX - CORE OPTION

GENERAL DISCLOSURES		
GRI STANDARD	DISCLOSURE	REFERENCE
102-1	Name of the organisation	S P Setia Berhad
102-2	Activities, bands, products and services	Overview of Setia, pages 12-29
102-3	Location of headquarters	Page 29
102-4	Locations of operations	Corporate Information, page 29 Where We Operate, pages 14-15
102-5	Ownership and legal form	Corporate Structure, pages 26-28 Corporate Information, page 170 Share Capital, Notes to the Financial Statements, pages 255-257
102-6	Markets served	Where We Operate, pages 14-15 Our Property Portfolio, pages 16-17 Our Operating Environment, page 32
102-7	Scale of the organisation	Corporate Structure, pages 26-28 Management Discussion & Analysis, pages 32-67
102-8	Information on employees and other workers	Our People, page 68 Employment and Occupational Safety and Health, pages 149-159
102-9	Supply chain	Procurement Practices, page 139
102-10	Significant changes to the organisation and its supply chain	Not applicable
102-11	Precautionary principle or approach	Not applicable
102-12	External initiatives	Indirect Economic Impacts, pages 135-138
102-13	Membership of associations	Not disclosed. Will be disclosed in future reporting
102-14	Statement from senior decision maker	Chairman's Statement, pages 6-9
102-18	Governance structure	Organisation Structure, pages 86-87 Corporate Governance, pages 88-111 Governance Structure, page 126
102-40	List of stakeholder groups	Stakeholder Engagement, page 34 Stakeholders Engagement, pages 127-129
102-42	Identifying and selecting stakeholders	Stakeholders Engagement, pages 127-129
102-43	Approach to stakeholder engagements	Stakeholders Engagement, pages 127-129
102-44	Key topic and concerns raised	Key Risks and Mitigation, page 33 Materiality Assessment and Key Sustainability Matters, pages 130-133
102-45	Entities included in the consolidated financial statements	Reporting Scope, page 121 Corporate Structure, pages 26-28 Where We Operate, pages 14-15
102-46	Defining report content and topic boundaries	Page 121
102-47	List of material topics	Materiality Assessment and Key Sustainability Matters, pages 130-133
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	Page 121
102-51	Date of most recent report	Page 121
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Feedback, page 121
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Scope, page 121
102-55	GRI content index	Sustainability Statement Mapping to GRI, pages 167-168
102-56	External assurance	The Company may consider seeking external assurance in the future.

SUSTAINABILITY STATEMENT MAPPING TO GRI

MAPPING GRI CONTENT INDEX - SPECIFIC TOPICS

MATERIAL TOPICS		
GRI STANDARD	DISCLOSURE	REFERENCE
Economic Performance		
103-1	Explanation of the material topic and its boundaries	Materiality Assessment and Key Sustainability Matters, pages 130-133
201-1	Direct economic value generated and distributed	Economic Performance, pages 134-139
Energy		
103-1	Explanation of the material topic and its boundaries	Materiality Assessment and Key Sustainability Matters, pages 130-133
302-1	Energy consumption within the organisation	Energy, page 143
302-3	Energy intensity	Energy, page 143
Emissions		
103-1	Explanation of the material topic and its boundaries	Materiality Assessment and Key Sustainability Matters, pages 130-133
305-2	Energy indirect (Scope 2) GHG emissions	Energy, page 143
Employment		
103-1	Explanation of the material topic and its boundaries	Materiality Assessment and Key Sustainability Matters, pages 130-133
401-1	New employee hires and employee turnover	Page 151
Occupational Health and Safety		
103-1	Explanation of the material topic and its boundaries	Materiality Assessment and Key Sustainability Matters, pages 130-133
403-2	Types of injury and rates of injury, lost days, absenteeism and no of work-related fatalities	Occupational Health and Safety, pages 155-157
Training and Education		
103-1	Explanation of the material topic and its boundaries	Materiality Assessment and Key Sustainability Matters, pages 130-133
401-1	Average hours of training per year per employee	Training Development, page 153
Diversity & Equal Opportunity		
103-1	Explanation of the material topic and its boundaries	Materiality Assessment and Key Sustainability Matters, pages 130-133
405-1	Diversity of governance bodies and employees	Diversity and Inclusion, pages 149-151