

52 A cursory snapshot of our sustainability journey

55 Our sustainability performance highlights

56 Looking back on our reporting journey

58 A strategic approach toward sustainable excellence

64 Identifying our material sustainability matters

70 Robust corporate governance

74 Sustainable trust fund

77 Strong social relationships

87 Environmental stewardship

92 Concluding a year of progress

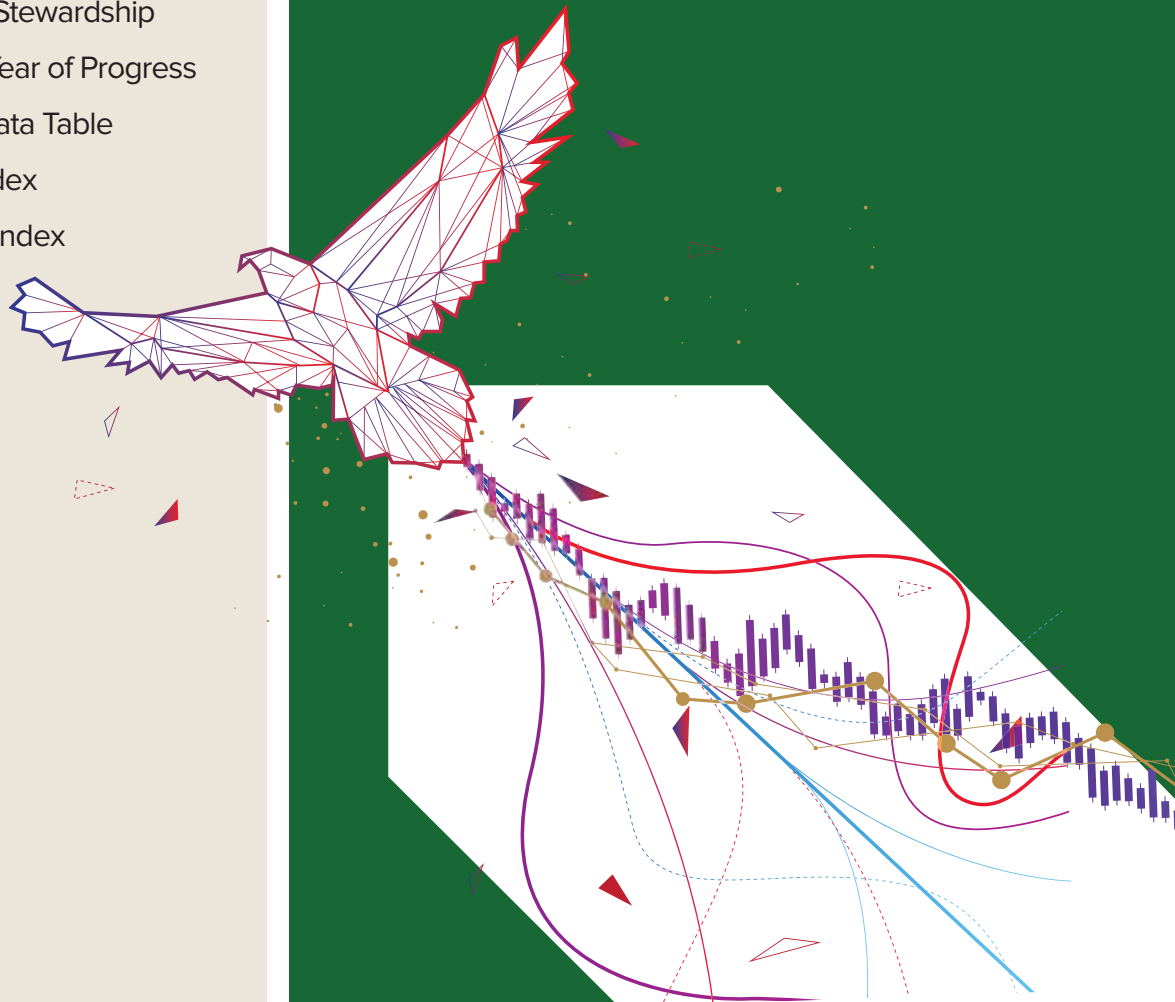
93 Performance data table

96 GRI content index

97 TCFD content index

SECTION 03

SUSTAINABILITY STATEMENT





mart
KEMPAS

Pasar Raya
Mm
Midas Mart

Pasar Raya
Mm
Midas Mart



PASARAYA
KU
Harga Rendah

Our stakeholders are rising to the occasion and driving our recovery. Highly motivated and dynamic, we are set to reach new heights together.

RE:

ENERGISE





A CURSORY SNAPSHOT OF OUR SUSTAINABILITY JOURNEY

OVERVIEW OF AL-SALĀM REAL ESTATE INVESTMENT TRUST

Al-Salām Real Estate Investment Trust (“Al-Salām REIT” or “the REIT”) operates as a Shariah-compliant fund, primarily engaging in the investment of diverse Shariah-compliant properties. From an initial 31 properties in 2015, Al-Salām REIT has expanded our portfolio to encompass 54 properties nationwide, including three retail malls, an office building, seven Food & Beverage Non-Restaurant assets and a Food & Beverage restaurant chain with 43 locations.

SUSTAINABILITY STATEMENT

DEFINING THE REPORTING SCOPE AND BOUNDARY

This sustainability statement details our activities from 1 January 2023 to 31 December 2023 (“FY2023”). It focuses on three key properties: KOMTAR JBCC, Menara KOMTAR, and Pasaraya Komuniti @Mart Kempas. A dedicated property manager has been assigned to oversee the management of the REIT’s buildings. The following sections will also offer an overview of the REIT’s sustainability achievements.

KOMTAR JBCC



MENARA KOMTAR



PASARAYA KOMUNITI @MART KEMPAS



A CURSORY SNAPSHOT OF OUR SUSTAINABILITY JOURNEY

REPORTING APPROACH

To prepare our Sustainability Statement, we referenced the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR") and the Bursa Malaysia Sustainability Reporting Guide (3rd edition). We also integrated the Global Reporting Initiative ("GRI") Standards, aligning with the United Nations Sustainable Development Goals ("UN SDGs") and the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.



FEEDBACK

In our ongoing efforts to continuous improvement, we aspire to enhance our sustainability reporting. We value our stakeholders' participation and welcome any questions, feedback or recommendations. Feedback can be submitted via email contact on our website.

ASSURANCE STATEMENT

All data presented in our Sustainability Statement has undergone internal sourcing and verification by the Sustainability Management Committee, ensuring transparency. Moving forward, the REIT intends to explore the prospect of obtaining independent assurance for future disclosures, understanding the value of third-party verification in enhancing the credibility of our data.

INITIATIVES PAVING OUR PATH FORWARD

We are pleased to present this sustainability statement for the financial year ending 31 December 2023, our sixth sustainability statement. This document details the incorporation of Environmental, Social, and Governance ("ESG") principles into our REIT operations, offering a transparent overview of our sustainability endeavours.

During fiscal year 2023, Al-Salām REIT made significant progress in our sustainability efforts. We established a Board Sustainability Committee (BSC) to assist in oversight and compliance. Additionally, we formed a Sustainability Management Committee (SMC), led by the CEO, which reports quarterly to the BSC on key sustainability matters. The SMC also evaluates policies, frameworks, and advises the Board on environmental, health, safety, and community relations.

Additionally, Al-Salām REIT engaged external consultants to conduct a preliminary assessment for the Green Building Index ("GBI") certificate application for three key properties: KOMTAR JBCC, Pasaraya Komuniti @Mart Kempas, and Menara KOMTAR, advancing environmental stewardship efforts.

Furthermore, this reporting year, we are planning the take-off of the Green Lease Programme to align our operations with eco-friendly practices, incorporating sustainability principles into our leasing agreements and enforcing various green criteria.

OUR SUSTAINABILITY PERFORMANCE HIGHLIGHTS

SUSTAINABILITY MILESTONES SHOWCASING OUR 2023 ACHIEVEMENTS

SOUND CORPORATE GOVERNANCE

Operations assessed for corruption-related risks

100%
ASSESSED



Number of cases on corruption and bribery

0
CASES



Number of cases of data privacy breached & data loss

0
CASES



SUSTAINABLE TRUST FUND

Percentage of procurement budget spent on local supplier

100%
SPENT



Percentage of new suppliers that were screened using environmental criteria

33%
SCREENED



Percentage of suppliers assessed for their environmental impact

46%
ASSESSED



STRONG SOCIAL RELATIONSHIPS

Total training hours recorded for employees

920
HOURS



Lost-Time Injury Rate ("LTIR")

4.00



Cases of harassment, discrimination & human rights violation

0
CASES



ENVIRONMENTAL STEWARDSHIP

Total renewable energy generated from solar panels

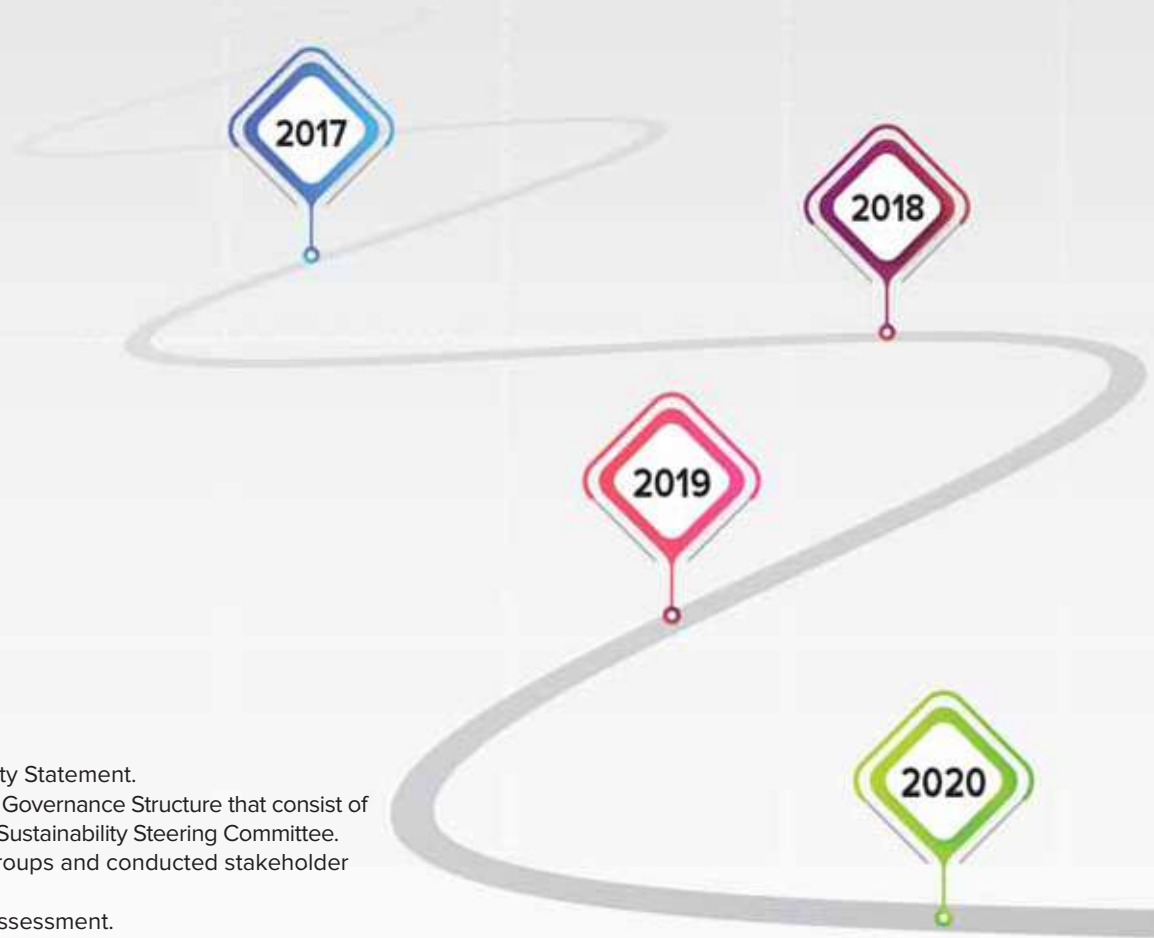
408,171.9
kWh

Percentage of energy saved by utilising renewable energy generated

37.87%

Began reporting on Scope 3 emissions for employee business travel in

FY 2023



2017

- Published first Sustainability Statement.
- Established a Sustainability Governance Structure that consist of the Board of Directors and Sustainability Steering Committee.
- Identified 6 stakeholder groups and conducted stakeholder engagement exercise.
- Conducted a Materiality Assessment.

2018

- Established ESG Framework that consist of 5 pillars (Governance, Environment, Partner, Corporate Social Investment and People).
- Established a Sustainability Strategy comprised of Corporate Governance, Environment, Economic and Social.
- Conducted a materiality reassessment for FY2018.
- Identified 7 stakeholder groups and conducted stakeholder engagement exercise.

2019

- Conducted stakeholder engagement exercise.
- Conducted a materiality reassessment for FY2019.

Our Climate Reporting Journey

- Began reporting on electricity and water consumption for KOMTAR JBCC, Menara KOMTAR and Pasaraya Komuniti @Mart Kempas.

2020

- Reviewed and revised the Sustainability Governance Structure to include Board of Directors, Board Audit & Risk Committee, and the Manager.
- Conducted stakeholder engagement exercise.
- Conducted materiality reassessment in FY2020.

2021

- Reviewed and revised the ESG Framework to consist of 4 pillars (Robust Corporate Governance, Sustainable Trust Fund, Environmental Stewardship and Strong Social Relationship).
- Adopted SDG 8, 9, 11, 13 and 16.
- Reported on our contributions to the UN SDGs.
- Revised stakeholder groups to include Customers and Local Communities,
- Conducted materiality reassessment and benchmarking exercise for FY2021.

Our Climate Reporting Journey

- Began reporting on Scope 2 emissions for KOMTAR JBCC, Menara KOMTAR and Pasaraya Komuniti @Mart Kempas.

2022

- Continued reporting disclosures on four pillars (Robust Corporate Governance, Sustainable Trust Fund, Environmental Stewardship and Strong Social Relationship).
- Updated our contributions to the UNSDGs.

2023

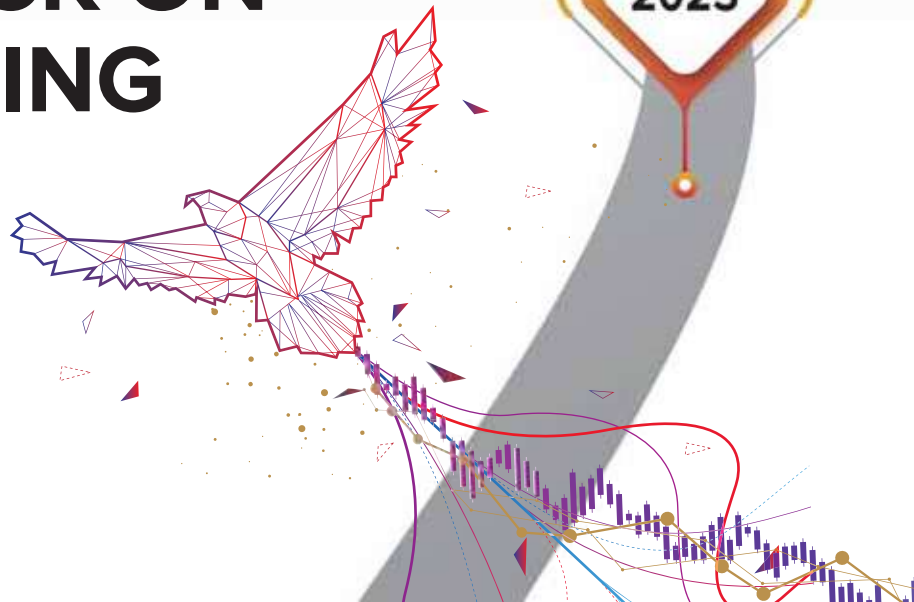
- Updated the Sustainability Governance Structure by forming the BSC and SMC.
- Conducted a materiality reassessment for FY2023 and consolidated the number of material matters to 13.
- Streamlined our material matters to Bursa Malaysia's sustainability disclosure requirements.

Our Climate Reporting Journey

- Began aligning disclosures with TCFD recommendations.
- Reported on our limited Scope 3 GHG emissions.



LOOKING BACK ON OUR REPORTING JOURNEY

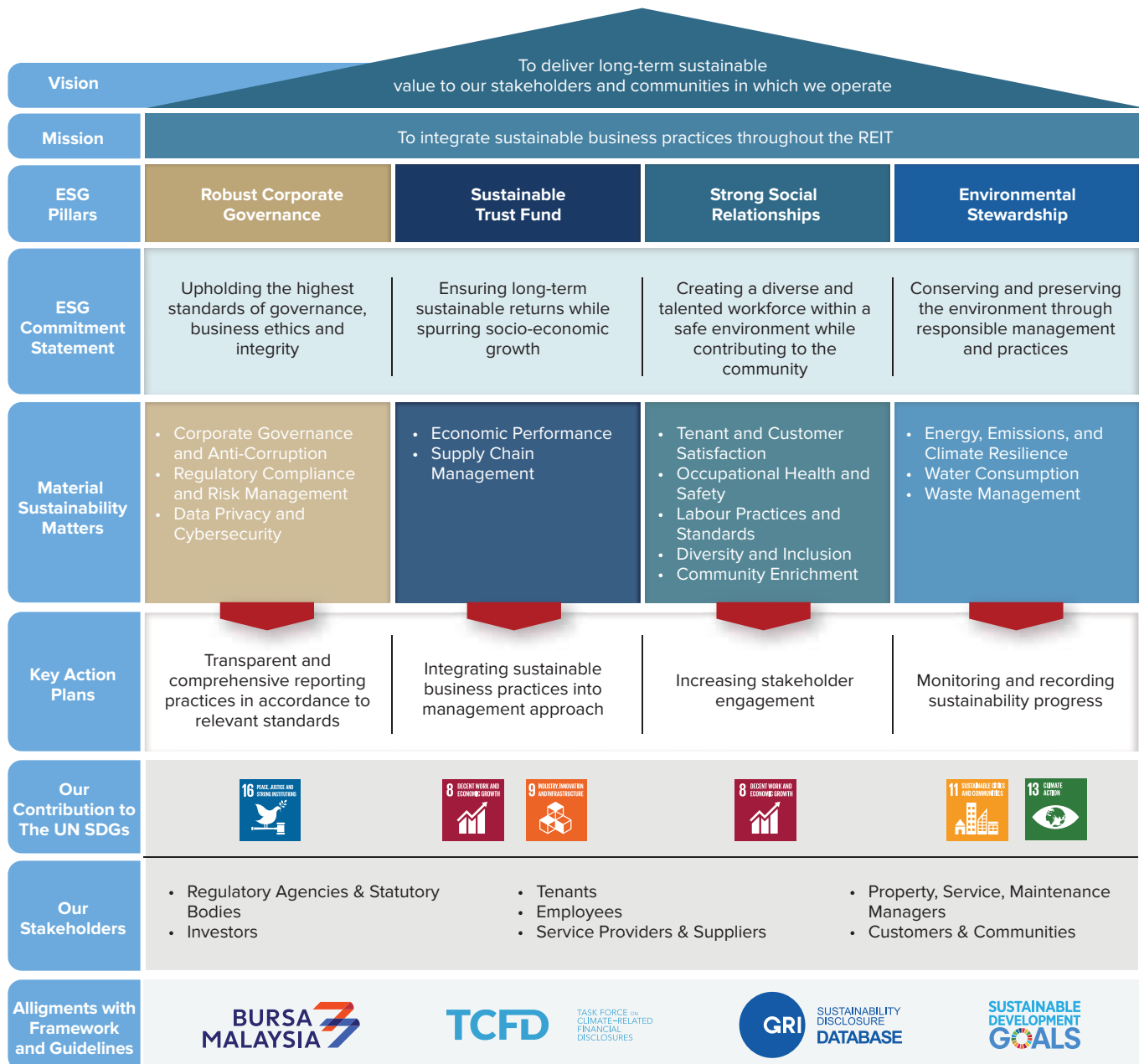


A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE

OUR SUSTAINABILITY FRAMEWORK

Embarking on a transformative journey with our Sustainability Framework, we are committed to responsible real estate investment. Our mission is clear—to integrate ESG principles into every facet of our business to create enduring value for our stakeholders.

Our framework, structured around four ESG pillars, guides our responsible investment and community engagement. Each pillar is reinforced by our Commitment Statement, emphasising our dedication to upholding high sustainable real estate management standards. Aligned with the UN SDGs, this framework steers Al-Salām REIT toward our goal of contributing to a sustainable world.



A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE

ALIGNING GROWTH WITH GLOBAL GOALS

The UN SDGs represent a forward-thinking roadmap aimed at addressing global sustainability challenges by 2030. The 17 goals encourage global collaboration to shape a more equitable future. Al-Salām REIT has embraced five SDGs closely aligned with our core values as we navigate the sustainable development landscape.

8.7: Measures to eradicate forced labour, modern slavery and child labour

8.8: Protection of labour rights and promotion of safe and secure working environments for all

8 DECENT WORK AND ECONOMIC GROWTH



- Ensured compliance with labour related regulations, including the minimum wage, no child labour and no forced labour.
- Provided continuous training programmes for employees and recorded 919.5 training hours
- 100% of employees received performance review

9.4: Upgrade infrastructure with greater adoption of clean and environmentally sound technologies

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Solar panel installation in Pasaraya Komuniti @Mart Kempas which has generated 408,171.9 kWh of electricity.

11.6: Reduce the adverse per capita environmental impact of cities by paying attention to municipal and waste management

11 SUSTAINABLE CITIES AND COMMUNITIES



- Implemented comprehensive 3Rs (Reduce, Reuse, Recycling) programme by strategically placing recycle bins throughout the premises, encouraging tenants to segregate waste responsibly.

13.2: Integration of climate change measures into policies, strategies and planning

13 CLIMATE ACTION



- Included climate-related management in the Board of Directors and the Sustainability Management Committee's roles and responsibilities.
- Track and record Scope 1, Scope 2 and Scope 3 emissions.
- Implemented electricity saving initiatives.
- Committed to raise awareness among employees on responsible water use and waste management.

16.5: Reduce all forms of corruption and bribery

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



- Review of risks on a quarterly basis on the ERM Policy & Framework
- Established codes, policies and procedures:
 - Code of Conduct and Business Ethics
 - Whistleblowing Policy
 - Anti-Bribery and Corruption Policy and Manual

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE

SUSTAINABILITY PERFORMANCE SCORECARD (“KPIs”)

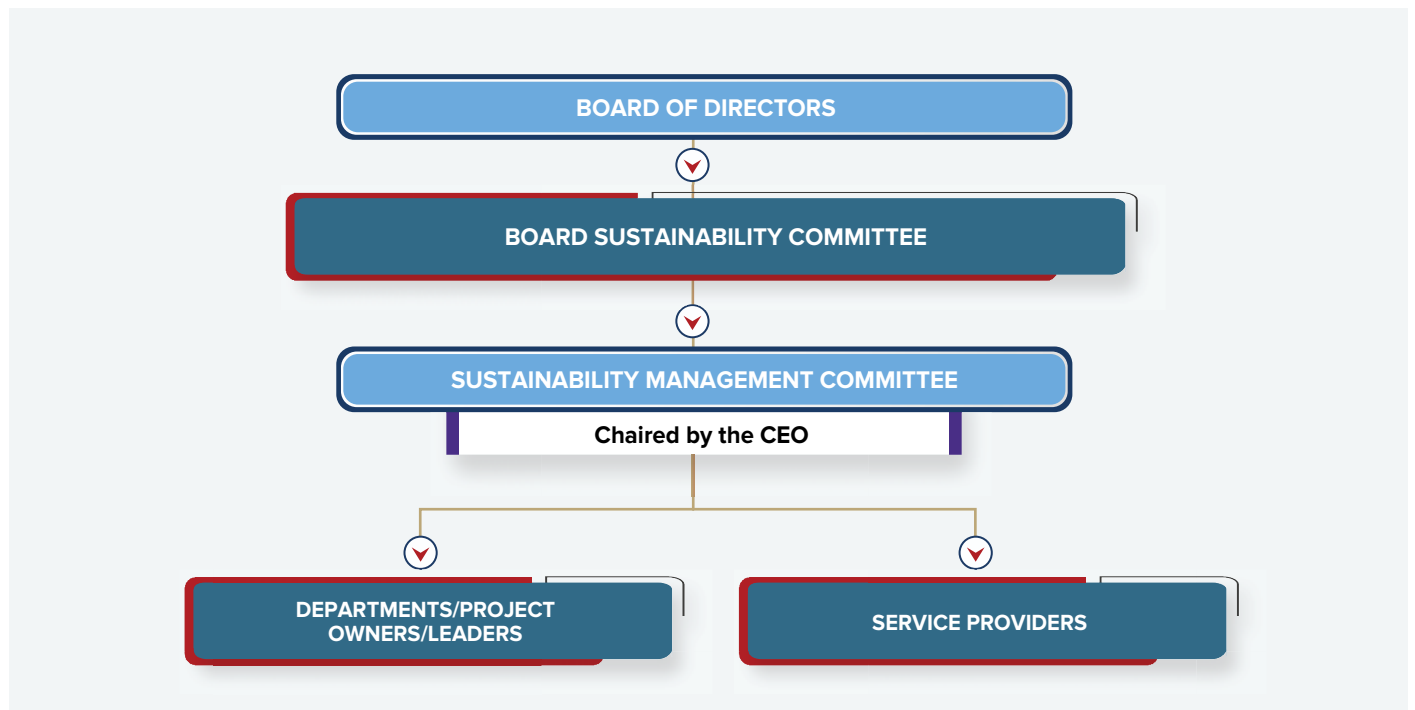
Al-Salām REIT prioritises sustainability through a detailed framework that is measured against a set of Sustainability Key Performance Indicators (KPIs). These KPIs serve as a structured roadmap in alignment with our values, guiding initiatives and ensuring informed decision-making.

ESG Pillars	Key Performance Indicators (FY2023 Targets)	FY2023 Result
Robust Corporate Governance	Corporate Governance & Anti-Corruption Maintain 30% female participation on the Board of Directors.	14% of the Board consists of women.
	Regulatory Compliance and Risk Management Conduct one internal risk management review to incorporate ESG risk and opportunities into DRMSB’s risk management framework.	Achieved
	Data Privacy & Cybersecurity Maintain zero customer privacy breaches and data losses.	Achieved
Sustainable Trust Fund	Supply Chain Management Maintain 100% of procurement budget expenditure on local suppliers.	Achieved
	Supply Chain Management To include criteria for ESG-related matters as part of the supplier performance evaluation.	Conducted supplier assessment on environmental related criteria
Environmental Stewardship	Energy, Emissions & Climate Resilience Achieve 30% reduction on energy consumption by utilising renewable solar energy.	37.87% reduction recorded
	Waste Management Engage with Property Managers to conduct a pilot project for the installation of 3 recycling bins at Al-Salām REIT’s Office and retail properties to promote waste segregation at the source.	Achieved
Strong Social Relationships	Occupational Health & Safety Maintain zero fatalities, permanent disabilities or major injuries across DRMSB operations.	Zero fatalities and one injury recorded
	Tenant and Customer Satisfaction Maintain the tenant satisfaction survey with a minimum score of 85% achieved.	KOMTAR JBCC: 80% Menara KOMTAR: 84% @Mart Kempas: 85%
	Labour Practices & Standards Record zero incidents of human rights infringement throughout DRMSB operations	Zero complaints regarding human rights violations recorded

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE

OVERVIEW OF OUR GOVERNANCE STRUCTURE

At the helm, the Board of Directors ("the Board") has strategic oversight of the Group's overall sustainability strategy and performance including climate-related risks and opportunities. The Board approves proposed initiatives and strategies and is supported by the Board Sustainability Committee ("BSC") and the Sustainability Management Committee ("SMC"). The BSC reports to the Board on the Group's ESG performance and the implementation of our approved sustainability initiatives. The SMC recommends to the BSC relevant initiatives and identifies issues that are material to the Group.










Roles and Responsibilities	
Board of Directors	<ul style="list-style-type: none"> Ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee.
Board Sustainability Committee	<ul style="list-style-type: none"> Assist the Board in fulfilling its oversight responsibilities in relation to the Group's objectives, policies, and practices with respect to sustainability and compliance with statutory requirements
Sustainability Management Committee (Management & Property Managers)	<ul style="list-style-type: none"> Regularly improves, develops, executes, monitors and audits sustainability targets, policies, practices, working principles and management systems. Reports to the BSC on material sustainability matters on a quarterly basis. Reviews the relevant policies and frameworks and makes recommendations to the Board on the Manager's policy and performance in relation to the environment, health, safety and community.
Head of Departments/Project Leaders	<ul style="list-style-type: none"> Executes ESG initiatives and reports to the SMC.

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE

CONNECTING WITH OUR STAKEHOLDERS

We consistently seek feedback from key stakeholder groups through diverse engagement platforms, establishing connections to gather suggestions, comprehend concerns and shape responsive strategies. We aim to meet stakeholder expectations and cultivate shared value, fostering a mutually beneficial relationship between the REIT and stakeholders.

STAKEHOLDERS	Why They Are Important	How We Engage
Investors 	Investors provide us with the financial capital needed to sustain our growth. They are entitled to receive a return on their investment and be apprised of developments in the REIT.	<ul style="list-style-type: none"> • AGM • Corporate website • Annual & quarterly reports • Investor relations briefings • Investment criteria/policy
Regulatory Agencies & Statutory Bodies 	Regulatory agencies and statutory bodies are vital to the REIT, ensuring we comply with rules, maintain customer trust and contribute to the stability of financial markets. Their oversight is integral for our credibility and success.	<ul style="list-style-type: none"> • Quarterly compliance report to the Board • Announcements, notifications & reporting • Compliance audits
Tenants 	Tenants are crucial to a REIT as they contribute to the generation of rental income, ensuring the financial performance and sustained growth of the real estate investment trust.	<ul style="list-style-type: none"> • Tenant satisfaction survey • Joint community programme • Complaint management - ServeDeck • Promotion on green/renewable energy and waste management efficiency
Employees 	Employees are essential to us as they play a pivotal role in managing, maintaining, and enhancing the properties, contributing to the overall operational efficiency and success of the operations.	<ul style="list-style-type: none"> • Performance appraisal and career development plan • Townhall • Revision of salary package • Work-life balance
Service Providers & Suppliers 	Service providers and suppliers play a crucial role as they contribute to the seamless functioning of property management, maintenance, and other essential services, ensuring the overall well-being and sustainability of the business.	<ul style="list-style-type: none"> • Evaluation & performance reviews • Compliance to MACC Act • Procurement Policy
Property, Services, Maintenance Managers 	Property, service, and maintenance managers play a pivotal role in supervising the effective functioning, maintenance, and value augmentation of the assets. Their role significantly contributes to the overall success and performance of the investment trust.	<ul style="list-style-type: none"> • Monthly report • Monthly meeting
Customers and Communities 	Customers and communities are important as their presence and engagement contribute to the vibrancy and success of retail properties, fostering positive economic and social impacts within the communities we serve.	<ul style="list-style-type: none"> • Complaint management • Social media such as Facebook, Instagram • Emails • Community events • Foodbank/voluntary works

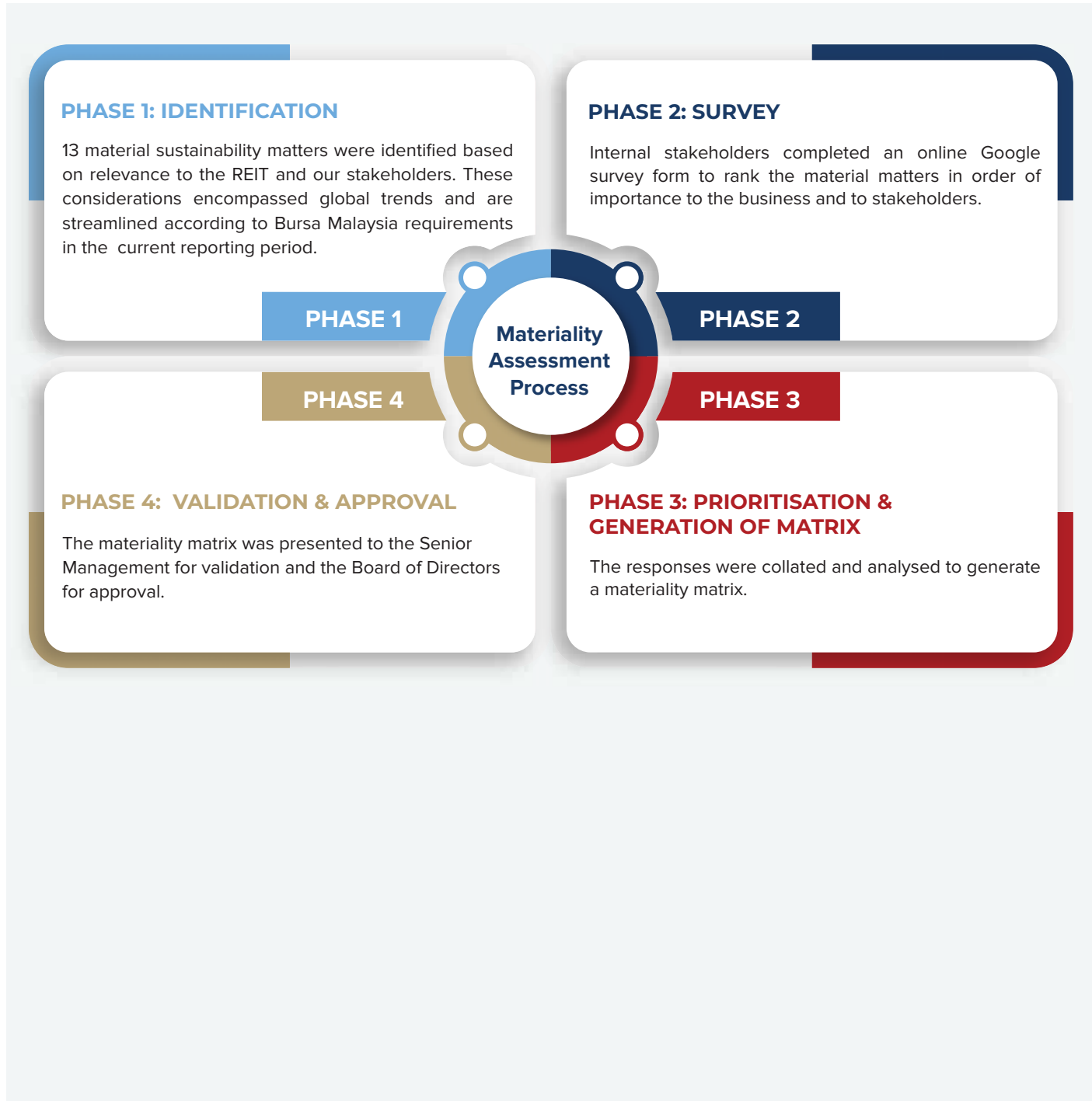
A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE

Topics Raised	How We Respond	Frequency of Engagement
<ul style="list-style-type: none"> • Corporate financial performance • Corporate governance • Investor relationship management • Environmental matters • Safety of assets 	<ul style="list-style-type: none"> • Provide regular financial reports, including quarterly and annual statements • ESG strategy, performance and disclosures which include management of climate related risks 	<ul style="list-style-type: none"> • Yearly • Quarterly
<ul style="list-style-type: none"> • Compliance to regulations • Labour practices • Transparency and disclosures 	<ul style="list-style-type: none"> • Adhere to local regulatory bodies • Timely response to inquiries and requests for clarification regarding specific matters • Timely submission/filing of regulatory reports 	<ul style="list-style-type: none"> • Quarterly • As and when required • Annually
<ul style="list-style-type: none"> • Safety and health • Communication and tenant-owner relations • Mall/Building facilities • Environmental matters • Activities, programmes or marketing campaigns to increase footfall 	<ul style="list-style-type: none"> • Provide clear and consistent communication on safety protocols, emergency procedures, and health guidelines • Establish a feedback mechanism • Conduct regular inspections to identify and address maintenance issues promptly. • Implement sustainable and environmentally friendly practices within the property, such as energy-efficient lighting, waste reduction programs, and green certifications. 	<ul style="list-style-type: none"> • Twice a year • By event • Monthly • Ongoing
<ul style="list-style-type: none"> • Staff performance and development • Business strategies, objectives, achievements • Staff wellbeing • Employee benefits 	<ul style="list-style-type: none"> • Strict occupational safety and health procedures • Salary review and performance review • Provide relevant upskilling and development opportunities 	<ul style="list-style-type: none"> • Yearly • Ongoing
<ul style="list-style-type: none"> • Transparent procurement process • Business ethics 	<ul style="list-style-type: none"> • Establish and communicate clear and transparent procurement guidelines • Implement a comprehensive Code of Conduct and Business Ethics that outlines the ethical standards expected from service providers and suppliers. 	<ul style="list-style-type: none"> • Ongoing
<ul style="list-style-type: none"> • Income & expenditure • Leasing & total occupancy • Marketing & promotions • Maintenance summary • Security, housekeeping & parking 	<ul style="list-style-type: none"> • Provide regular financial reports detailing income and expenditure • Monitor and analyse leasing and occupancy metrics regularly, addressing any vacancies or underperforming areas. • Support the implementation of promotional campaigns that align with the overall marketing strategy of the REIT. • Regular meetings with property, service, and maintenance managers to discuss key matters, address challenges, and make collaborative decisions. 	<ul style="list-style-type: none"> • Monthly
<ul style="list-style-type: none"> • Safety and health • Facilities or services provided in the building • Promotion or sales offers by tenants • Social contribution 	<ul style="list-style-type: none"> • Develop and share emergency response plans to address any potential safety concerns promptly. • Establish a feedback mechanism to gather input from shoppers and the community • Provide support to tenants in executing effective marketing campaigns • Implement CSR programmes that address community needs 	<ul style="list-style-type: none"> • Ongoing • Monthly • By event

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS

DETAILING THE MATERIALITY ASSESSMENT PROCESS

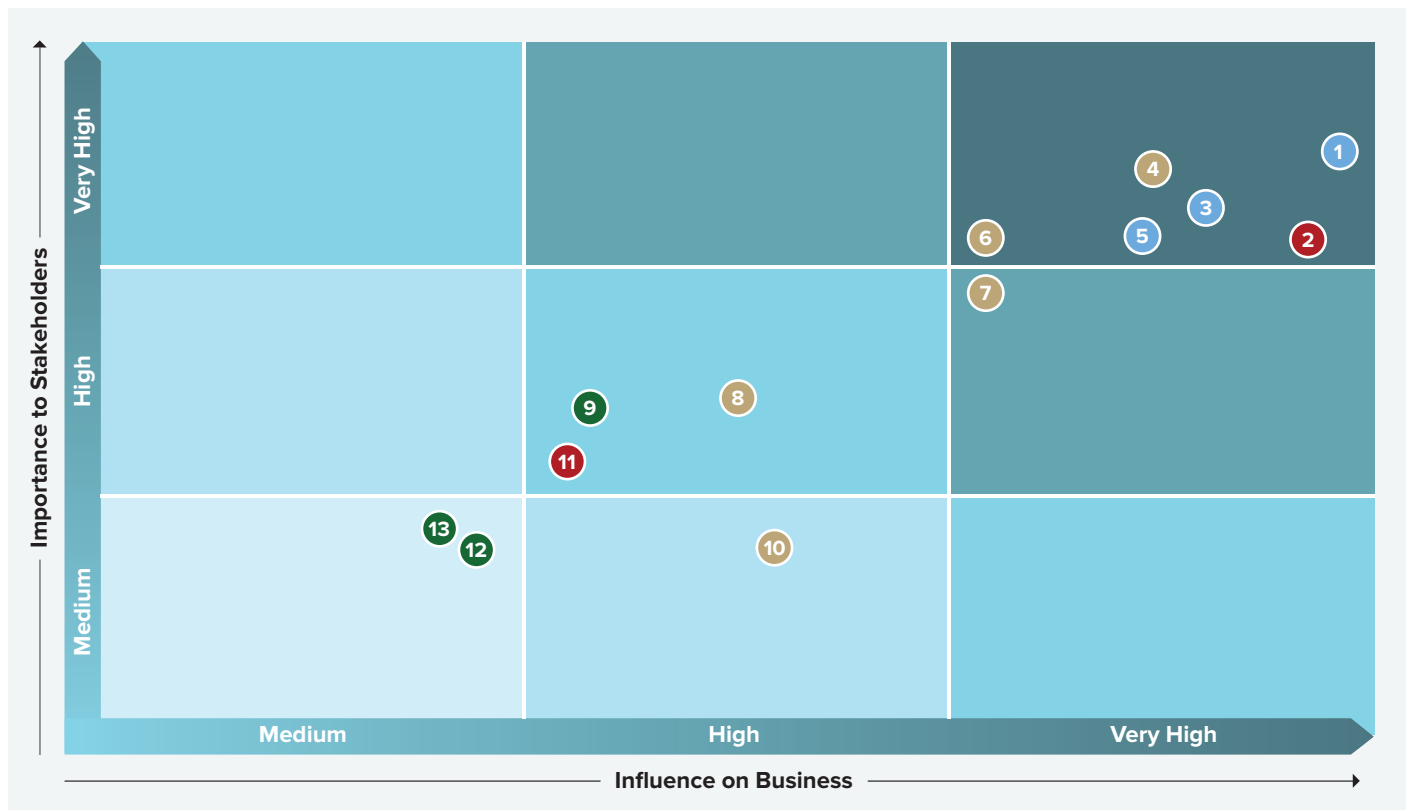
The materiality assessment acts as a strategic tool for identifying and prioritising our significant sustainability concerns, guiding our decision-making processes and enabling the development of impactful sustainability initiatives. We regularly assess our material sustainability issues to ensure that our direction aligns with the broader values and priorities of our community.



IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS

THE OUTCOME – MATERIALITY MATRIX

Leveraging the data gathered during the survey phase, we strategically tabulated all identified material matters onto a matrix. The visual representation illustrates their significance to stakeholders and their impact on the REIT, providing an outlined view of our strategic considerations.



Robust Corporate Governance		Sustainability Trust Fund		Strong Social Relationships		Environmental Stewardship	
01	Corporate Governance and Anti-Corruption	02	Economic Performance	04	Tenant and Customer Satisfaction	09	Energy, Emissions and Climate Resilience
03	Regulatory Compliance and Risk Management	11	Supply Chain Management	06	Occupational Health and Safety	12	Waste Management
05	Data Privacy and Cybersecurity			07	Labour Practices and Standards	13	Water Consumption
				08	Diversity and Inclusion		
				10	Community Enrichment		

This year, the Manager identified 13 material matters, with the top five (5) being **Governance and Anti-Corruption, Economic Performance, Regulatory Compliance and Risk Management, Tenant and Customer Satisfaction, and Data Privacy and Cybersecurity.**

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS


MAPPING OUR MATERIAL MATTERS

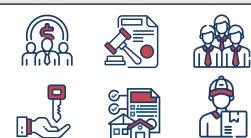


Material sustainability matters are inherently connected to our ESG pillars, key stakeholders, and UN SDGs, crucial in identifying and addressing factors impacting the REIT's performance. Recognising these connections allows us to adopt a holistic approach to sustainability, enhancing responsible business practices, and contributing meaningfully to stakeholder objectives and the UN SDGs.



Robust Corporate Governance



Upholding the highest standards of governance business ethics and integrity





Corporate Governance and Anti-Corruption	Ensure ethical business practices and strong accountability through systems policies and procedures to prevent corruption bribery and unethical behaviour.	
Regulatory Compliance and Risk Management	Proactively address and disclose information about material risks to provide transparency and enable informed decision-making.	
Data Privacy and Cybersecurity	Protect our customers' personal information and digital assets from unauthorised access breaches and misuse.	

Sustainable Trust Fund

Ensuring long-term sustainable returns while spurring socio-economic growth












Economic Performance	The evaluation and measurement of the operational and financial performance of the organisation	
Supply Chain Management	Bolstering the local economy by obtaining goods and services from local suppliers whenever feasible through our procurement practices.	

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS

Strong Social Relationships

Creating a diverse and talented workforce within a safe environment while contributing to the community













Tenant and Customer Satisfaction	Efforts made to ensure positive experiences for both tenants and customers within the properties.	 
Occupational Health and Safety	Measures are taken to prevent workplace accidents and/or injuries and to maintain a safe and conducive working environment.	 
Labour Practices and Standards	Al-Salām REIT ensures the fair treatment of workers and upholds fundamental human rights and labour standards.	  
Diversity and Inclusion	Ensure equal opportunities for all employees regardless of their background and endeavour to create a work environment that respects and values differences.	 
Community Enrichment	Al-Salām REIT invests resources and efforts in improving the quality of life and well-being of local communities.	 

Environmental Stewardship

Conserving and preserving the environment through responsible management and practices



Energy Emissions and Climate Resilience	Mitigate our impact and take action on climate change by managing our energy usage to minimise our greenhouse gas ("GHG") emissions.	   
Water Consumption	Ensure the responsible and efficient use of water in our operations.	  
Waste Management	Minimise our environmental impact by managing the disposal and generation of our waste.	  

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS

FUTURE PREPARED REPORTING WITH TCFD

In FY2023, Al-Salām REIT enhanced climate risk management by adopting TCFD recommendations. This enables comprehensive reporting on climate risks and opportunities, supporting informed decision-making and responsible asset management. Our climate change framework aligns with the four (4) core components of TCFD: governance, strategy, risk management as well as metrics and targets.

Governance




The strategic oversight of climate-related risks and opportunities is a crucial responsibility for the Board. It highlights the assessment and strategic handling of climate-related issues by our management.

Board of Directors	Management
<ul style="list-style-type: none"> The Board exercises strategic oversight regarding the REIT's sustainability strategies, policies and performance, encompassing climate-related aspects 	<ul style="list-style-type: none"> The SMC recommends sustainability strategies and initiatives to the Board, including those that are climate-related.
<ul style="list-style-type: none"> The Board examines and grants approval for ESG KPIs which also include climate-related indicators. 	<ul style="list-style-type: none"> The Sustainability Committee assesses and oversees the execution of sustainability initiatives and performance, including those linked to climate considerations.


Strategy

The SMC serves as the cornerstone of our sustainability efforts, entrusted with assessing and managing climate-related risks and opportunities. By implementing strategies and reporting outcomes to the Board, the SMC drives our sustainability initiatives forward. Through assessments and recommendations, it ensures management addresses the challenges of the evolving sustainability landscape.



Transition Risks

Transition Risk	Potential Impact	Opportunities
Policy and Legal 	<ul style="list-style-type: none"> Potential incurred costs from penalties and fines. 	<p>Aligning with or exceeding expected environmental regulations allows us to effectively enter new markets and proactively tackle potential legal challenges.</p>
Technology 	<ul style="list-style-type: none"> Incurred upfront costs from investments in new technology and its implementation. Incurred costs from adaptation of new operational processes to accommodate new standards. 	<p>By investing in and implementing cutting-edge technologies and green initiatives that decrease carbon emissions in our operations, the REIT can establish itself as a frontrunner in sustainable property management.</p>
Market 	<ul style="list-style-type: none"> Decrease in revenue from cost increase. Economic transitions, such as recessions, can affect property values and rental incomes. A weak economic environment may lead to higher vacancies, reduced demand, and financial challenges for the REIT. 	<p>By communicating and marketing our commitment to sustainability, we can differentiate ourselves and attract environmentally conscious clients.</p>

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS

Transition Risk	Potential Impact	Opportunities
<p>Reputation</p> 	<ul style="list-style-type: none"> Investors and tenants increasingly prioritise sustainable and climate-resilient properties. Failure to meet these expectations may lead to dissatisfaction and reputational damage. 	<p>Opportunity to enhance the reputation of the REIT by being at the forefront of a climate-conscious service.</p>

Physical Risk

Physical Risks	Potential Impact	Opportunities
<p>Acute</p> 	<p>Severe weather events or natural disasters may disrupt supply chains, damage infrastructure and threaten safety, impacting operational continuity.</p>	<p>Taking proactive measures to address acute physical risks offers a chance to strengthen strategic resilience. Conducting comprehensive risk assessments, formulating emergency response plans and investing in resilient infrastructure can help alleviate immediate impacts.</p>
<p>Chronic</p> 	<p>Prolonged environmental changes, such as rising temperatures and shifting precipitation patterns pose persistent challenges, potentially affecting infrastructure, resource availability and our worker's health over the long term.</p>	<p>Incorporating sustainable practices, making investments in energy-efficient technologies, and embracing climate-resilient infrastructure can help alleviate the long-term impacts.</p>

Risk Management

We set our goals and measures geared towards mitigating the potential financial implications of climate change. These include the processes used to identify, assess and manage risks and how these processes are integrated into our existing risk management.

Climate Risk Identification	Climate Risk Assessment	Climate Risk Management
<ul style="list-style-type: none"> Climate-related risks are identified alongside other risks via the Enterprise Risk Management ("ERM") Framework. 	<ul style="list-style-type: none"> Potential climate-related risks are assessed based on their likelihood of occurrence and the impact on the business, if an adverse climate-related event occurs. The Audit and Risk Management Committee reviews the risk updates by departments on a quarterly basis. 	<ul style="list-style-type: none"> When necessary, the management implements action plans with specific timeframes for mitigation. The Audit and Risk Management Committee regularly examines the internal control processes and the results of risk management.

Metrics and targets

Al-Salām REIT measures carbon emissions, energy and water usage, expressing carbon emissions in tCO₂e, electricity in kWh and water in m³. To assess greenhouse gas ("GHG"), energy and water intensity, we compute absolute values and normalise them by dividing against the floor space of our operations in m². Additionally, we quantify the share of renewable energy generated by our solar panels within our total energy consumption in kWh.

We track and disclose emissions under Scope 1 and Scope 2, continuously monitor GHG emissions across our operations as well as uphold consistent enhancement of TCFD disclosures to be consistent with all relevant recommendations and regulatory requirements.



ROBUST CORPORATE GOVERNANCE

Robust governance is crucial to upholding sustainable business practices. Our objective is to carry out our operations in accordance with stringent legal and regulatory standards conducting business with the utmost honesty and integrity.

100%

operations assessed
for corruption-
related risks

Zero

cases on corruption
and bribery

Zero

cases of data privacy
breached & data loss



Sustainability Material Matters

- Corporate Governance & Anti-Corruption
- Regulatory Compliance & Risk Management
- Data Privacy and Cybersecurity

ROBUST CORPORATE GOVERNANCE

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

Corporate governance and anti-corruption measures serve as foundational pillars of ethical business practices and long-term sustainability. Effective corporate governance ensures that our operations are conducted with adherence to regulatory frameworks, allowing us to build the REIT's reputation and foster trust among our stakeholders. Our anti-corruption measures reinforce ethical governance, creating an environment where resources are efficiently allocated and decisions are merit-based.

Our Approach

Internal Standard Operating Procedures ("SOPs") play a pivotal role in maintaining seamless daily operations at Al-Salām REIT, covering areas such as business growth, internal controls, risk management, compliance, IT, talent management, finance and operations. We also established the Manager's Code of Conduct and Business Ethics ("the Code") to delineate the expected conduct for all employees and associates, along with disciplinary measures for noncompliance.

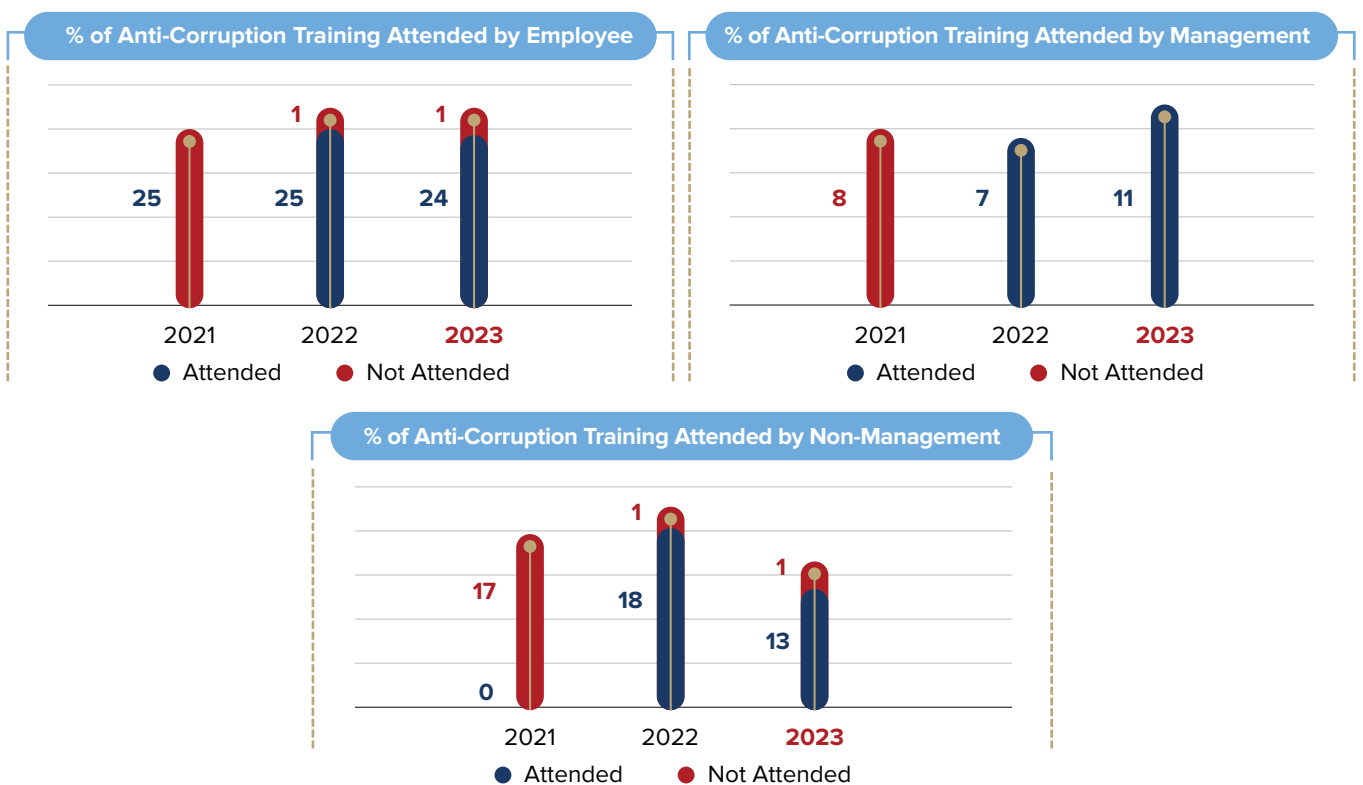
The Whistleblowing Policy and the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") are disseminated through various channels, including email, briefings, training sessions and posters. The Whistleblowing Policy has been revised to align with JCorp standards, ensuring confidentiality, impartial evaluation and appropriate action against malicious reports, adhering to the Whistleblowers Protection Act 2010.

Al-Salām REIT complies with the Malaysia Anti-Corruption Act of 2009 and has implemented the ABAC Policy, and the No-Gift, No-Entertainment Policy. Further initiatives include refresher briefings, integrity pledges from service providers and ongoing risk assessments, contributing to the REIT's regulatory compliance and a corruption-free environment.

Our Performance

I. Anti-Corruption Training

In FY2023, Al-Salām REIT documented a 96% employee participation rate in anti-corruption training initiatives, highlighting broad engagement and heightened awareness. Particularly noteworthy was the management team's 100% attendance rate to all training sessions. Meanwhile, 93% of non-management staff engaged in anti-corruption training.



ROBUST CORPORATE GOVERNANCE

II. Anti-Corruption Risk Assessment

All operations underwent a comprehensive evaluation in FY2023 which was conducted against 15 identified corruption risks. We achieved 100% coverage across five vital departments within the Manager. By subjecting our operations to an external assessment, the REIT reinforces transparency and mitigates corruption risks across various facets of our organisational structure.

- Fraud
- Bribery & Kickbacks
- Government Interaction
- Facilitation Payments
- Gifts, entertainment & hospitality
- Charitable and political donations, sponsorship
- Money Laundering
- Procurement Practices
- Collusion
- Conflict of Interest
- Embezzlement
- Recruitment
- Cyber Corruption
- Country of Operation



ZERO
reported cases of corruption and bribery

Source: Corporate Services

REGULATORY COMPLIANCE AND RISK MANAGEMENT

Regulatory compliance and risk management are integral to sustaining the trust, reputation, and operational resilience of the REIT. Adherence to regulatory frameworks is crucial for keeping our operations within legal boundaries, fostering trust among stakeholders and safeguarding against legal repercussions. Effective risk management facilitates the identification, assessment and mitigation of threats that could impact financial performance, reputation and overall business continuity.

Our Approach

The Manager manages a compliance report outlining the requisites of various acts, risk treatment, mitigation plans and risk ratings to ensure the REIT adheres to pertinent legal and statutory requirements. Upholding compliance also involves training sessions on legal requirements, seeking professional legal advice and conducting internal audits through external consultants to maintain objectivity. Equally vital is the compliance of tenants with stipulated legal mandates and agreements, such as the Uniform By-Laws 1984 and the Fire Services Act 1988.

Al-Salām REIT communicates these obligations to tenants through notifications and organises monitoring sessions for departments, contractors and consultants to ensure regulatory adherence. Additionally, the REIT requests insurance cover notes for property protection, maintains a manual notification planner for license renewals supervised by the Building Manager, and keeps the Board abreast of legal and secretarial updates for regulatory awareness. These initiatives are communicated internally through meetings and briefings, and externally through Annual General Meetings, analyst briefings, the REIT's corporate website and annual reports.

Our Performance

Risk management oversight is entrusted to the Board Audit and Risk Management Committee ("BARC"), with support from the Enterprise Risk Management Committee ("ERMC"). These committees embed risk management into the Manager's daily operations, encompassing the identification of risk parameters, appetite, profiles, treatment options, action plans and indicators.

ROBUST CORPORATE GOVERNANCE

Quarterly risk assessments, guided by the Enterprise Risk Management ("ERM") Policy and Framework, inform a detailed risk register, spanning strategic, financial, operational, compliance, IT, and integrity risks. Notably, the ERM Policy and Framework incorporate re-classifications such as ESG Risk, Market Risk, and Partnership Risk.

We conducted a supplier risk assessment this year, covering environmental, social, labour, health and safety, tax, and data protection issues which revealed no high risks. Regular communication and reporting mechanisms ensure risk owners address potential issues, presenting progress and mitigation plans at Management Committee meetings.

The essential national laws, regulations, and guidelines that pertain to the REIT's business encompass but are not restricted to:

- Capital Market Services Act 2007
- Main Market Listing Requirements
- Guidelines on Listed REITs
- Guidelines on Islamic Capital Market Products and Services
- Income Tax Act 1967
- EPF Act 1991
- Malaysian Code on Corporate Governance ("MCCG")
- Guidelines on Corporate Governance for Capital Market Intermediaries

The REIT complies with the Occupational Safety and Health Act (OSHA Act) concerning Building Management, upholding our pledge to foster a safe and healthy work environment across all buildings under our management.

Source: Legal Unit/ Operations/ Property Manager/ Service Manager

DATA PRIVACY AND CYBERSECURITY

In our role as custodians of extensive data, including tenant information, financial records and operational details, the REIT places great importance on protecting this information from unauthorised access, breaches and cyber threats. As digital services become integral to the REIT's operations, a robust cybersecurity framework is imperative to mitigate potential cyber-attacks, ensuring business operations continuity and preventing reputational damage.

Our Approach

Al-Salām REIT implemented initiatives and programmes designed to safeguard the privacy of both customers and employees. Notably, the REIT has established a User Access Rights Matrix, ensuring that access to sensitive information is only granted to authorised personnel. The REIT also strictly adheres to the Personal Data Protection ("PDP") Policy in compliance with data protection regulations.

In anticipation of potential security or privacy breaches, Al-Salām REIT instituted a Cyber Security Procedure. This procedure outlines essential measures to be taken in the event of a data breach, emphasising a swift response to mitigate risks and protect the integrity of information. Collectively, these initiatives reinforce the REIT's data privacy and cybersecurity, ensuring the resilience of our operations and stakeholder trust.

Our Performance

We are pleased to announce that for this financial year, there have been no instances of data breaches or loss of customer data, serving as a testament to the effectiveness of our data privacy and cybersecurity protocols.



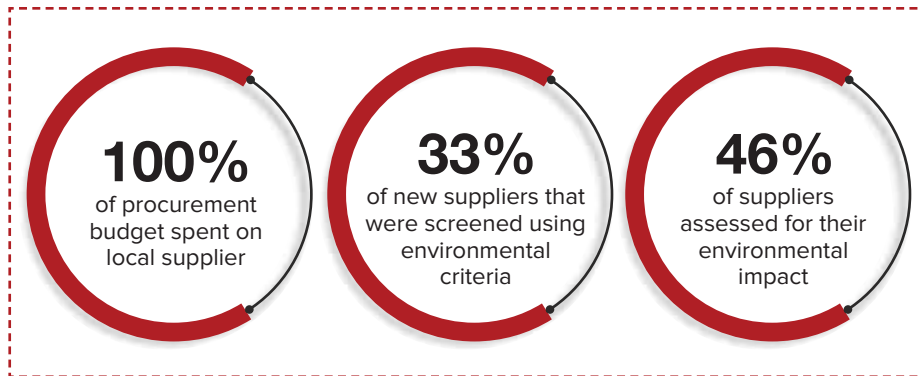
ZERO
incidents of data breaches and loss of
customer data

Source: Corporate Services



SUSTAINABLE TRUST FUND

Our diverse economic performance includes strong growth financial stability an unwavering dedication to responsible investment and an effective system for managing the supply chain.



Sustainability Material Matters

- Economic Performance
- Supply Chain Management

SUSTAINABLE TRUST FUND

ECONOMIC PERFORMANCE

Economic performance directly influences the financial health and sustainability of businesses. Positive economic performance provides stable returns for investors and also enhances the REIT's capacity to pursue strategic initiatives, such as property acquisitions and expansions.

Our Approach

The REIT strategically approaches economic performance by diligently managing the annual budget for our buildings. Through prudent budget management, we align the allocation of resources with our financial objectives, allowing for effective cost control and optimal utilisation of funds. This approach enables us to navigate economic uncertainties and respond to market dynamics, ultimately contributing to the long-term financial stability of our real estate investment portfolio.

Our Performance

Al-Salām REIT's Economic Performance	Total Amount (RM)
Economic value generated (revenue)	76,282,819
Operating costs	25,374,399
Payments made to providers of capital (dividends)	6,959,952
Economic value retained (profits)	21,702,044

Source: Finance

SUPPLY CHAIN MANAGEMENT

Effective supply chain management is essential for sourcing quality materials, engaging reliable suppliers, and maintaining cost-efficient processes throughout the lifecycle of real estate assets. An optimised supply chain promptly meets tenants' needs, increases property value and contributes to the REIT's overall financial performance and sustained growth.

Our Approach

Considering the REIT's role as a fund manager and the diverse nature of leasing agreements, Al-Salām REIT has a limited involvement in the selection of contractors and service providers for our properties. Under triple-net lease agreements, supply chain decisions and property expenditures rest with the tenant. Conversely, for other properties, significant construction or asset replacement necessitates approval from the REIT's trustee, while management services fall under the jurisdiction of the REIT's property managers.

The REIT acknowledges the impact of procurement decisions and supply chain management on our operations and, therefore, has vigilant oversight on all such determinations. Upon trustee approval for construction work, the REIT closely monitors the progress. Property managers are mandated to report on water and electricity consumption, with Al-Salām REIT utilising the gathered data to further implement targeted energy and water-saving initiatives that enhance operational efficiency.

Furthermore, we manage our supply chain through a structured approval process, particularly concerning any total replacement of assets. For assets under Al-Salām REIT ownership, we obtain prior approval from the trustee before proceeding with any substantial replacement. The management services for properties under the purview of the Manager encompass a range of responsibilities, including maintenance, cleaning, security, and cover statutory property expenses such as quit rent and assessment, along with insurance. In the case of properties operating under triple-net lease arrangements, statutory property expenses and insurance remain integral aspects overseen by the REIT.

SUSTAINABLE TRUST FUND

The REIT actively oversees the assessment procedures for suppliers, contractors and service providers. Screening criteria encompass elements such as pricing, punctuality, quality of service, after sales service and complaints received. Performance evaluations are conducted semi-annually, with stakeholders being ranked on a scale from one (1) to four (4) according to specific criteria. In cases of subpar performance, stakeholders receive reminders via letters or emails to encourage improvement.

Our Performance

I. Proportion of spending on local suppliers

Al-Salām REIT retained 100% local suppliers for three consecutive years, demonstrating our steadfast support for local businesses within our supply chain.

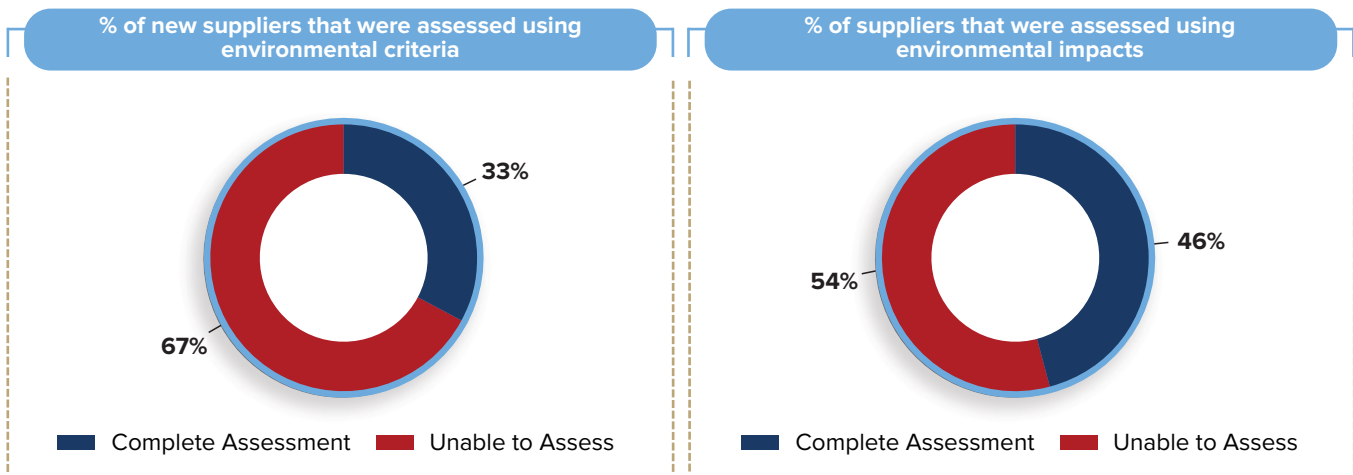
Al Salam REIT	2021	2022	2023
Total amount spent on all suppliers (RM)	20,317,617	24,432,874	29,632,609
Percentage of local suppliers	100%	100%	100%

II. Supplier assessment

In FY2023, Al-Salām REIT initiated assessments on both new and existing suppliers based on environmental criteria, screening 33% of new suppliers and 46% of total suppliers for their environmental impacts.

List of environmental criteria:

- Compliance with Environmental Regulation
- Natural Hazards
- Green Products/Packaging
- Energy and Water
- Air Emissions
- Climate Change
- Biodiversity



Source: Business Development



STRONG SOCIAL RELATIONSHIPS

Acknowledging that our purpose extends beyond asset management we embrace a broader responsibility to society and the environment. Accordingly we strive to foster a positive inclusive work environment that empowers our employees for development and growth.

920 hours
training hours
recorded for
employees

4.00
Lost-Time Injury
Rate ("LTIR")

Zero
cases of harassment
discrimination
& human rights
violation



Sustainability Material Matters

- Tenant and Customer Satisfaction
- Diversity and Inclusion
- Occupational Health and Safety
- Community Enrichment
- Labour Practices and Standards

STRONG SOCIAL RELATIONSHIPS

TENANT AND CUSTOMER SATISFACTION

Customer satisfaction, including retail and commercial tenants, directly impacts the reputation of the properties under management. A high level of satisfaction attracts quality tenants and strengthens relationships with customers, positively influencing the perception of the REIT within the market. Additionally, positive tenant experiences bolster tenant retention, reducing vacancy rates and enhancing the overall value of the real estate portfolio.

Our Approach

Employing various communication channels, we actively engage in initiatives promoting social betterment that concurrently enhance tenant relationships and align with evolving customer expectations. Moreover, we conduct biannual satisfaction surveys that gauge and improve tenant sentiment, allowing us to secure long-term tenancies. The surveys cover their satisfaction in aspects like cleanliness, security, technical features, concierge services, parking facilities, food courts and promotional activities.

Efficient complaint resolution is also integral to managing satisfaction. In KOMTAR JBCC, tenants, customers and shoppers can provide feedback or register complaints using designated feedback forms. Once a complaint is submitted, concierge personnel promptly forward the information to the respective Head of Department (“HOD”) to initiate the resolution process.

The HOD takes proactive measures to follow up on the issue, either through email or a phone call, ensuring open communication while addressing concerns. Al-Salām REIT works to provide a resolution within three working days, to ensure responsiveness, effective communication, as well as the overall satisfaction of our tenants and customers.

Additionally, we employ the ServeDeck system within all properties to address various concerns, encompassing mechanical, electrical, cleanliness issues, and more. The public can submit their concerns by scanning QR Codes strategically placed in public areas like lift lobbies and restrooms. Throughout the reporting period, the REIT tracks and documents all issues received. Every complaint or issue is resolved within a single day.

Our Performance

Al-Salām REIT achieved an impressive average survey score of 82.6% across our properties, including KOMTAR JBCC, Menara KOMTAR, and Pasaraya Komuniti @Mart Kempas.

Property	Total No. of Complaints/Issues Received	Satisfaction Survey Score (%)
KOMTAR JBCC	128	82.8
Menara KOMTAR	136	80
Pasaraya Komuniti @Mart Kempas	321	85

Source: Property Manager

STRONG SOCIAL RELATIONSHIPS

OCCUPATIONAL HEALTH AND SAFETY

A robust occupational health and safety framework safeguards against any potential risks while contributing to tenant and employee satisfaction. By prioritising health and safety measures, Al-Salām REIT adheres to regulatory requirements and creates a safe environment, thereby enhancing the overall value and attractiveness of our real estate portfolio.

Our Approach

Employees are encouraged to take responsibility for OHS matters by promptly reporting incidents, non-compliance and non-conformities. The Manager monitors operations and properties to mitigate workplace safety risks by establishing an Emergency Response Team (“ERT”) at each property with designated roles, including chairman, secretary, employer and employee representatives. The ERT is further organised into specialised teams such as Fire Fighting, Search and Rescue, and First Aid, ensuring efficient emergency response.

The REIT enhances preparedness through annual fire drills and emergency evacuation procedures. In anticipation of the upcoming 2024 fire drill, an awareness programme was organised in collaboration with The Fire and Rescue Department of Malaysia on October FY2023, serving to enrich the understanding of safety protocols. Tenants receive timely notifications about the fire drill through memos sent via email. In the event of an emergency, designated fire wardens guide tenants and customers towards the nearest exit doors for swift assembly at the designated safe area.

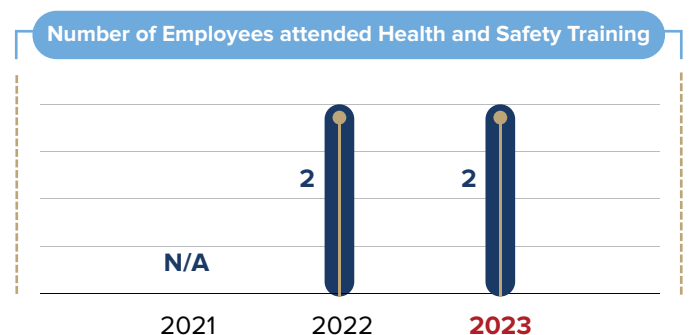
At Al-Salām REIT, we adopt a proactive stance towards health and safety, entrusting Howden Insurance Brokers with the responsibility of inspecting and identifying work-related hazards at our properties every 2 or 3 years. These regular inspections ensure a comprehensive assessment of potential risks, contributing to a safe and secure environment.

The REIT upholds workplace safety by eliminating risks to employees’ health and safety across dimensions such as usage, operation, storage, handling and material transportation. We also recognised the importance of a conducive work environment and began archiving a portion of documents, creating the space necessary for efficient office operations. The office layout, previously encumbered by surplus documents, had overloaded workstations and obstructed fire exists, posing a potential safety hazard to employees.

Our Performance

In FY2023, Al-Salām REIT recorded only one work-related incident, a testament to our effective safety measures. Additionally, 8% of the total employees participated in health and safety training sessions.

	2021	2022	2023
Number of work-related incidents	N/A	2	1
Total Number of Hours Work (all employees)	N/A	52,000	50,000
Lost Time Incident Rate (LTIR)	N/A	7.69	4.00



Source: Corporate Services & Property Managers

STRONG SOCIAL RELATIONSHIPS

LABOUR PRACTICES AND STANDARDS

Upholding ethical labour practices is instrumental in building trust among employees, stakeholders and the community. Complying with established standards aligns with legal and regulatory requirements which contributes to attracting and retaining skilled personnel. Furthermore, by adhering to stringent labour practices, we ensure fair treatment and employee well-being, fostering a positive workplace culture.

Our Approach

The Manager adheres to the core tenets outlined in the Employment Act 1955, denouncing any manifestations of child labour, forced labour or bonded labour within our operations. This extends to fostering a respectful workplace that clearly opposes any form of sexual violence, harassment, humiliation or intimidation.

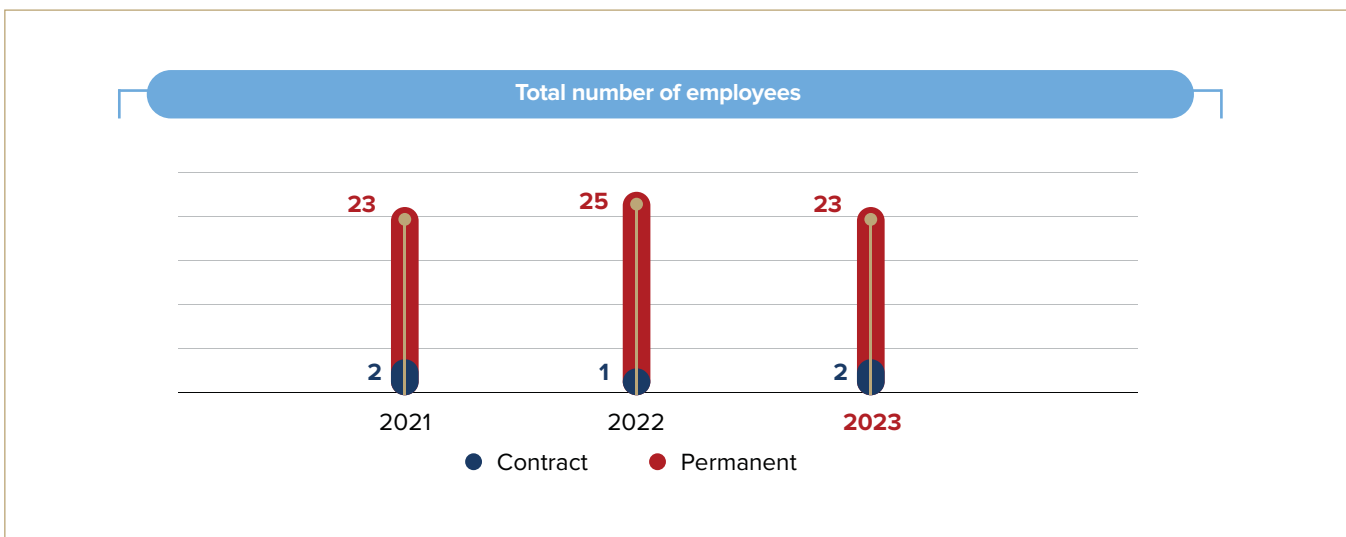
We actively pursue individuals who are innovative and possess the right experience to contribute to our expanding team. Our talent management programme focuses on enhancing both organisational core competencies and position-specific skills. During the annual performance and career development reviews, employees are strongly encouraged to engage in open discussions with their supervisors about their performance, aspirations and training needs.

The REIT promotes the exchange of talent and ideas, utilising the Human Resource functions to nurture our people. Furthermore, we also implemented talent development programmes that empower individuals to gain the necessary knowledge and skills for business excellence and unlocking their full potential.

We prioritise our people's well-being by offering competitive remuneration packages, including medical coverage, insurance, dental care, paternal leave and pilgrimage leave.

Our Performance

I. Total employee strength

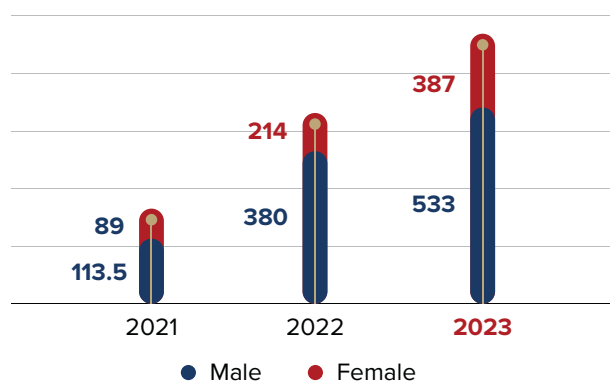


STRONG SOCIAL RELATIONSHIPS

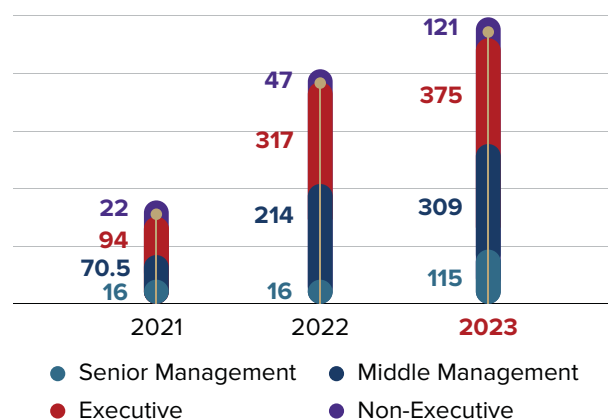
II. Total training hours

YEAR	FY2021	FY2022	FY2023
Total Training Hours	202.5	594	920
BY GENDER			
Total training hours for male	113.5	380	533
Total training hours for female	89	214	387
BY EMPLOYMENT CATEGORY			
Total training hours for senior management	16	16	115
Total training hours for middle management	70.5	214	309
Total training hours for executive	94	317	375
Total training hours for non-executive	22	47	121
BY PROGRAMME TYPE			
Technical	12	22	27
Personal Development	0	1	0
Regulatory/Compliance	1	6	5
Leadership	2	7	8
Safety	1	1	1
TOTAL PROGRAMMES	16	37	41

Total Training Hours by Gender



Total Training Hours by Employee Category



STRONG SOCIAL RELATIONSHIPS

III. Employee Turnover

Number of Employee Turnover by Employee Category and Gender										
Year	Senior Management		Management		Executive		Non-Executive		Total	RATE
	Male	Female	Male	Female	Male	Female	Male	Female		
2021	0	0	1	0	2	0	0	1	4	15%
2022	1	0	0	0	0	1	0	0	2	8%
2023	0	0	0	0	0	1	1	1	3	12%

IV. List of ESG-related trainings in FY2023

No.	Programme Name
1	Roundtable Discussion – Understanding ESG & How to Integrate into Business Practice
2	ESG, Stakeholder Capitalism and Sustainable and Responsible Investment (SRI)
3	SIRIM ESG SEMINAR 2023 – Driving ESG To Advance the Nation
4	Greenhouse Gas (“GHG”) Training Assessment (Scope 1,2,3)
5	Environmental, Social, and Governance (“ESG”) Program
6	Mandatory Accreditation Programme (Part 2): Leading for Impact (“LIP”)

V. Employee Survey

Criteria	Overall Satisfaction Score
Company Culture	62%
Manager/Supervisor	77%
Team Dynamics and Communication	73%
Compensation and Benefits	43%
Career Development and Growth Opportunities	57%
Workload	57%
Employee Well-being	57%



ZERO
complaints concerning human rights violations

Source: Corporate Services

STRONG SOCIAL RELATIONSHIPS

DIVERSITY AND INCLUSION

Embracing diversity ensures a wide spectrum of perspectives and talents within the workforce that fosters innovation and drives better decision-making processes. By cultivating a workplace that values differences, the REIT is better positioned to attract, retain and develop a diverse pool of talent. Furthermore, it aligns with the broader principles of social responsibility, contributing to a more harmonious society.

Our Approach

The REIT recognises the intrinsic value of a diverse workforce. We actively promote equal opportunities, fair treatment and a sense of belonging for all employees, fostering a collaborative environment where individuals from varied backgrounds can contribute their unique strengths and achieve their full potential.

Our Performance

Our workforce consisted of 25 employees, featuring a gender distribution of 60% men and 40% women, showcasing a well-balanced representation across genders within the REIT.

	FY2021	FY2022	FY2023
Total Employee Strength	25	26	25
Male	56%	54%	60%
Female	44%	46%	40%

Employment Category	FY2021	FY2022	FY2023
Senior Management	8%	4%	8%
Management	24%	23%	40%
Executive	40%	50%	36%
Non-Executive	28%	23%	16%

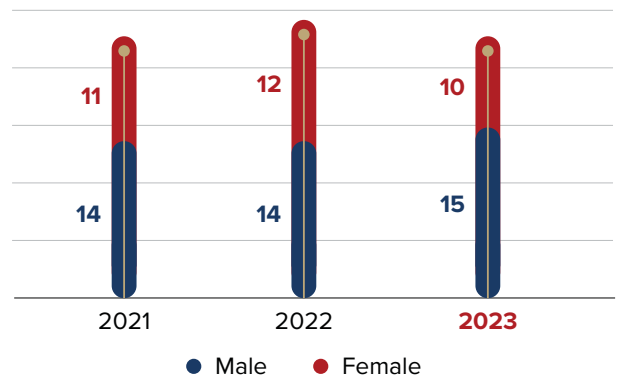
Age Group	<30	30-50	>50
Senior Management	0%	0%	100%
Management	0%	70%	30%
Executive	11%	89%	0%
Non-Executive	0%	100%	0%

STRONG SOCIAL RELATIONSHIPS

Employee Strength

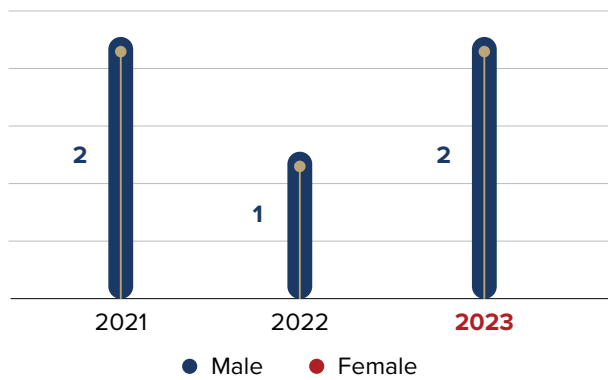


No. of Employees by Gender

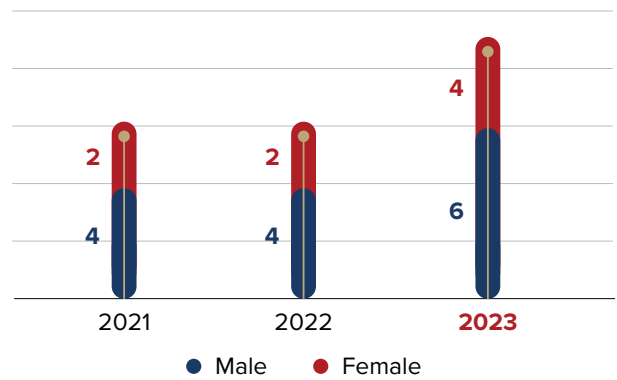


Number of Employees by Gender for Each Employee Category

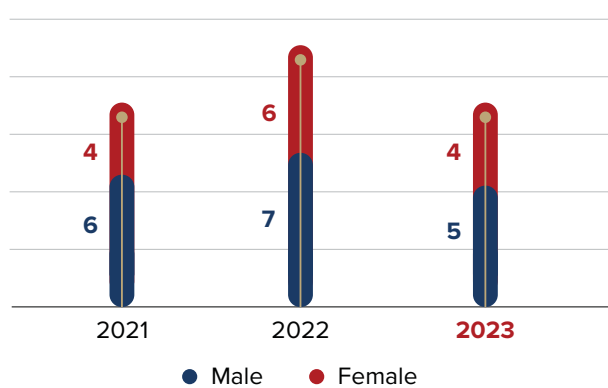
Senior Management



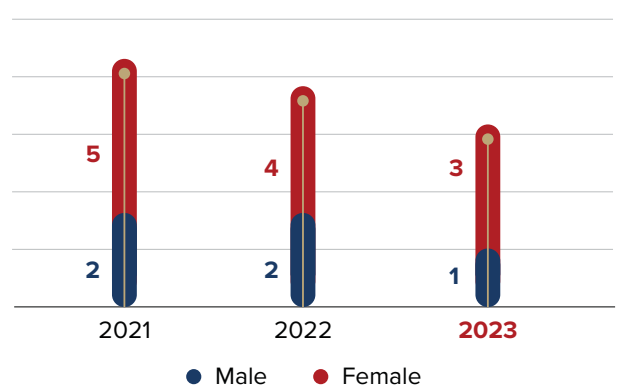
Management



Executive



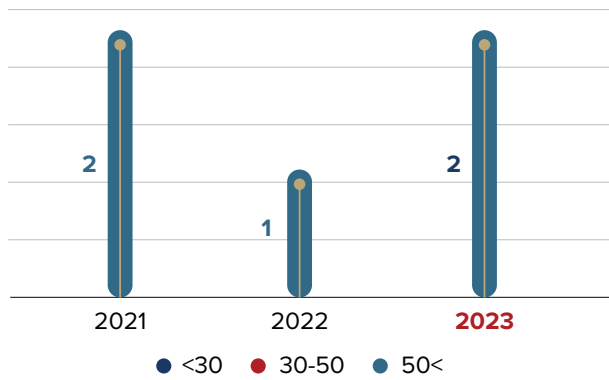
Non-Executive



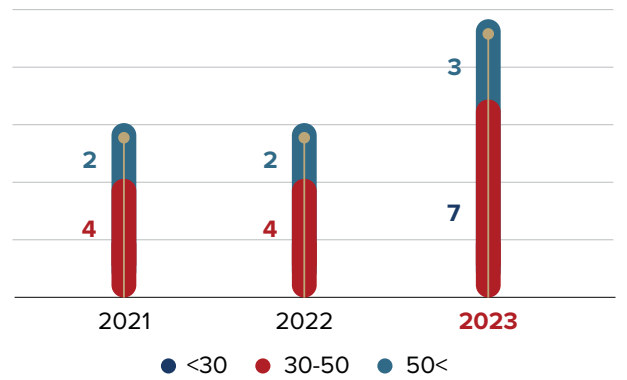
STRONG SOCIAL RELATIONSHIPS

Number of Employees by Age Group for Each Employee Category

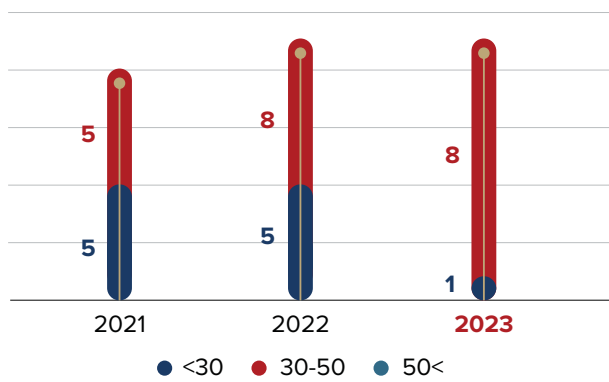
Senior Management



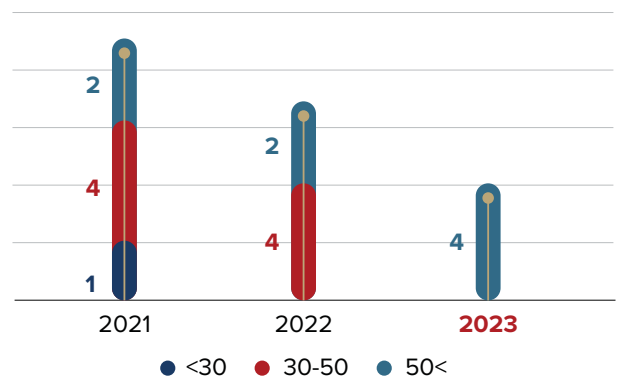
Management



Executive

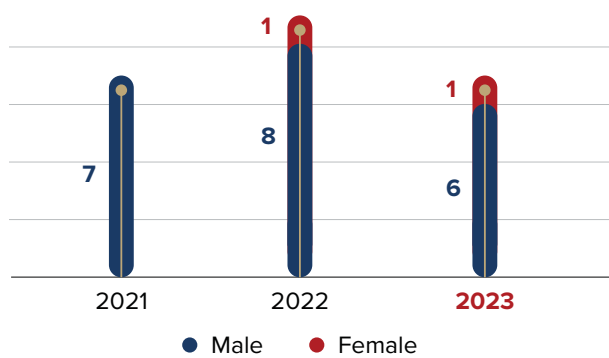


Non-Executive

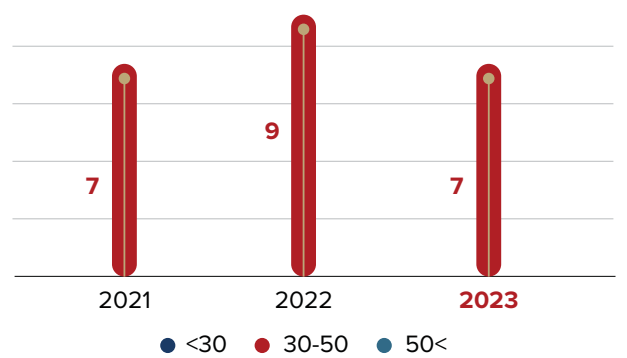


Number of Directors by Gender and Age Group

Gender



Age



Source: Corporate Services

STRONG SOCIAL RELATIONSHIPS

COMMUNITY ENRICHMENT

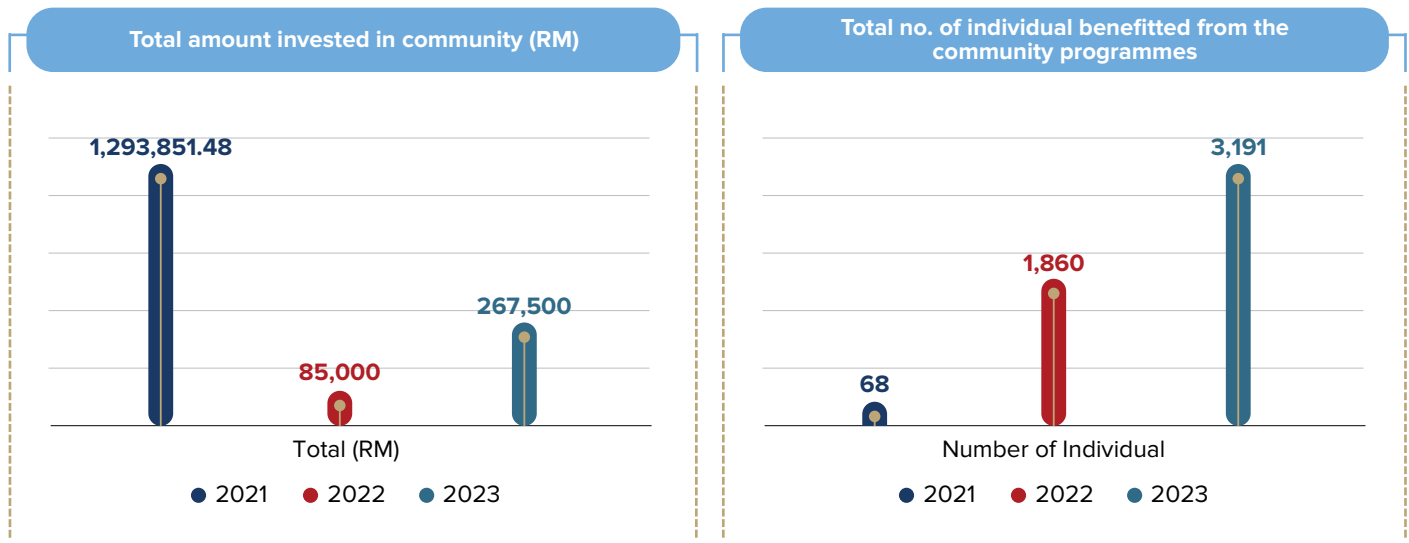
Engaging in community enrichment initiatives is crucial for cultivating a positive social impact and fostering sustainable development. Through active participation in activities that contribute to the well-being of local communities, Al-Salām REIT not only enhances its reputation but also plays a significant role in building more resilient and thriving neighborhoods.

Our Approach

Through strategic partnerships with Non-Governmental Organisations (“NGOs”) and other community-focused entities, Al-Salām REIT actively engages in initiatives that uplift local societies. These efforts extend beyond financial contributions, encompassing meaningful collaborations and programmes that address specific community needs.

Our Performance

In FY2023, Al-Salām REIT invested RM 267,500 in various community programmes, positively impacting a total of 3,191 individuals.



Source: Operations/ Property Manager



ENVIRONMENTAL STEWARDSHIP

In our joint pursuit of a sustainable future Al-Salām REIT acknowledges the profound importance of the surrounding environment. We are committed to incorporating sustainable and responsible investment practices into our operations actively exploring avenues to minimise energy waste and water consumption.

408,171.9 kWh
renewable energy
generated from
solar panels

37.87%
of energy saved by
utilising renewable
energy generated

Began reporting on
Scope 3 emissions for
employee business
travel in FY2023



Sustainability Material Matters

- Energy Emissions and Climate Resilience
- Waste Management
- Water Management

ENVIRONMENTAL STEWARDSHIP

ENERGY, EMISSIONS AND CLIMATE RESILIENCE

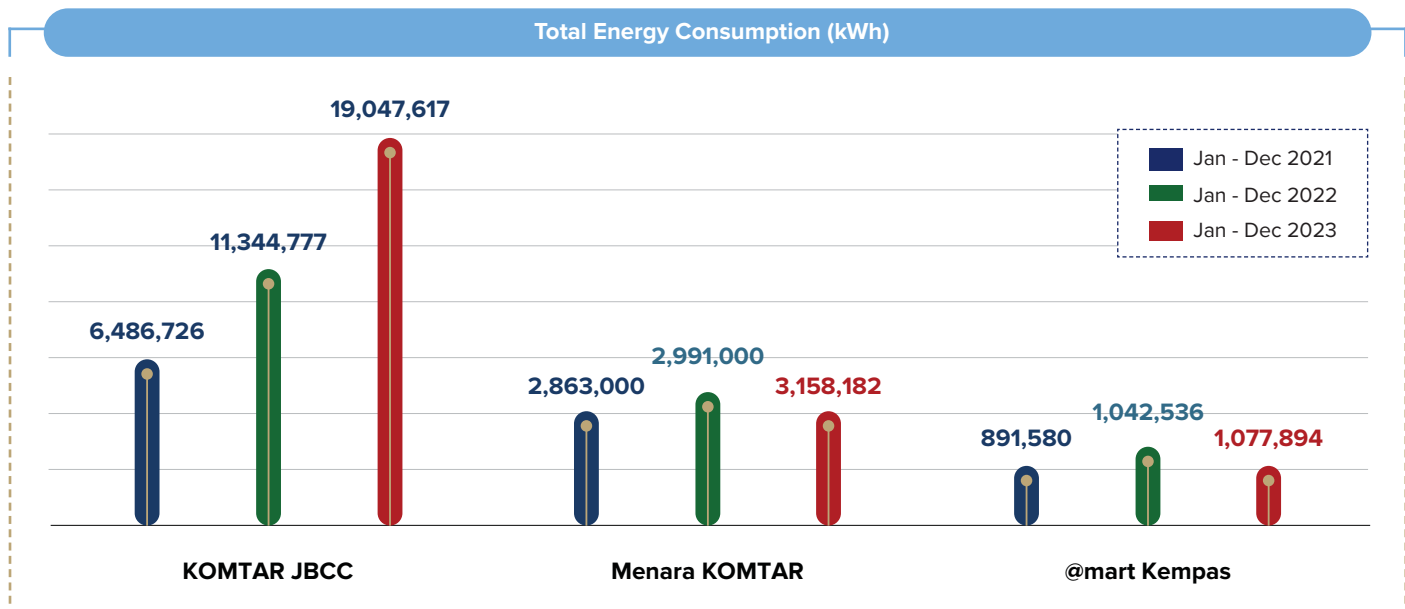
Recognising the global challenges posed by climate change, Al-Salām REIT embraced responsible energy consumption and emissions management as integral components of our operations. We prioritise energy-efficient practices and invest in climate-resilient infrastructure that contribute to broader environmental goals, ensuring the longevity of our properties as a responsible real estate player.

Our Approach

To bolster energy efficiency and climate resilience across our properties, we pursue the Green Building Index (“GBI”) certification. A preliminary assessment was conducted that revealed the potential for GBI certification following an upgrading process for KOMTAR JBCC and Menara KOMTAR.

Al-Salām REIT also implemented a Green Lease for tenants that reinforced sustainability practices, incorporating criteria such as Energy Usage, Renewable Energy, Chemical Usage, Waste and Water Management, and Sustainable Procurement. Furthermore, the REIT installed solar panels at Pasaraya Komuniti @Mart Kempas which included a revenue meter that records the solar PV system's electrical energy generation that is directly connected to the property for immediate utilisation. Additional energy-efficient measures we implemented include replacing fluorescent tubes and rescheduling operational hours for escalators, AHUs, kitchen exhaust fans, and kitchen fresh air fans, showcasing a holistic approach to energy management and climate resilience.

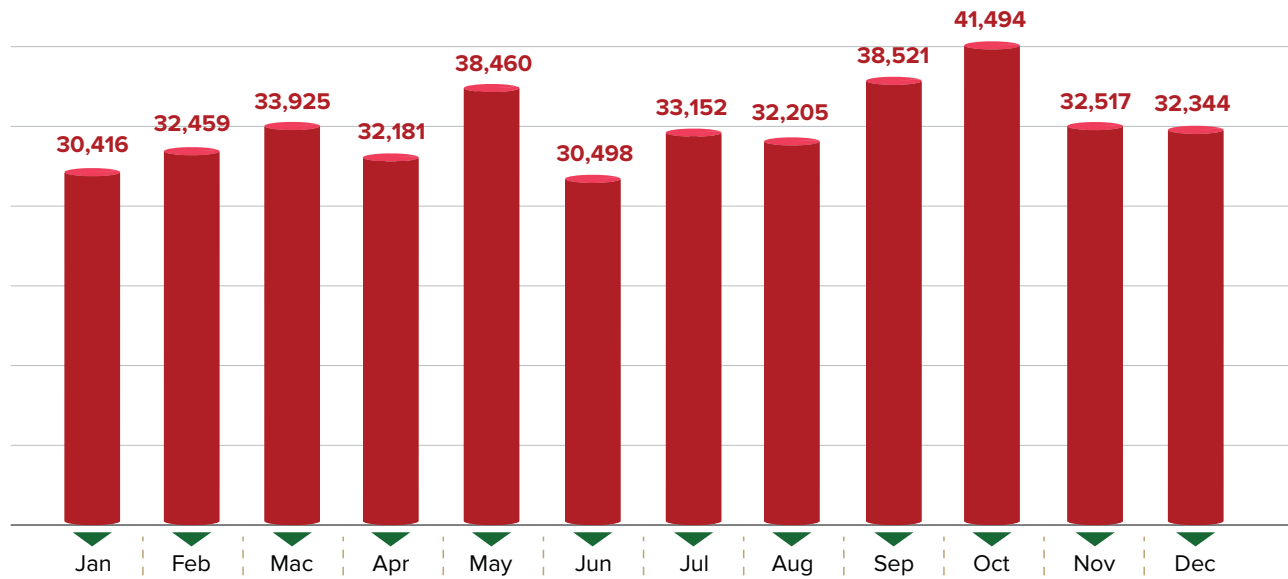
Our Performance



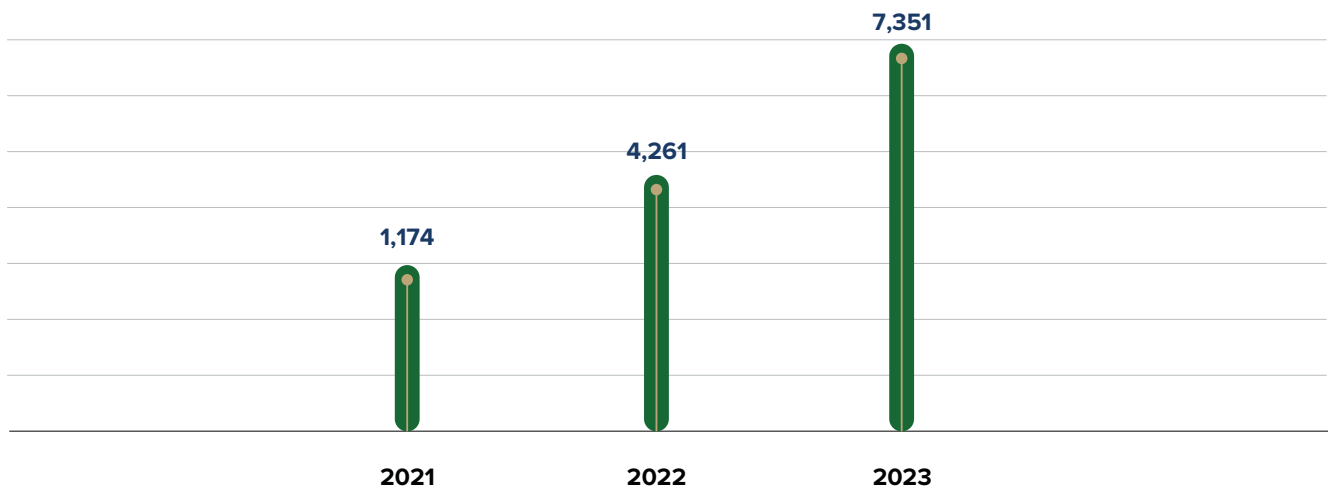
In FY2023, Al-Salām REIT generated 408,171.9 kWh of electricity from solar panels at Pasaraya Komuniti @Mart Kempas. The REIT effectively utilised 100% of the renewable energy generated, contributing to a 37.87% reduction in overall electricity consumption.

ENVIRONMENTAL STEWARDSHIP

Total Solar Energy Generated at Pasaraya Komuniti @Mart Kempas (kWh)



Total Diesel Consumption at HQ Office (L)



ENVIRONMENTAL STEWARDSHIP

The REIT recorded a 72.52% increase in Scope 1 emissions from diesel consumption, resulting in 19.82 tCO₂e. Additionally, Scope 2 emissions from electricity consumption at the Manager's office in Petaling Jaya and Johor Bahru were recorded at 22.93 tCO₂e, a 20.86% increase from FY2022.

In FY2023, we initiated the recording of Scope 3 emissions, encompassing employee business travel using cars and motorcycles which totalled 4.39 tCO₂e. The jump in the percentage of emissions was due to the lift in the COVID-19 Movement Control Order ("MCO"). Operations and business activities at the head office gradually resume to pre-MCO years. The Manager controls the rates of carbon emissions by introducing the Work-From-Anywhere concept, where applicable. Furthermore, we also recorded Scope 3 emissions related to downstream leased assets across our properties, registering 18,278.98 tCO₂e and experienced a 51.73% increase. To control carbon emissions from leased assets, the Manager is looking into green energy alternatives to reduce reliance on electricity.

GHG EMISSIONS		2021	2022	2023	
Scope 1 emissions (Fuel)					
Diesel	metric tonnes	3.16	11.50	19.85	
Scope 2 emissions (electricity)					
DRMSB Office – Petaling Jaya & Johor Bahru	metric tonnes	20.60	19.80	23.94	
Scope 3 emissions					
a)	DRMSB Employee Business Travel i. Car ii. Motorcycle	metric tonnes	N/A	N/A	4.25 0.15
b)	Downstream Leased Assets (JBCC, Menara KOMTAR, Pasaraya Komuniti @Mart Kempas) i. Water ii. Electricity		18.20 7,988.21	21.00 11,995.08	24.80 18,161.28
Total CO₂e (Tonnes)		8,030.17	12,047.38	18,234.26	

Source: Corporate Services & Property Manager

WATER MANAGEMENT

Recognising the vital role of water resources and its scarcity, the REIT acknowledges the need for efficient water usage across our properties. In implementing robust water management practices, Al-Salām REIT aims to minimise our environmental impact and promote conservation.

Our Approach

Al-Salām REIT supports responsible water consumption through targeted initiatives tailored to each property. At KOMTAR JBCC, the REIT implemented a strategic approach by closing toilets based on occupancy and demand, ensuring water usage aligns with actual needs.

In Menara KOMTAR, the emphasis is on creating awareness through prominent signage within the toilet areas, encouraging occupants to actively reduce water usage. Similarly, at Pasaraya Komuniti @Mart Kempas, the REIT employs awareness signages strategically placed in toilet and sink areas, fostering a culture of mindfulness among users.

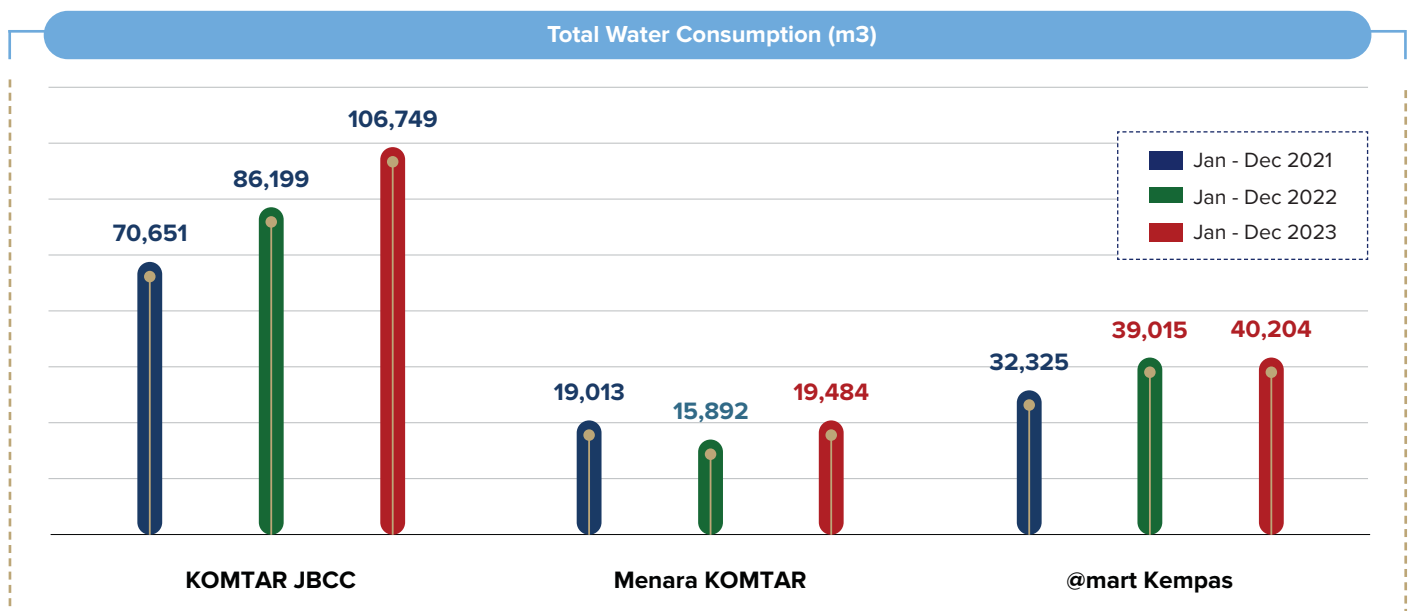
ENVIRONMENTAL STEWARDSHIP

Our Performance

In FY2023, Al-Salām REIT recorded water consumption of 166,437m³, a 17.95% increase compared to the figures from FY2022. Water consumption experienced an upward trend across all three properties, with KOMTAR JBCC recording the highest increase. Several factors contributed to this, including a rise in foot traffic driven by increased events, particularly at KOMTAR JBCC. The uptick in activity during FY2023 post-Covid also played a role.

Natural elements, such as the rainy season, influenced water usage as it was necessary to keep loading areas clean from mud brought in by rain. Furthermore, repair and maintenance activities at KOMTAR JBCC contributed to the overall water consumption.

Water Consumption (m ³)	2021	2022	2023
KOMTAR JBCC	70,651	86,199	106,749
Menara KOMTAR	19,013	15,892	19,484
Pasaraya Komuniti @Mart Kempas	32,325	39,015	40,204
Total	121,989	141,106	166,437



Source: Property Manager

ENVIRONMENTAL STEWARDSHIP

WASTE MANAGEMENT

The REIT recognises that efficient waste management has the potential to mitigate environmental impact and contribute to the overall well-being of the communities in which we operate. By adopting effective waste management strategies, Al-Salām REIT aims adhere to regulatory standards and minimise our ecological footprint.

Our Approach

KOMTAR JBCC, under the stewardship of Al-Salām REIT, contributes to sustainability by implementing a 3Rs (Reduce, Reuse, Recycling) programme. The programme involves strategically placing recycle bins throughout the premises, encouraging tenants to segregate waste responsibly.

The building also adopts a self-managing system, wherein the weight of the waste is measured and handed over to relevant licensed contractors for proper disposal, promoting resource efficiency and fostering a sustainable operational model.

The Manager is strategically devising a plan to implement Reverse Vending Technology with AI integration throughout all properties under management. This cutting-edge vending machine is designed to accept both PET bottles and aluminium cans seamlessly through a unified chute.

Our Performance

The REIT acknowledges that quantifying the amount of waste generated is essential and has initiated concrete steps to improve waste data tracking and recording. As Al-Salām REIT engaged with the relevant contractors and sought their insights on waste recycling handling, we identified areas for improvement, including the volume of waste generated and limited space at the loading bay for recycling bins. In response, the REIT has adopted a self-maintenance approach, involving the cleaning staff to assist in weighing the waste.

This initiative is currently being implemented at KOMTAR JBCC and is set to extend to other Al-Salām REIT buildings, such as Menara KOMTAR and Pasaraya Komuniti @Mart Kempas.

Source: Property Manager

CONCLUDING A YEAR OF PROGRESS

Through strong corporate governance, meticulous risk management, and a proactive approach to ESG factors, the REIT strives to set the standard for responsible real estate investment. Our dedication to transparency, integrity, and social responsibility is evident in our performance metrics, community enrichment initiatives, and prudent risk mitigation strategies. As a responsible corporation, the REIT not only aims for financial success but actively engages in fostering a positive impact on society and the environment. With these principles guiding us, we are committed to building a resilient and sustainable future where corporate ethics and economic success intertwine, shaping our ESG journey for years to come.

PERFORMANCE DATA TABLE

Robust Corporate Governance

Indicator	Unit	FY2021	FY2022	FY2023
Corporate Governance and Anti-Corruption				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
• Management	%	0	100	100
• Non-Management	%	0	95	93
Bursa C1(b) Percentage of operations assessed for corruption related risks	%	N/A	N/A	100
Bursa C1(c) Confirmed incidents of corruption and actions taken	Number	0	0	0
Data Privacy and Cybersecurity				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0

Sustainable Trust Fund

Indicator	Unit	FY2021	FY2022	FY2023
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	%	100	100	100
Sector Specified (REITs) S6(a) - Percentage of new suppliers that were screened using environmental criteria	%	N/A	N/A	33
Sector Specified (REITs) S6(a) - Percentage of suppliers assessed for environmental impacts	%	N/A	N/A	46

Strong Social Relationships

Indicator	Unit	FY2021	FY2022	FY2023
Occupational Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	N/A	7.69	4.00
Bursa C5(c) Number of employees (crews) trained on health and safety standards	Number	N/A	2	2
Labour Practices and Standards				
Bursa C6(a) Total hours of training by employee category				
• Senior Management	Hours	16	16	115
• Management	Hours	71	214	309

PERFORMANCE DATA TABLE

Indicator	Unit	FY2021	FY2022	FY2023
• Executive	Hours	94	317	375
• Non-Executive	Hours	22	47	121
Bursa C6(b) Percentage of employees that are contractors or temporary staff				
• Permanent	%	92	96	92
• Contract	%	8	4	8
Bursa C6(c) Total number of employee turnover by employee category				
• Senior Management	Number	0	1	0
• Management	Number	1	0	0
• Executive	Number	2	1	1
• Non-Executive	Number	1	0	2
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	0	0	0
Diversity and Inclusion				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Gender group by employee category				
• Senior Management (Men)	%	100	100	100
• Senior Management (Women)	%	0	0	0
• Management (Men)	%	67	67	60
• Management (Women)	%	33	33	40
• Executive (Men)	%	60	54	55
• Executive (Women)	%	40	46	45
• Non-Executive (Men)	%	29	34	25
• Non-Executive (Women)	%	71	66	75
Age group by employee category				
• Senior Management (<30)	%	0	0	0
• Senior Management (30-50)	%	0	0	0
• Senior Management (>50)	%	100	100	100
• Management (<30)	%	0	0	0
• Management (30-50)	%	67	67	70
• Management (>50)	%	33	33	30
• Executive (<30)	%	50	39	11
• Executive (30-50)	%	50	61	89
• Executive (>50)	%	0	0	0
• Non-Executive (<30)	%	15	0	0
• Non-Executive (30-50)	%	57	67	100

PERFORMANCE DATA TABLE

Indicator	Unit	FY2021	FY2022	FY2023
• Non-Executive (>50)	%	28	33	0
Bursa C3(b) Percentage of directors by gender and age				
• Men	%	100	89	86
• Women	%	0	11	14
• <30	%	0	0	0
• 30-50	%	0	0	0
• >50	%	100	100	100
Community Enrichment				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	1,293,851.48	85,000	267,500
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	68	1,860	3,191

Environmental Stewardship

Indicator	Unit	FY2021	FY2022	FY2023
Energy, Emissions, and Climate Change				
Bursa C4(a) Total energy consumption	GJ	10,241,306	15,378,313	23,283,693
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	3.16	11.50	19.84
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	20.60	19.80	23.93
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (business travel and employee commuting)	tCO ₂ e	8,006.41	12,016.08	18,230.82
Waste Management				
Bursa C10(a) Total waste generated	Metric tonnes	N/A	N/A	N/A
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	N/A	N/A	N/A
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	N/A	N/A	N/A
Water Consumption				
Bursa C9(a) Total volume of water used	L	121,989	141,106	166,437

CONTENT INDEX

GRI CONTENT INDEX

Statement of use	Al-Salām REIT has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	52
	2-2 Entities included in the organisation's sustainability reporting	52
	2-3 Reporting period, frequency and contact point	53
	2-5 External assurance	54
	2-6 Activities, value chain and other business relationships	52
	2-7 Employees	80-85
	2-8 Workers who are not employees	80
	2-9 Governance structure and composition	61
	2-10 Nomination and selection of the highest governance body	61
	2-11 Chair of the highest governance body	61
	2-12 Role of the highest governance body in overseeing the management of impacts	61
	2-13 Delegation of responsibility for managing impacts	61
	2-14 Role of the highest governance body in sustainability reporting	61
	2-16 Communication of critical concerns	71-72
	2-25 Processes to remediate negative impacts	71-72
	2-26 Mechanisms for seeking advice and raising concerns	71-72
2-27 Compliance with laws and regulations	72-73	
2-29 Approach to stakeholder engagement	62-63	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	64
	3-2 List of material topics	65
	3-3 Management of material topics	<i>Throughout</i>
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	68-69
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	76
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	72
	205-2 Communication and training about anti-corruption policies and procedures	71-72
	205-3 Confirmed incidents of corruption and actions taken	72
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	88
	302-4 Reduction of energy consumption	88
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	91
	303-5 Water consumption	91

CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	90
	305-2 Energy indirect (Scope 2) GHG emissions	90
	305-3 Other indirect (Scope 3) GHG emissions	90
	305-5 Reduction of GHG emissions	90
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	92
	306-2 Management of significant waste-related impacts	92
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	82
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	79
	403-2 Hazard identification, risk assessment, and incident investigation	79
	403-3 Occupational health services	79
	403-4 Worker participation, consultation, and communication on occupational health and safety	79
	403-5 Worker training on occupational health and safety	79
	403-9 Work-related injuries	79
	403-10 Work-related ill health	79
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	81
	404-2 Programmes for upgrading employee skills and transition assistance programs	82
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	83-85
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	82
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	86
41GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	73

TCFD CONTENT INDEX

TCFD Recommendation	References/ Location
Governance	Sustainability Statement FY2023, Page 68
Strategy	Sustainability Statement FY2023, Pages 68-69
Risk Management	Sustainability Statement FY2023, Page 69
Metrics and Targets	Sustainability Statement FY2023, Page 69

JCORP
Jaya Raya

MENARA
KOMTAR

