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# Sustainability Statement

## Our Statement at A Glance

JLG REIT Managers Sdn. Bhd, (the "Manager") presents the sustainability statement for Al-Salām Real Estate Investment Trust ("Al-Salām REIT" OR "the REIT"). In line with an increasing emphasis on Environmental, Social and Governance ("ESG") criteria, the REIT remains committed to sustainable practices to meet the evolving needs of our stakeholders while capitalising on ESG risks and opportunities. This statement outlines the integration of ESG principles into our REIT operations, providing an account of our initiatives and performance for the year ending 2024.

## Progress on Our Path

Al-Salām REIT has taken significant steps toward sustainability by leveraging renewable energy, notably through the rooftop solar PV project at Pasaraya Komuniti @Mart Kempas, which highlights the effectiveness of sustainable energy solutions. Our commitment to environmentally friendly practices is further reinforced by achieving Green Building Index ("GBI") certification for Komtar JBCC and Menara KOMTAR. Additionally, to monitor our carbon footprint, we have disclosed Scope 1, Scope 2, and limited Scope 3 GHG emissions while implementing energy-efficient measures across our properties.

We have strengthened our ESG strategy by incorporating Key Performance Indicators ("KPIs") with well-defined timeframes, ensuring clear objectives and transparent tracking. Our strategic approach includes enhanced climate-related disclosures, where we assess risks and opportunities across short, medium, and long-term scopes.

Our supply chain practices have been strengthened with an ESG assessment for new and existing major suppliers, along with ongoing supplier screening processes. We are proud to have maintained 100% local suppliers for the third consecutive year. Collectively, these activities underline our dedication to fostering a positive impact on society and the environment, paving the way for a balanced and sustainable future.

## Our Reporting Scope and Boundary

Our statement covers the REIT's activities from 1 January 2024 to 31 December 2024 ("FY2024"), encompassing KOMTAR JBCC, Menara KOMTAR, Pasaraya Komuniti @ Mart Kempas and our headquarters in Petaling Jaya and Johor Bahru.

### Our Businesses



KOMTAR JBCC



Menara KOMTAR



Pasaraya Komuniti @ Mart  
Kempas



# Sustainability Statement

## Reporting Frameworks and Standards

Our sustainability statement was prepared in accordance with Bursa Malaysia's Main Market Listing Requirements ("MMLR") and Sustainability Reporting Guide (3rd edition). Our climate disclosures are guided by the International Financial Reporting Standards ("IFRS") S2, the Global Reporting Initiative ("GRI") Standards and the United Nations Sustainable Development Goals ("UN SDGs").

## Data Integrity

The data presented in this sustainability statement has been provided by the respective data owners and information holders. To ensure accuracy, the Manager has appointed an external auditor to conduct a review of the data. We remain focused on improving our reporting and analysis to enhance the credibility and reliability of our disclosures.

## We Value Your Perspective

Al-Salām REIT values the insights and suggestions of our stakeholders as part of our continuous improvement in our sustainability reporting efforts. Kindly direct all questions, feedback, and inquiries to the contact provided below.

**Pn. Roziah Abu Bakar**  
Head of Compliance & Risk Management

**Email**  
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# Sustainability Statement

## Our Sustainability Performance

### ROBUST CORPORATE GOVERNANCE



**100%**

of our operations were assessed for corruption-related risks



**100%**

of employees received anti-corruption training



**Zero**

substantiated incidents of privacy breaches of data loss

### SUSTAINABILITY TRUST FUND



**100%**

of procurement budget was spent on local suppliers



**33%**

of new suppliers were screened using environmental criteria while

**42%**

of existing suppliers were assessed for their environmental impact

### STRONG SOCIAL RELATIONSHIPS



**Zero**

substantiated complaints regarding human rights violations



**Achieved**

score more than 85% for tenant and customer satisfaction



Maintained **zero** fatalities across the REIT

### ENVIRONMENTAL STEWARDSHIP



**92%**

of waste diverted from landfill



# Sustainability Statement

## Our Dynamic Reporting Journey

### FY2024

- Enhanced climate-related disclosures by evaluating risks and opportunities over short-, medium- and long-term
- Improved the ESG strategy by incorporating Key Performance Indicators (“KPIs”)
- Updated KPIs based on the REIT’s latest ESG performance, with allocated timeframes (short-, medium-, or long-term) allocated for each

### FY2023

- Enhanced climate-related disclosures by adopting TCFD Recommendations
- Streamlined material matters to Bursa disclosure requirements
- Conducted materiality reassessment and identified 13 material sustainability matters
- Reported on our limited Scope 3 GHG emissions
- Updated the Sustainability Governance Structure to reflect the formation of the BSC and SMC
- Streamlined materiality matters to Bursa Malaysia’s sustainability disclosure requirements

### FY2019- FY2022

- Conducted stakeholder engagement exercise in FY2019
- Implemented a three-tier governance structure
- Adopted SDG 8, 9, 11, 13 and 16 in FY2021
- Conducted a materiality reassessment in FY2021
- Reported on Scope 2 emissions

### FY2017- FY2018

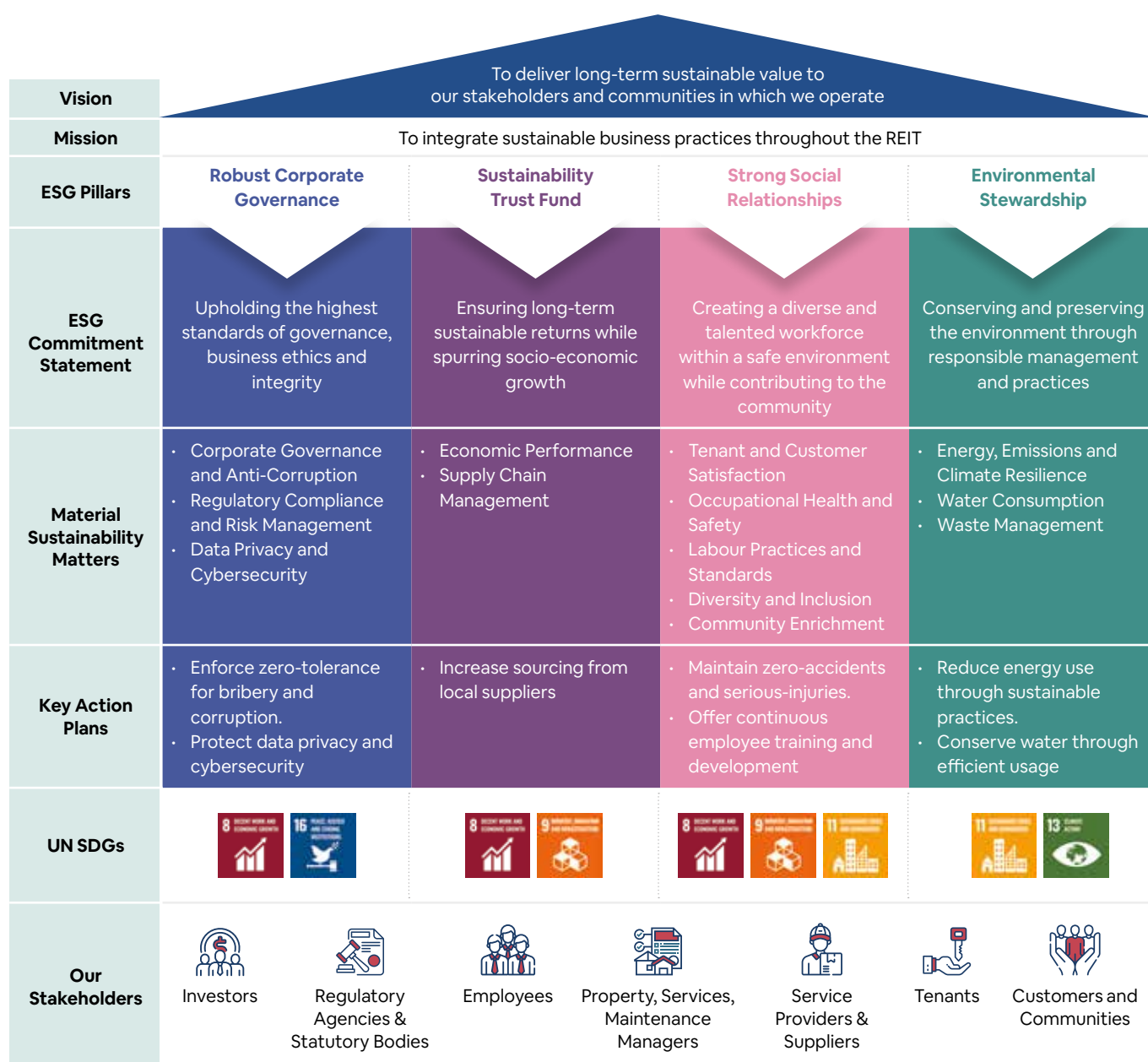
- Published inaugural Sustainability Statement in FY2017
- Established a Sustainability Governance Structure in FY2017
- Established an ESG Framework consisting of 5 pillars (Governance, Environment, Partner, Corporate Social Investment and People)

# Sustainability Statement

## Key Foundations of Sustainability

### Al-Salām REIT's ESG Strategy

Our commitment to responsible real estate management underscores our vision to deliver long-term value to our stakeholders and communities. By embedding ESG practices across our business, we strive to generate enduring value for our stakeholders. Our framework comprising four key pillars is guided by our Commitment Statement and aligned with relevant UN SDGs – steering the REIT towards a sustainable future.







# Sustainability Statement

## Advancing Global Initiatives

The UN SDGs set the agenda for sustainable development by 2030, aiming to foster peace, prosperity and an equitable future for all. The REIT has maintained six UN SDGs, aligning specific targets with our initiatives, focusing on areas where we can have the most meaningful impact.

|  |  |  |
|--|--|--|
| <p>UN SDG 8:<br/>Decent Work and Economic Growth</p>         | <b>Target 8.7: Measures to eradicate forced labour, modern slavery and child labour</b>  | <ul style="list-style-type: none"> <li>Ensured compliance with labour related regulations, including the minimum wage, no child labour and no forced labour</li> </ul>   |
|  | <b>Target 8.8: Protection of labour rights and promotion of safe and secure working environments for all</b>                           | <ul style="list-style-type: none"> <li>Provided continuous training programmes for employees and recorded 844 training hours</li> </ul>  |
| <p>UN SDG 9:<br/>Industry, Innovation and Infrastructure</p> | <b>Target 9.4: Upgrade infrastructure with greater adoption of clean and environmentally sound technologies</b>                        | <ul style="list-style-type: none"> <li>Installed solar panels in Pasaraya Komuniti @Mart Kempas, generating 440,724 kWh of electricity</li> <li>Achieved Green Building index certification for KOMTAR JBCC and Menara KOMTAR buildings</li> </ul>   |
| <p>UN SDG 11:<br/>Sustainable Cities and Communities</p>     | <b>Target 11.6: Reduce the adverse per capita environmental impact of cities by paying attention to municipal and waste management</b> | <ul style="list-style-type: none"> <li>Implemented a comprehensive 3Rs (Reduce, Reuse, Recycling) programme by strategically placing recycle bins throughout the premises, encouraging tenants to segregate waste responsibly</li> <li>Integrated Reverse Vending Technology with AI, enabling the easy recycling of PET bottles and aluminium cans through a single chute.</li> </ul>   |
| <p>UN SDG 13:<br/>Climate Action</p>                         | <b>Target 13.1: Integration of climate change measures into policies, strategies and planning</b>                                      | <ul style="list-style-type: none"> <li>Proactively evaluated energy efficiency improvements to minimise our carbon footprint</li> <li>Tracked and recorded Scope 1, Scope 2 and limited Scope 3 GHG emissions</li> <li>Enhanced climate-related disclosures by evaluating climate-related risk and opportunities over short-, medium- and long-term</li> <li>Implemented electricity saving initiatives by utilising renewable energy</li> </ul> |
| <p>UN SDG 16:<br/>Peace, Justice and Strong Institutions</p> | <b>Target 16.5: Reduce all forms of corruption and bribery</b>   | <ul style="list-style-type: none"> <li>Reviewed risks on the ERM Policy &amp; Framework on a quarterly basis</li> <li>Maintained Code of Conduct and Business Ethics</li> <li>Maintained Whistleblowing Policy</li> <li>Established Anti-Bribery and Corruption Policy and Manual</li> </ul>   |

# Sustainability Statement

## Key Measures of ESG Performance

The REIT has established KPIs to evaluate the success of our sustainability efforts, track advancements and communicate ESG performance to stakeholders. These metrics facilitate ongoing enhancement of our sustainability goals, direct our initiatives and inspire us to surpass expectations.

| Key Performance Indicators ("KPI")                |   |  |   |
|---|---|--|---|
| Material Matters                                  | KPIs  | FY2023 Performance   | FY2024 Performance  |
| <b>Robust Corporate Governance</b>                |   |  |   |
| <b>Corporate Governance and Anti-Corruption</b>   | Achieve 30% women on the Board of Directors.  | • 14% of the Board consists of women.                            | • 14% of the Board consists of women.   |
|   | To ensure 100% of operations are assessed for anti-corruption risk by FY2025.   | • Achieved   | • Achieved  |
|   | To provide training and regular communication on the ABAC Policy for 100% of the Manager's employees by FY2025.   | • Achieved   | • Achieved  |
| <b>Regulatory Compliance and Risk Management</b>  | Conduct an internal risk management review to incorporate ESG risk and opportunities into DRMSB's risk management.  | • Achieved   | • Achieved  |
|   | Conduct comprehensive ESG risk assessment throughout the organisation and formulate a risk response.  | • Achieved   | • Achieved  |
| <b>Data Privacy and Cybersecurity</b>             | Achieve zero customer privacy breaches and data losses.   | • Achieved   | • Achieved  |
| <b>Sustainability Trust Fund</b>                  |   |  |   |
| <b>Supply Chain Management</b>                    | Achieve 100% of procurement budget on local suppliers.  | • Achieved   | • Achieved  |
|   | Include ESG criteria as part of our supplier performance evaluation.  | • Conducted supplier assessment on environment related criteria. | • Conducted supplier assessment on environment related criteria.                                    |
| <b>Environmental Stewardship</b>                  |   |  |   |
| <b>Energy, Emissions &amp; Climate Resilience</b> | Achieve 30% reduction on energy consumption by utilising solar power.   | • 37.87% reduction recorded.                                     | • 8% increase recorded.   |
|   | Adopt Green leases for all lease renewals and implement adoption of green leases by new tenants by FY2025.  | • N/A  | • Incorporated Green Lease Clauses for existing and new tenants, targeting execution in Q1 of 2025. |
| <b>Waste Management</b>                           | Engage with Property Managers to conduct a pilot project for the installation of 3 recycling bins at retail properties and our headquarters to promote waste segregation at the source. | • Achieved   | • Achieved  |





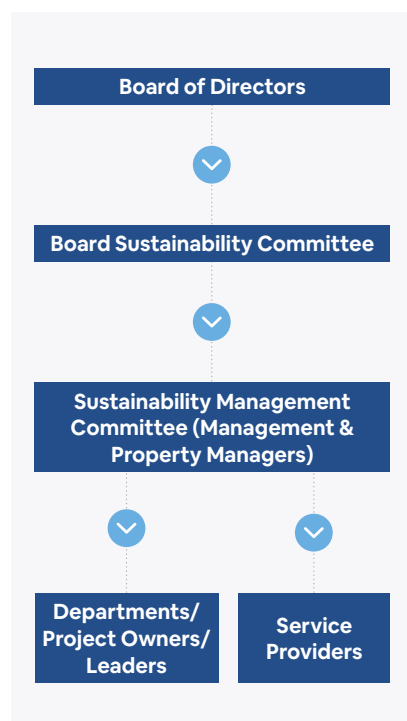
# Sustainability Statement

## Key Measures of ESG Performance (Cont'd)

| Key Performance Indicators ("KPI")      |  |   |  |
|---|--|---|--|
| Material Matters                        | KPIs   | FY2023 Performance  | FY2024 Performance   |
| <b>Strong Social Relationships</b>      |  |   |  |
| <b>Occupational Health &amp; Safety</b> | Achieve zero fatalities, permanent disabilities or major injuries across the Manager's operations. | • Zero fatalities and one injury recorded.                        | • Zero fatalities and no injury recorded.                                  |
| <b>Tenant and Customer Satisfaction</b> | Achieve a minimum score of 85% on our tenant satisfaction survey.                                  | • KOMTAR JBCC: 80%<br>• Menara KOMTAR: 84%<br>• @Mart Kempas: 85% | • KOMTAR JBCC: 95.74%<br>• Menara KOMTAR: 94.06%<br>• @Mart Kempas: 98.05% |
| <b>Labour Practices &amp; Standards</b> | Record zero incidents of human rights infringement throughout DRMSB operations.                    | • Achieved  | • Achieved   |

## Sustainability Leadership & Accountability

The Board of Directors provides strategic oversight of the REIT's sustainability agenda, ensuring alignment with long-term sustainability goals, including the management of climate-related risks and opportunities. The Board Sustainability Committee ("BSC") plays a key supporting role, while the Sustainability Management Committee ("SMC") provides regular updates on the Group's ESG performance and the implementation of sustainability initiatives.



### Roles and Responsibilities

- Provides strategic oversight over JLG REIT Managers Sdn Bhd's (the "Manager") overall sustainability agenda, policies, strategies and ESG performance
- Ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee
- Assists 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
- 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
- Executes ESG initiatives and reports to the SMC
- Assesses the effectiveness of the sustainable initiatives put in place, and monitors and maintains records on these initiatives

# Sustainability Statement

## Addressing Stakeholder Needs

Stakeholders are pivotal to Al-Salam REIT's operational excellence, as their input helps us meet their expectations and requirements. We maintain open communication and engage key stakeholders through diverse platforms, driving shared value and fostering strong, mutually beneficial alliances.

**Legend:** ● Every three years ● Yearly ● Half-yearly ● Quarterly ● Monthly ● Ongoing ● As and when required



### Investors

Investors supply the financial capital essential for our growth. Investor confidence affects the REIT's valuation, trading activity, dividend distributions, access to capital access, portfolio management, and overall market standing

#### Engagement Platform

- Yearly Shareholders' Meeting ("AGM")
- Company Website
- Yearly and Quarterly Financial Reports
- Investor Relations Presentations
- Investment

#### Areas of Concern

- Financial Performance
- Governance Practices
- Investor Relations
- Environmental issues
- Asset Security

#### Response

- Annual Audits
- Upholds strong governance practices



### Regulatory Agencies & Statutory Bodies

Regulatory agencies and statutory bodies play a crucial role for the REIT by ensuring compliance, preserving customer trust and contributing to financial market stability. Their oversight is vital for our credibility and success

#### Engagement Platform

- Quarterly compliance reports submitted to the Board
- Announcements, notifications & regular updates
- Compliance reviews and audits

#### Areas of Concern

- Adherence to Regulations
- Employment Practices
- Openness and Information Sharing

#### Response

- Adheres to current laws and regulations



### Employees

Employees are vital to us, playing a crucial role in managing, maintaining, and enhancing our properties. Their efforts significantly contribute to our operational efficiency and the overall success of our operations

#### Engagement Platform

- Performance and career growth plans
- Company Townhall Sessions
- Salary package Reviews
- Balancing work and personal life

#### Areas of Concern

- Employees' performance and growth
- Business strategies, goals and achievements
- Employees well-being
- Employees benefits

#### Response

- Provides career advancement and skill development opportunities, along with attractive benefits, to attract and retain top talent



# Sustainability Statement

## Addressing Stakeholder Needs (Cont'd)



### Property, Services, Maintenance Managers

Property, service, and maintenance managers are crucial in overseeing the efficient operation, upkeep, and value enhancement of assets. Their contributions are vital to the overall success and performance of the investment fund

#### Engagement Platform

- Monthly reporting
- Monthly meetings

#### Areas of Concern

- Maintenance Overview

#### Response

- Senior management consistently engages in discussions with all managers to address improvement opportunities
- Maintenance Managers submit monthly updates to REIT



### Tenants

Tenants are essential to the REIT by generating rental income, which ensures the financial performance and continuous growth of the real estate investment fund

#### Engagement Platform

- Tenant satisfactory survey
- Monthly reports
- Serve Deck complaint management
- Quarterly meeting

#### Areas of Concern

- Lease contracts
- Keeping leased premises in good repair and condition

#### Response

- Tenants are engaged through Performance Evaluations conducted by the Property or Maintenance Manager
- The Maintenance Manager holds formal sessions with tenants to address their queries and concerns



### Service Providers & Suppliers

Service providers and suppliers are vital, as they ensure the smooth operation of property management, maintenance, and other essential services, thereby supporting the overall health and sustainability of the business

#### Engagement Platform

- Assessment & performance reviews
- Adherence to the MACC Act
- Procurement Guidelines

#### Areas of Concern

- Tenant Procurement Procedures
- Business Practices

#### Response

- A representative from the Manager participates in supplier interviews to ensure compliance with the Manager's ESG-related policies and regulations.



### Customers and Communities

The presence and engagement of customers and communities are vital, as they enhance the vibrancy and success of retail properties, leading to positive economic and social impacts in the areas we serve

#### Engagement Platform

- Complaint handling
- Social media such as Facebook & Instagram
- E-mail Communication
- Community Activities
- Foodbank/Volunteer Work

#### Areas of Concern

- Corporate Social Responsibility
- Community Growth
- Environmental Effects

#### Response

- Participates in local community initiatives and charitable projects.
- Implements environmentally sustainable practices, such as adopting energy-efficient technologies

# Sustainability Statement

## Recognising Our Material Sustainability Matters

### Mapping Our Materiality Matrix

This reporting year we retained the materiality matrix from FY2023 as the identified issues remained highly relevant to our REIT operations and stakeholder interests. Our top six material matters are Corporate Governance and Anti-Corruption, Economic Performance, Regulatory Compliance and Risk Management, Tenant and Customer Satisfaction, Data Privacy and Cybersecurity and Occupational Health and Safety.



| 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             |                           |  |



# Sustainability Statement

## Aligning Our Material Matters

We connected each material matter to our ESG pillars, relevant UN SDGs and key stakeholder groups. This alignment clearly demonstrates how our business practices support both our corporate objectives and global goals.

| Robust Corporate Governance               |  |  | 8  | 16 |
|---|--|--|----|----|
| Corporate Governance and Anti-Corruption  | Upholding values, principles, standards and norms that are essential for business sustainability to prevent corruption, bribery and unethical behaviour.   |  |    |    |
| Regulatory Compliance and Risk Management | Managing operational, financial and compliance risks to ensure sustainable long-term growth, while adhering to laws, regulations, guidelines and specifications relevant to business operations.         |  |    |    |
| Data Privacy and Cybersecurity            | Prioritising data privacy and cybersecurity to safeguard our customers' personal and financial information, ensuring trust and mitigating risks associated with digital transactions and communications. |  |    |    |
| Sustainability Trust Fund                 |  |  | 8  | 9  |
| Economic Performance                      | Enhancing financial performance while effectively managing the broader economic impacts of infrastructure investments and associated services.   |  |    |    |
| Supply Chain Management                   | Managing supply chain activities to optimise value for customers and tenants, while ensuring that suppliers' products and services meet the Manager's standards and requirements.                        |  |    |    |
| Strong Social Relationships               |  |  | 8  |    |
| Tenant and Customer Satisfaction          | Maintaining high-quality properties that prioritise comfort, safety and to ensure positive experiences for both tenants and customers within properties.   |  |    |    |
| Occupational Health and Safety            | Implementing measures to prevent workplace accidents and injuries to ensure a safe and supportive working environment.   |  |    |    |
| Labour Practices and Standards            | Protecting the rights of employees, suppliers, and stakeholders while providing benefits, training, and development opportunities.   |  |    |    |
| Diversity and Inclusion                   | Fostering a diverse, inclusive workplace where all employees are treated with dignity and respect.   |  |    |    |
| Community Enrichment                      | Cultivating strong relationships through regular engagement to support the well-being of local communities.  |  |    |    |
| Environmental Stewardship                 |  |  | 11 | 13 |
| Energy Emissions and Climate Resilience   | Implementing initiatives for responsible energy management to minimise the impact of climate change  |  |    |    |
| Water Consumption                         | Minimising waste generation and ensuring proper disposal   |  |    |    |
| Waste Management                          | Implementing measures to reduce water consumption  |  |    |    |

# Sustainability Statement

## Integrating Climate Initiatives

The REIT provides stakeholders with valuable insights into our environmental impact and resilience strategies by transparently disclosing climate-related risks and opportunities. Our disclosure facilitates informed decision-making and supports responsible resource distribution.

### Governance

Effective governance of climate-related risks and opportunities is a key priority for the Board, reflecting its commitment to long-term resilience and value creation. Through strategic oversight, the Board ensures that climate considerations are embedded in decision-making, while management actively assesses and addresses climate-related challenges to protect and enhance our assets.

| Climate-related roles and responsibilities |   |
|--|---|
| Board of Directors                         | <ul style="list-style-type: none"><li>• The Board provides strategic oversight of the REIT’s sustainability strategies, policies and performance, including climate-related matters</li><li>• The Board reviews and approves ESG KPIs, including those related to climate</li></ul>                           |
| Management                                 | <ul style="list-style-type: none"><li>• The SMC advises the Board on sustainability strategies, initiatives and climate-related matters.</li><li>• The Sustainability Committee monitors and oversees the implementation and performance of sustainability initiatives and climate-related efforts.</li></ul> |

### Strategy

The SMC plays a pivotal role in shaping our sustainability agenda, ensuring a proactive approach to climate-related risks and opportunities. Acting as a bridge between strategy and execution, the SMC formulates initiatives, monitors progress and reports key developments to the Board. By providing informed recommendations, the SMC empowers management to navigate the evolving sustainability landscape and drive long-term resilience.

### Transition Risks

| Transition Risks   | Potential Impact   | Opportunities   |
|--|--|---|
| Policy and Legal   |  |   |
| Future implementation of carbon taxes or other carbon pricing mechanisms   | <ul style="list-style-type: none"><li>• Increased costs due to stricter environmental regulations and standards, potentially leading to legal liabilities.</li></ul>   | Complying with or exceeding environmental regulations provides access to new markets and allows us to address legal risks proactively.  |
| Technology   |  |   |
| Challenges in adopting new technologies and low-carbon operating processes | <ul style="list-style-type: none"><li>• Upfront costs for new technology, such as solar panels and smart building solutions, aimed at enhancing energy efficiency.</li><li>• Costs associated with adapting operational processes to meet new standards.</li></ul> | By investing in advanced technologies and green initiatives, such as solar panels and smart building solutions to reduce carbon emissions, we strengthen our position as a leader in sustainable property management. |





# Sustainability Statement

## Integrating Climate Initiatives (Cont'd)

### Strategy (Cont'd)

#### Transition Risks (Cont'd)

| Transition Risks  | Potential Impact   | Opportunities   |
|---|--|---|
| <b>Market</b>   |  |   |
| Fluctuating market conditions and customer preferences  | <ul style="list-style-type: none"> <li>Lower revenue due to rising costs.</li> <li>Economic downturns such as recessions can lower property values and rental income, increasing vacancies and financial challenges for the REIT.</li> </ul> | Highlighting our commitment to sustainability differentiates us and attracts eco-conscious clients.     |
| <b>Reputation</b>   |  |   |
| Reputational damage may result from the delayed adoption of low-carbon practices compared to industry peers | <ul style="list-style-type: none"> <li>Climate-resilient and sustainable properties remain a top priority for investors and tenants. Failing to meet these expectations could result in dissatisfaction and reputational harm.</li> </ul>    | Leading in climate-conscious services presents the REIT with the opportunity to enhance its reputation. |

#### Physical Risks

| Physical Risks  | Potential Impact  | Opportunities  |
|---|---|--|
| <b>Acute</b>  |   |  |
| The occurrence of short-term extreme climate-related events such as heat waves, floods, landslides and other severe weather phenomena | Severe weather and natural disasters can potentially disrupt supply chains, damage infrastructure and compromise safety, all of which can impact the continuity of our operations.  | Conducting risk assessments, developing emergency response plans and investing in resilient infrastructure can mitigate immediate impacts and strengthen resilience. |
| <b>Chronic</b>  |   |  |
| Long-term impacts, such as extreme weather fluctuations, including prolonged high temperatures and heavy rainfall                     | Long-term environmental changes, such as rising temperatures and shifting rainfall patterns present ongoing challenges that may affect infrastructure, resources and worker health. | Adopting sustainable practices, investing in energy-efficient technologies and building climate-resilient infrastructure can reduce long-term impacts.               |

# Sustainability Statement

## Integrating Climate Initiatives (Cont'd)

### Risk Management

Our goals and strategies are designed to address the financial risks associated with climate change. This include the processes for identifying, assessing and managing these risks, ensuring they are fully integrated into our risk management framework.

| Risk Management            | Description   |
|----------------------------|---|
| <b>Risk Identification</b> | The Group employs a structured risk assessment approach integrated into daily operations alongside other risks via our Enterprise Risk Management (“ERM”) Framework.  |
| <b>Risk Assessment</b>     | <p>Key risks are assessed based on their likelihood of occurrence and potential impact on the business, particularly in the event of adverse climate-related incidents.</p> <p>An Audit and Risk Management Committee has been established to review and update risks on a quarterly basis, with input from each department</p>   |
| <b>Risk Management</b>     | <p>To manage identified risks, the Group has implemented the following measures:</p> <ul style="list-style-type: none"> <li>• <b>Enterprise Risk Management Framework:</b> The RMC continuously monitors, evaluates and manages significant risks. Corrective actions are implemented as necessary, and their effectiveness is regularly reviewed.</li> <li>• <b>Internal Controls:</b> Our Management implements action plans with specific timeframes for mitigation when necessary</li> <li>• <b>Internal and External Audits:</b> The Audit and Risk Management Committee regularly examines the internal control process and the results of the risk management</li> </ul> |

### Metrics and Targets

We monitor and disclose our annual Scope 1, Scope 2, and limited Scope 3 greenhouse gas (“GHG”) emissions, including those from business travel, employee commutes, waste generated and downstream leased assets.

| Metric                  | Unit   | Description   |
|-------------------------|--|---|
| GHG Emissions           | Tonnes of carbon dioxide equivalent (“tCO <sub>2</sub> e”) | Measures total GHG emissions, including Scope 1, Scope 2 and limited Scope 3 emissions. |
| Energy Usage            | Gigajoules (“GJ”)  | Tracks total fuel and electricity consumption.  |
| Fuel Consumption        | Litres (“L”)   | Measures total amount of fuel used.   |
| Electricity Consumption | Megawatt-hours (“MWh”)                                     | Records total electricity consumption.  |
| Waste                   | Metric tonnes (“MT”)                                       | Quantifies total amount of waste generated.   |
| Water Usage             | Megalitres (“ML”)  | Measures water consumption.   |



# ROBUST CORPORATE GOVERNANCE

The REIT upholds high standards of governance, ethics, and integrity to drive sustainable growth and long-term value creation. Effective governance guides our direction, ensuring business is conducted in full compliance with legal and regulatory standards.

## Materiality Matters

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

## Key Stakeholders



## Sustainability Statement

### Corporate Governance and Anti-Corruption

Strong corporate governance ensures the stability of Al-Salām REIT’s operations and fosters trust with our stakeholders. By upholding responsible governance and effective anti-corruption measures, we cultivate fair, transparent and merit-based culture crucial to our integrity and commitment to excellence.

The REIT’s daily operations are guided by our internal Standard Operating Procedures (“SOPs”), ensuring consistent and efficient management across business activities. The Manager’s Code of Conduct and Business Ethics outlines the expected standards of behaviour and disciplinary measures for employees, incorporating Whistleblowing and Anti-Corruption Policies.

#### Anti-Corruption Policy

- Upholds conformity to the Malaysian Anti-Corruption Act 2009
- Outlines and informs the Manager’s principles and guidelines with regards to money laundering, gifts, entertainment and hospitality expenses
- Fortified by our No-Gift, No-Entertainment Policy
- Internally circulated among staff through briefing and training, and published on the corporate website for external communication

#### Whistleblowing Policy

- Aligns with the Whistleblowers Protection Act 2010
- Provides a secure mechanism for reporting non-compliance and misconduct within Al-Salam REIT
- Reports are treated impartially and confidentially, and any instances of malicious intent in reporting are appropriately addressed

### Our Initiatives on Anti-bribery and Corruption

Conduct refresher, briefing and training sessions

Maintain due diligence procedures

Ensure integrity pledges by business partners

Conduct risk assessments

### Anti-Corruption Training

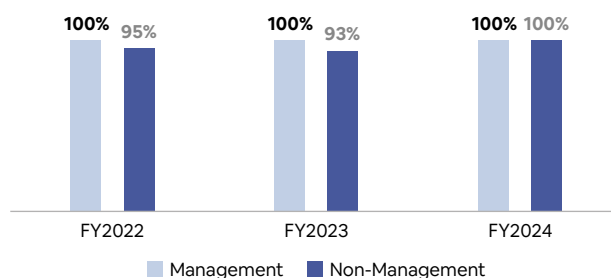
In FY2024, we are pleased to report that 100% of our employees received anti-corruption training.



**100%**

of our operations underwent corruption risk assessments (FY2023: 100% assessed)

Percentage of Employees who Received Anti-Corruption Training





# Sustainability Statement

## Corporate Governance and Anti-Corruption (Cont'd)

### Anti-Corruption Training (Cont'd)

Notably, we are proud to report zero incidents of corruption or non-compliance in the reporting year. We conducted corruption-related risk assessments across all internal operations and compiled the findings into an integrity risk register. This register was then presented to the Board Audit Risk Committee ("BARC") and the Board Investment Committee ("BIC") for evaluation and assessment.

#### Operations in Al-Salam been assessed against 15 corruption risks

|                  |   |                        |
|------------------|---|------------------------|
| Fraud            | Bribery & Kickbacks                         | Conflicts of Interest  |
| Collusion        | Environmental Corruption                    | Government Interaction |
| Embezzlement     | Facilitation Payments                       | Country of Operation   |
| Recruitment      | Gifts, Entertainment & Hospitality          | Money Laundering       |
| Cyber Corruption | Charitable, Political Donation, Sponsorship | Procurement Practices  |

## Regulatory Compliance and Risk Management

The REIT prioritises regulatory compliance and robust risk management as crucial components to building long-term value, enhancing our reputation, and ensuring operational resilience. Compliance ensures legal adherence and fosters stakeholder trust, while effective risk management identifies, assesses and mitigates threats to financial performance, reputation and business continuity.

To ensure regulatory compliance, the Manager oversees comprehensive compliance reports, conducts training sessions, seeks legal advice and performs audits. Al-Salām REIT communicates regulatory obligations to tenants, monitors compliance and keeps the Board informed of legal developments.

### Risk Management

Risk management at Al-Salam REIT is overseen by the BARC, supported by ERM and implemented by Risk owners.

#### Board Audit and Risk Committee

- Oversees the risk management framework and policies, including keeping abreast with new or emerging trends. This includes reviewing, monitoring and assessing the control effectiveness of key risks, such as sustainability and climate-related risks

#### Enterprise Risk Management Committee

- Oversees risk management strategy operations, framework and policies
- Reports any comprehensive risk to the BARC
- Conducts quarterly risk assessments, which are documented in a comprehensive risk register

# Sustainability Statement

## Regulatory Compliance and Risk Management (Cont'd)

### Risk Management (Cont'd)

**Risk Owners**

- Manages day-to-day risks inherent in business activities, guided by established risk strategies, frameworks and policies
- Controls risks by utilising business control and compliance frameworks, implementing internal control processes and adequate measures

In 2024, our supplier risk assessment revealed no high risks in critical areas such as environmental, social, labor, health and safety, tax and data protection. We emphasise the importance of risk management to our stakeholders, ensuring that risk owners take prompt action to address any issues. During Committee meetings, Management is updated on our progress and reviews mitigation strategies.

The REIT adheres to various national laws, regulations and guidelines, including but not limited to the following:

|                                  |   |  |
|----------------------------------|---|--|
| Main Market Listing Requirements | Guidelines on Listed REITs                      | Guidelines on Islamic Capital Market Products and Services           |
| EPF Act 1991                     | Malaysian Code on Corporate Governance (“MCCG”) | Guidelines on Corporate Governance for Capital Market Intermediaries |

## Data Privacy and Cybersecurity

The REIT recognises the importance of safeguarding our tenants’ information from unauthorised access, breaches and cyber threats. To this end, initiatives to protect customer data, employee privacy and operation details are in place to strengthen data privacy, cybersecurity and operational resilience, while maintaining stakeholder trust.

| Initiatives to safeguard data  |   |  |  |
|--|---|--|--|
| Applied a User Access Rights Matrix to ensure that only authorised personnel can access to sensitive information | Adhered to the Personal Data Protection (“PDP”) Policy to comply with regulations and to serve as a guide for safeguarding data | Established Cyber Security procedures which outline essential measures to be taken in the event of data breach | Established Data Recovery Procedure which outlines the key steps for performing data recovery activities during an unplanned incident affecting our working data |

We are pleased to report zero complaints regarding breaches of customer privacy or data loss in FY2024.





# SUSTAINABILITY TRUST FUND



Economic growth is vital to Al-Salām REIT's sustainability initiatives. Through effective fiscal management, we drive strong financial performance and ensure long-term returns, contributing to economic advancement. This approach secures value for both the REIT and delivers significant benefits to our stakeholders and society at large.

## Materiality Matters

- Economic Performance
- Supply Chain Management

## Key Stakeholders



# Sustainability Statement

## Economic Performance

The REIT’s robust financial performance is fundamental to delivering sustainable returns to unitholders and advancing our strategic objectives, including property acquisitions and portfolio expansion. Prudent financial management, encompassing rigorous cost control and resource allocation, safeguards the long-term financial stability of our real estate portfolio.

| Al-Salām REIT’s Economic Performance |                 |   |                                   |
|--------------------------------------|-----------------|---|-----------------------------------|
| Economic value generated (revenue)   | Operating costs | Payments made to providers of capital (dividends) | Economic value retained (profits) |
| RM78,453,248                         | RM(27,038,362)  | RM4,059,917                                       | RM5,284,450                       |

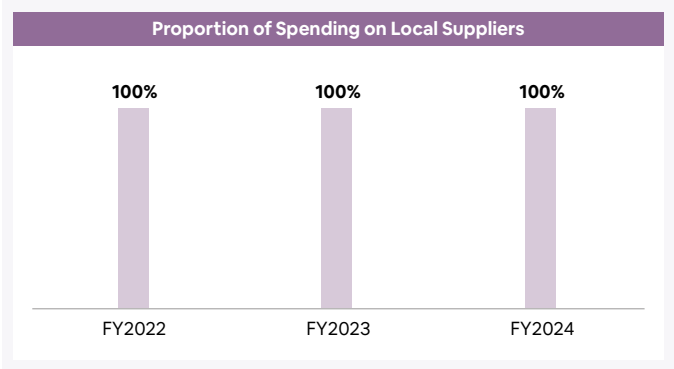
## Supply Chain Management

Effective supply chain management contributes to tenant satisfaction, property value enhancement, and cost efficiency. While tenant lease structures influence contractor and service provider selection, the REIT maintains oversight through a structured approval process, with substantial asset replacements requiring trustee consent.

|   |  |
|---|--|
| <b>Management services for REIT properties encompass:</b> <ul style="list-style-type: none"><li>• Maintenance</li><li>• Cleaning</li><li>• Security</li><li>• Statutory Property Expenses</li><li>• Insurance</li></ul> | <b>Our suppliers, contractors, and service providers are assessed based on:</b> <ul style="list-style-type: none"><li>• Pricing</li><li>• Punctuality</li><li>• Quality</li><li>• After-Sales Service</li><li>• Responsiveness to Complaints</li></ul> |
|---|--|

Semi-annual performance evaluations rank suppliers on a scale from one (1) to four (4), with reminders issued to underperforming parties to encourage continuous improvement.

For three consecutive years, Al-Salām REIT has exclusively engaged local suppliers, demonstrating our strong commitment to supporting local businesses.





# Sustainability Statement

## Supply Chain Management (Cont'd)

### Supplier Screening and Assessment

In FY2024, Al-Salām REIT assessed new and existing suppliers based on environmental criteria, screening 33% of new suppliers and 42% of total suppliers, marking a 9% increase compared to FY2023.

#### List of Criteria for Environmental Screening

Natural Hazards

Energy and Water

Air Emissions

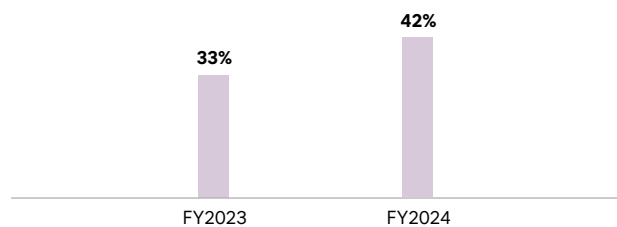
Climate Change

Compliance with Environmental Regulations

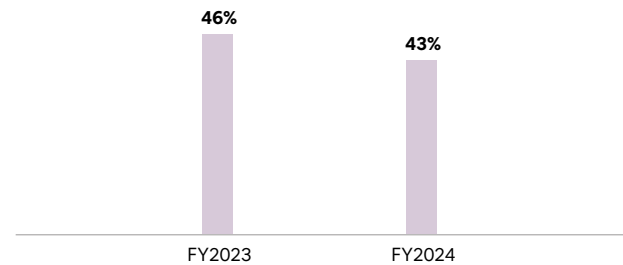
Green Products/Packaging

Biodiversity

#### Percentage of new suppliers that were assessed using environmental criteria



#### Percentage of total suppliers that were assessed using environmental impact





## STRONG SOCIAL RELATIONSHIPS



In our pursuit of excellence in asset management, the REIT is committed to fostering a positive and inclusive work environment and actively engaging with our communities. We empower our employees to reach their full potential, cultivating mutually rewarding relationships that drive both their growth and our continued success. Through community engagement initiatives, we strive to create positive social impact and build strong partnerships.

### Materiality Matters

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

### Key Stakeholders





# Sustainability Statement

## Tenant and Customer Satisfaction

The REIT actively cultivates strong tenant relationships, recognizing their crucial role in our success. By anticipating and meeting evolving tenant expectations, we attract and retain high-quality tenants, enhance our market standing, and drive portfolio value growth. Efficient and responsive communication is central to our tenant engagement strategy.

### Biannual Survey

Surveys are conducted to assess and improve tenant sentiment, covering:

- Cleanliness
- Security
- Technical Features
- Concierge Services
- Parking
- Food courts
- Promotions

### Complaint Resolution

Efficient complaint resolution ensures high tenant satisfaction

- **KOMTAR JBCC Feedback Mechanism:** Tenants and members of the public can submit feedback and complaints using designated forms. These submissions are promptly directed to the appropriate Head of Department for investigation and resolution. The REIT endeavours to resolve all reported issues within three working days, utilising follow-up communication (email or phone) as needed.
- **Property-Wide Maintenance Management:** The Serve Deck system is deployed across all properties to efficiently manage mechanical, electrical, and cleanliness issues. Public accessibility to this system is enhanced through the provision of QR codes for convenient reporting.

| Property                        | Total No. of Complaints/Issues Received | Satisfaction Survey Score (%) |
|---------------------------------|---|-------------------------------|
| KOMTAR JBCC                     | 146                                     | 95.74                         |
| Menara KOMTAR                   | 445                                     | 94.06                         |
| Pasaraya Komuniti @ Mart Kempas | 17                                      | 98.05                         |

## Occupational Health and Safety

Al-Salām REIT prioritises the safety of tenants, contractors, and visitors through a comprehensive occupational health and safety (OHS) framework. Regular inspections, conducted by Howden Insurance Brokers, identify and mitigate potential hazards. Employees are encouraged to report incidents to the on-site Emergency Response Team (ERT), trained in firefighting, search and rescue, and first aid. The REIT also addresses workplace hazards related to material usage, storage, and handling.

### Health and Safety Training

To ensure our employees stay current with latest OSH standards and best practices, we offer a diverse range of training programmes. These include Basic Occupational First Aid training, with courses on Cardiopulmonary Resuscitation (“CPR”) and Automated External Defibrillator (“AED”) usage, equipping our employees with essential first aid knowledge and emergency response skills. We also provide our employees with mental health awareness training. Tenants are notified via email prior to the drills.

## Sustainability Statement

### Occupational Health and Safety (Cont'd)

#### Health and Safety Training (Cont'd)

Safety briefing will be provided to suppliers before performance any servicing work at our premises with issuance of permit to work.

Ensure that tenants comply with safety rules for fittings at the entities.

|  | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------|
| Number of Employees Trained on Health and Safety Standards | 2      | 2      | 28     |
| Total Training Hours Provided                              | 594    | 920    | 934    |

In FY2024, we recorded zero number of work-related incidents.

|                                  | FY2022 | FY2023 | FY2024 |
|----------------------------------|--------|--------|--------|
| Number of Work-Related Incidents | 2      | 1      | 0      |
| Total Number of Hours Work       | 52,000 | 50,000 | 48,000 |
| Lost Time Incident Rate (LTIR)   | 7.69   | 4.00   | 0      |

### Labour Practices and Standards

Al-Salām REIT is committed to ethical labour practices, fostering trust with employees, stakeholders, and the community. Adherence to legal and regulatory standards enables the REIT to attract and retain skilled talent, ensure fair treatment, and promote a supportive work environment.

#### Human Capital Development

Al-Salām REIT actively invests in our people, recognising that talent is key to our competitive advantage. We recruit experienced professionals and provide them with the tools and opportunities to excel. Our talent management program includes targeted training, regular performance feedback, and personalized career development support. Human Resources champions a culture of learning and growth, empowering employees to achieve their career goals and drive business results.

#### Employee Benefits

We recognise the importance of employee well-being and provide a competitive remuneration and benefits package designed to attract, retain, and motivate our valued team members.

Medical Coverage  
and Insurance

Dental Care

Paternity Leave

Pilgrimage Leave





# Sustainability Statement

## Labour Practices and Standards (Cont'd)

### Employee Satisfaction Survey

At the end of each financial year, our Human Resources Department conducts an annual employee satisfaction survey to assess well-being, job satisfaction and workplace culture, with the aim to improve overall workforce effectiveness.

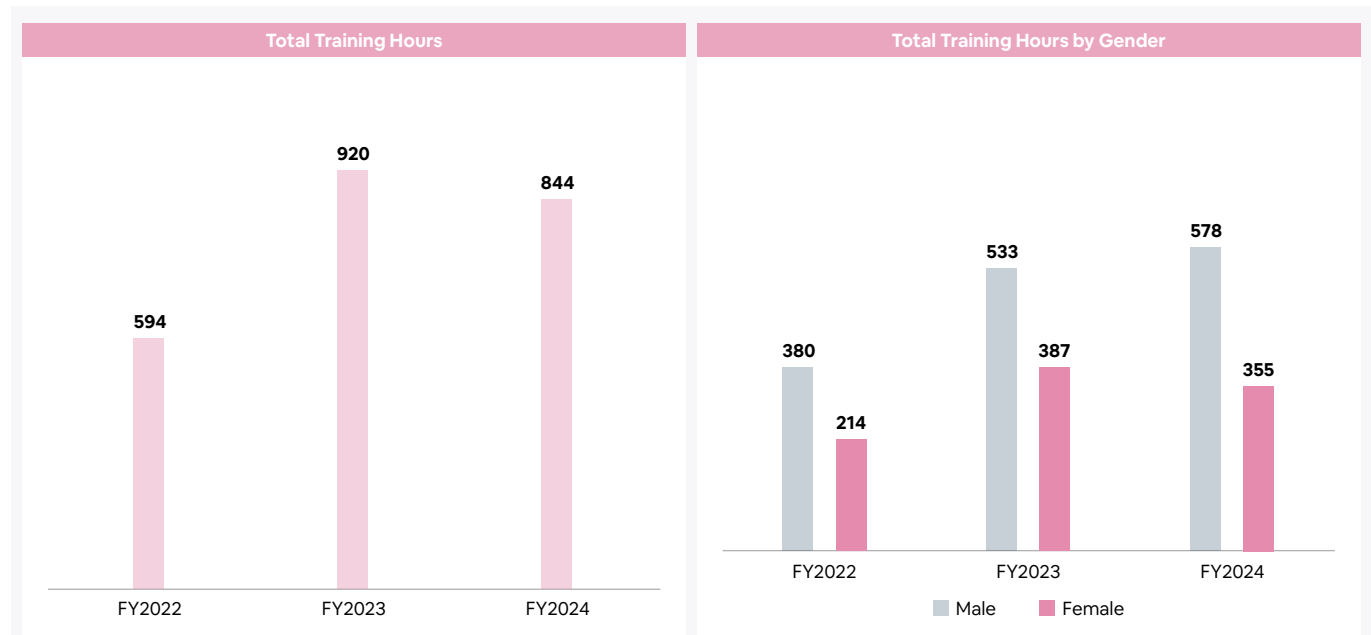
### Parental Leave

Our parental leave policy provides inclusive support for employees navigating parenthood, underscoring our efforts for a family-focused and supportive workplace. In FY2024, four employees utilised parental leave and subsequently returned to work.

| Parental Leaves   | Gender | Parental Leave |
|---|--------|----------------|
| Number of employees that took parental leave  | Men    | 2              |
|   | Women  | 0              |
| Number of employees that returned from parental leave   | Men    | 2              |
|   | Women  | 0              |
| Number of employees that returned to work after parental leave ended and were still employed 12 months after their return to work | Men    | 0              |
|   | Women  | 0              |

### Employee Training

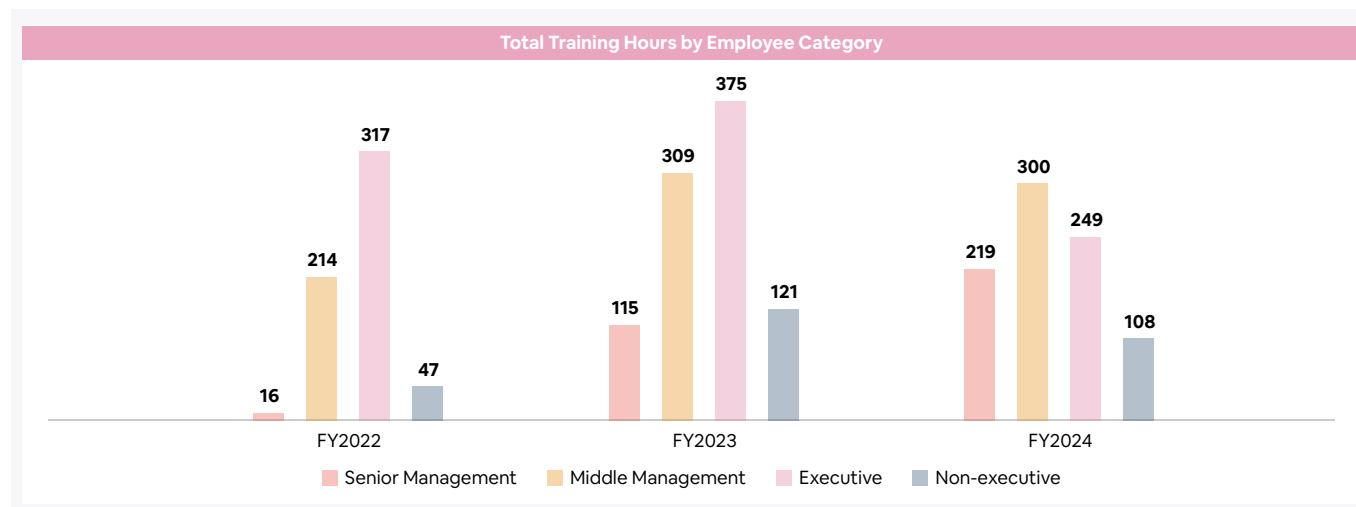
The REIT provided a range of training and development programmes to enhance employee skills. These include awareness and training on essential topics such as health and safety, personal development, regulatory compliance and ESG-related topics.



## Sustainability Statement

### Labour Practices and Standards (Cont'd)

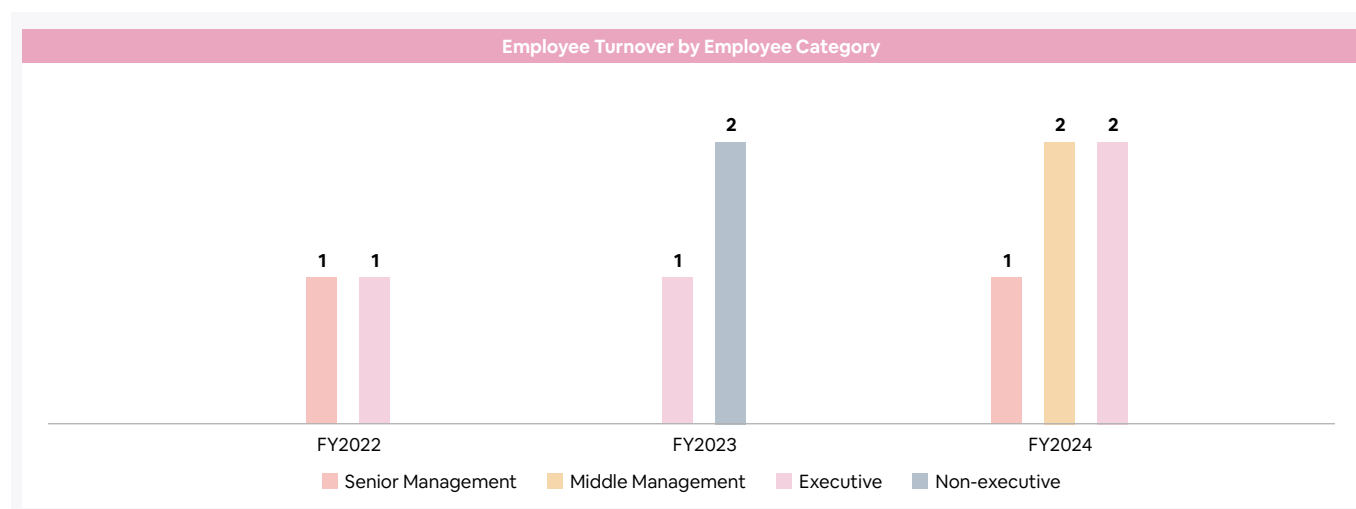
#### Employee Training (Cont'd)



|                                | FY2022 | FY2023 | FY2024 |
|--------------------------------|--------|--------|--------|
| Total training hours for men   | 380    | 533    | 578    |
| Total training hours for women | 214    | 387    | 355    |

#### New Hires and Turnover

In FY2024, we recorded a total of 7 new hires and 5 turnovers. The majority of both new hires and turnover were female, aged between 30 – 50 years old.





# Sustainability Statement

## Labour Practices and Standards (Cont'd)

### New Hires and Turnover (Cont'd)

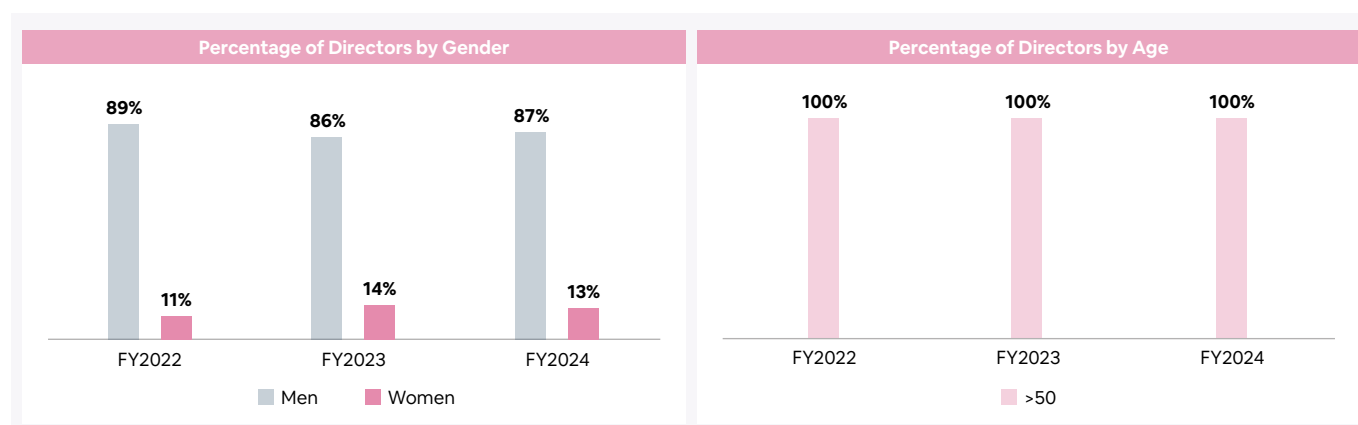
| Total Number of Full Time Employee New Hires | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------|
| By Employee Category                         |        |        |        |
| Senior Management                            | 1      | 0      | 1      |
| Middle Management                            | 0      | 0      | 2      |
| Executive                                    | 1      | 1      | 2      |
| Non-Executive                                | 0      | 2      | 0      |
| By Gender                                    |        |        |        |
| Men  | 2      | 0      | 3      |
| Women  | 2      | 0      | 4      |
| By Age                                       |        |        |        |
| Below 30 years                               | 1      | 1      | 0      |
| 30-50 years                                  | 0      | 0      | 3      |
| Above 50 years                               | 1      | 2      | 2      |

## Diversity and Inclusion

We embrace diversity as a catalyst for innovation and better decision-making. We are committed to attracting, retaining, and developing a diverse talent pool, fostering social responsibility and promoting a harmonious workplace. By promoting equal opportunities and fair treatment, we create a collaborative environment where all employees can contribute their unique strengths and achieve their full potential.

### Board Composition

Our Board comprises 87% men and 13% women, with all members aged 50 or over.

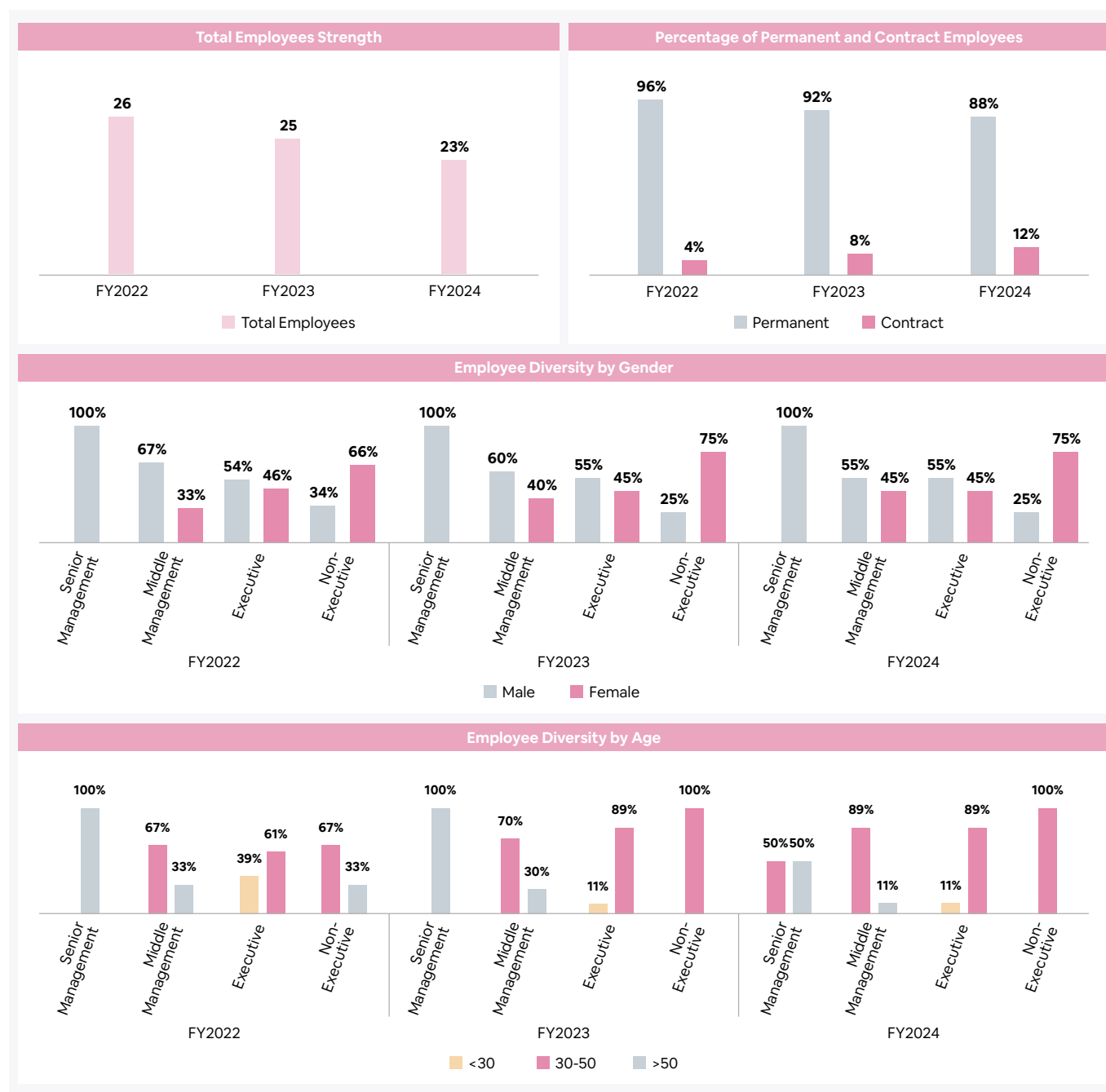


# Sustainability Statement

## Diversity and Inclusion (Cont'd)

### Board Composition (Cont'd)

The following provides an overview of workforce diversity at Al-Salam REIT, including total employees, type of employees, gender and age distribution.



# Sustainability Statement

## Community Enrichment

Al-Salām REIT is cognisant of the importance of contributing to the well-being of the communities in which we operate. We are committed to supporting local development through active engagement and strategic partnerships with NGOs and community organisations. Our initiatives are designed to address the unique needs of each community and foster long-term resilience. In FY2024, the REIT invested RM16,220,00 in a range of community programmes, resulting in a positive impact on 13,460 individuals.

### Pasaraya Komuniti @Mart Kempas



Kidney Life Check Health screening in collaboration with National Kidney Foundation Malaysia



Sambutan Sinaraya with Pertubuhan Kebajikan Anak-Anak Yatim Baitul Magfirah

### KOMTAR JBCC

Project Berbagi with Sekola Baroka

Autism Awareness Programme

|  | FY2022 | FY2023  | FY2024  |
|--|--------|---------|---------|
| Total amount invested in CSR programmes (RM) | 85,000 | 267,500 | 163,220 |
| Total number of beneficiaries                | 1,860  | 3,191   | 13,460  |

# ENVIRONMENTAL STEWARDSHIP



We prioritise environmental stewardship as a core element of our ESG strategy. Our focus is on actively combating climate change and conserving natural resources through efficient operations and effective waste management practices. We seek innovative solutions to minimise our environmental footprint and ensure the long-term resilience of our business.

## Materiality Matters

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

## Key Stakeholders







# Sustainability Statement

## Energy, Emissions and Climate Resilience

Al-Salām REIT addresses climate change by integrating sustainable energy consumption and emissions management into our operations. Prioritising energy-efficient solutions and investing in climate-resilient infrastructure ensures long-term durability and adaptability of our properties, contributing to a more sustainable built environment.

The REIT achieved Green Building Index (“GBI”) certification for KOMTAR JBCC and Menara KOMTAR, and implemented a Green Lease for tenants, emphasising sustainability criteria such as energy usage and waste management. At Pasaraya Komuniti @Mart Kempas, we installed solar panels and LED lighting and rescheduled operational hours for equipment such as escalators and AHUs. These measures reflect our holistic approach to enhancing energy management and climate resilience across our portfolio.

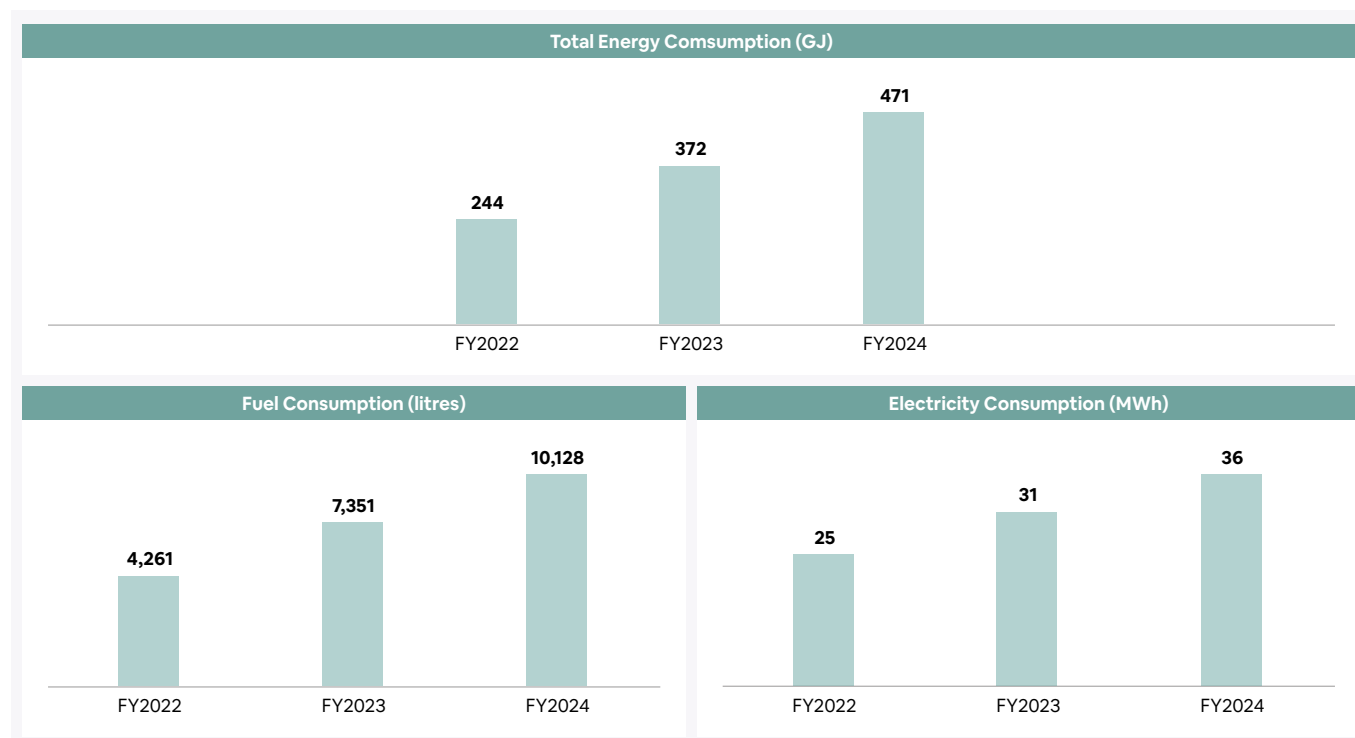


### Achieved

Green Building Index (“GBI”) certification for KOMTAR JBCC and Menara KOMTAR

## Energy Consumption

In FY2024, the REIT recorded total energy usage, with 28% derived from electricity and 72% from fuel used at our headquarters. There was a 26% increase in total energy consumption, attributed to the inclusion of petrol for fuel consumption.



Note:

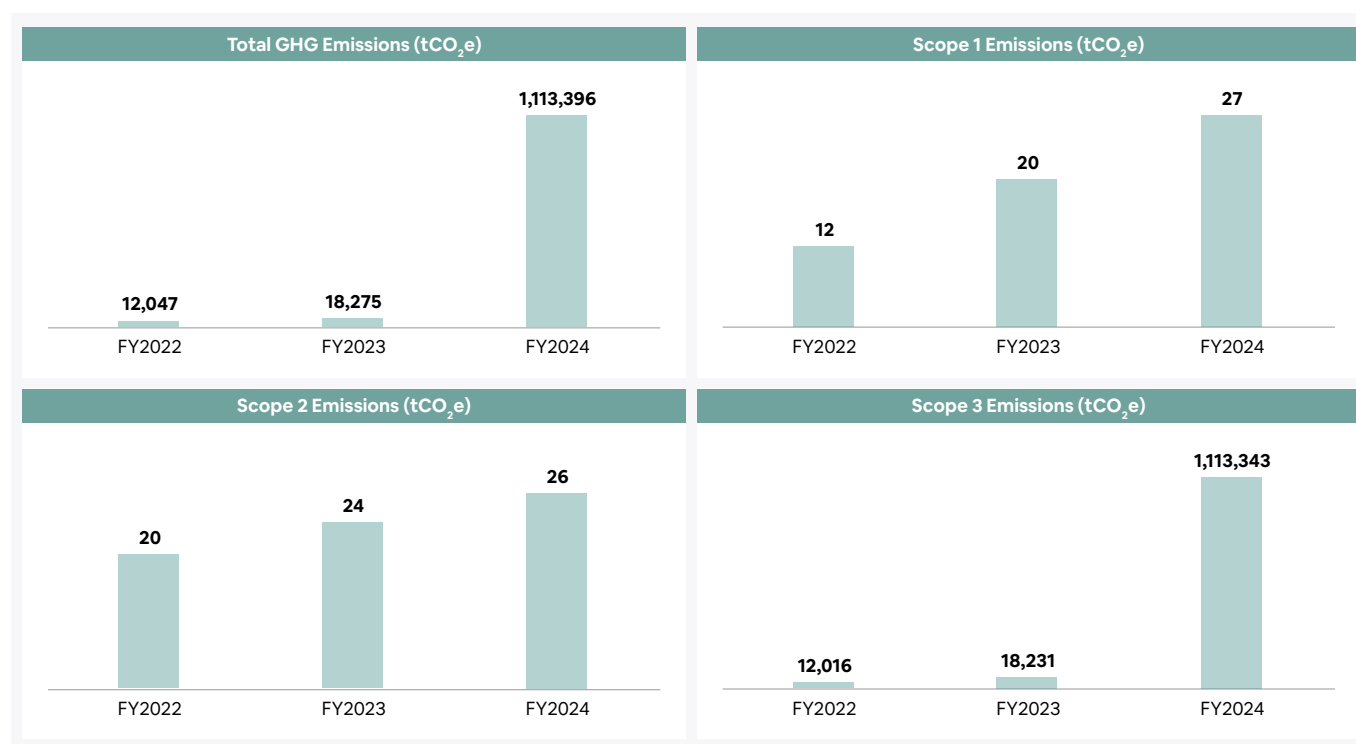
1. Restated the data for energy consumption and electricity consumption for FY2024
2. Fuel consumption for FY2024 included with petrol fuel

## Sustainability Statement

### Energy, Emissions and Climate Resilience (Cont'd)

#### GHG Emissions

Our GHG Emissions include direct Scope 1 GHG emissions from fuel consumption from company-owned vehicles, indirect Scope 2 GHG emissions from purchased electricity from our headquarters as well as limited Scope 3 GHG emissions from business travel, employee commute, waste generation and downstream leased assets (from KOMTAR JBCC, Menara KOMTAR, Pasaraya Komuniti @ Mart Kempas). The substantial increase of the total GHG emissions recorded was attributed to the inclusion of waste generation, business travel and a higher number of employees participating in the commuting survey for Scope 3 GHG emissions.



#### Note:

1. Calculation methodology is based on the GHG Protocol for Scope 1, 2 and 3 with the emissions factors sourced from UK Government's GHG Conversion Factor 2022, 2023 and 2024.
2. Scope 2 emissions factors were calculated using the 2022 Grid Emission Factor sourced from the National Energy Commission of Malaysia.
3. Emissions from business travel were calculated based on a combination of fuel-consumption method and distance-based method due to the availability of data recorded.
4. Emissions from downstream leased asset include the electricity and water consumption from our tenant, Komtar JBCC, Menara KOMTAR and Pasaraya Komuniti @ Mart Kempas
5. Emissions from waste generated are from our tenant, Komtar JBCC, Menara KOMTAR and Pasaraya Komuniti @ Mart Kempas



# Sustainability Statement

## Water Consumption

Al-Salām REIT recognises the importance of water and is committed to minimising our environmental impact through responsible water management. This includes implementing water-saving initiatives and promoting water conservation awareness across our properties. However, as we are unable to directly monitor water consumption at our HQ offices, we have taken proactive steps at our properties to raise awareness and encourage water-saving practices.

**KOMTAR JBCC: Closing toilets based on occupancy**

**Menara KOMTAR and Pasaraya Komuniti @ Mart Kempas utilise strategic signage to promote responsible water conservation habits among occupants.**

## Waste Management

Efficient waste management at our properties is crucial for mitigating environmental impact and reducing reliance on landfills. By adopting waste management strategies, Al-Salām REIT ensures compliance with regulatory standards while minimising its ecological footprint.

KOMTAR JBCC has continued its 3R programme (Reduce, Reuse, Recycle) by installing recycling bins for paper, cans and bottles throughout our buildings. These bins are strategically placed throughout the premises, and waste is measured and collected by licensed contractors for proper disposal. This initiative has also extended to Menara KOMTAR and Pasaraya Komuniti @ Mart Kempas, reflecting our commitment to continuous improvement in waste management. Since May 2024, @Mart Kempas began tracking recycled waste through the AI-integrated Klean Recycle Vending Machine. Additionally, Al-Salām REIT has enhanced waste data tracking by involving cleaning staff in weighing waste collection.

**158 tonnes**  
recycling waste collected

Significant initiatives have been undertaken to further enhance our waste management efforts. We plan to install an additional AI-integrated Klean Reverse Vending Machine next year, with further expansion to KOMTAR JBCC in the pipeline. This innovative vending machine accepts Polyethylene Terephthalate (“PET”) bottles and aluminum cans through a single chute, simplifying disposal by eliminating the need for sorting. As part of our recycling program, participants will be rewarded with vouchers and coupons from our collaboration partners, which include options for food, groceries, ride-hailing services, and e-wallets.

In FY2024, we generated a total of 2,060 tonnes of waste, with a significant 8% diverted from landfill.

## Paving the Way for A Sustainable Future

Al-Salām REIT continues to lead in sustainable Syariah-real estate investment through sound corporate governance, risk management and an active stance on ESG factors. Our commitment to transparency, accountability and social responsibility is demonstrated in our key performance indicators, risk management strategies and community programmes.

As we look ahead, we remain dedicated to fostering a positive impact on society and the environment. By integrating corporate ethics with economic success, we are focused on building a resilient and sustainable future as we navigate our ESG journey towards a better tomorrow.

# Sustainability Statement

## Performance Data Table

### Governance

| Indicator   | Unit   | FY2022 | FY2023 | FY2024 |
|---|--------|--------|--------|--------|
| <b>Anti-Corruption</b>  |        |        |        |        |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category            |        |        |        |        |
| • Management  | %      | 100    | 100    | 100    |
| • Non-Management  | %      | 95     | 93     | 100    |
| Bursa C1(b) Percentage of operations assessed for corruption related risks  | %      | N/A    | 100    | 100    |
| Bursa C1(c) Confirmed incidents of corruption and actions taken   | Number | 0      | 0      | 0      |
| <b>Data Privacy and Security</b>  |        |        |        |        |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data | Number | 0      | 0      | 0      |
| <b>Supply Chain Management</b>  |        |        |        |        |
| Bursa C7(a) Proportion of spending on local suppliers   | %      | 100    | 100    | 100    |

### Environment

| Indicator  | Unit               | FY2022 | FY2023 | FY2024    |
|--|--------------------|--------|--------|-----------|
| <b>Energy, Emissions and Climate Resilience</b>  |                    |        |        |           |
| Bursa C4(a) Total energy consumption   | GJ                 | 244    | 372    | 471       |
| Bursa C4(a) Total energy consumption   | MWh                | 25     | 31     | 36        |
| Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e  | tCO <sub>2</sub> e | 12     | 20     | 27        |
| Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e  | tCO <sub>2</sub> e | 20     | 24     | 28        |
| Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (business travel and employee commuting) | tCO <sub>2</sub> e | 12,016 | 18,231 | 1,113,782 |
| <b>Waste Management</b>  |                    |        |        |           |
| Bursa C10(a) Total waste generated   | Metric tonnes      | N/A    | N/A    | 2,060     |
| Bursa C10(a)(i) Total waste diverted from disposal   | Metric tonnes      | N/A    | N/A    | 158       |
| Bursa C10(a)(ii) Total waste directed to disposal  | Metric tonnes      | N/A    | N/A    | 1,902     |
| <b>Water Consumption</b>   |                    |        |        |           |
| Bursa C9(a) Total volume of water used   | ML                 | N/A    | N/A    | N/A       |



# Sustainability Statement

## Performance Data Table (Cont'd)

### Social

| Indicator   | Unit   | FY2022 | FY2023 | FY2024 |
|---|--------|--------|--------|--------|
| <b>Occupational Health and Safety</b>   |        |        |        |        |
| Bursa C5(a) Number of work-related fatalities   | Number | 0      | 0      | 0      |
| Bursa C5(b) Lost time incident rate ("LTIR")  | Rate   | 7.69   | 4.00   | 0      |
| Bursa C5(c) Number of employees trained on health and safety standards                  | Number | 2      | 2      | 2      |
| <b>Human Rights, Labour Practices and Standards</b>                                     |        |        |        |        |
| Bursa C6(d) Number of substantiated complaints concerning human rights violation        | Number | 0      | 0      | 0      |
| <b>Talent Attraction and Development</b>  |        |        |        |        |
| Bursa C6(a) Total hours of training by employee category                                |        |        |        |        |
| • Senior Management   | Hours  | 16     | 115    | 219    |
| • Management  | Hours  | 71     | 214    | 300    |
| • Executive   | Hours  | 317    | 375    | 249    |
| • Non-Executive   | Hours  | 47     | 121    | 108    |
| Bursa C6(c) Total number of employee turnover by employee category                      |        |        |        |        |
| • Senior Management   | Number | 1      | 0      | 1      |
| • Management  | Number | 0      | 0      | 2      |
| • Executive   | Number | 1      | 1      | 2      |
| • Non-Executive   | Number | 0      | 2      | 0      |
| <b>Diversity and Inclusion</b>  |        |        |        |        |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category |        |        |        |        |
| Gender group by employee category   |        |        |        |        |
| • Senior Management (Male)  | %      | 100    | 100    | 100    |
| • Senior Management (Female)  | %      | 0      | 0      | 0      |
| • Management (Male)   | %      | 67     | 60     | 55     |
| • Management (Female)   | %      | 33     | 40     | 45     |
| • Executive (Male)  | %      | 54     | 55     | 55     |
| • Executive (Female)  | %      | 46     | 45     | 45     |

# Sustainability Statement

## Performance Data Table (Cont'd)

### Social

| Indicator   | Unit   | FY2022 | FY2023  | FY2024  |
|---|--------|--------|---------|---------|
| • Non-Executive (Male)  | %      | 34     | 25      | 25      |
| • Non-Executive (Female)  | %      | 66     | 75      | 75      |
| <b>Age group by employee category</b>   |        |        |         |         |
| • 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     | 70      | 78      |
| • Management (>50)  | %      | 33     | 30      | 22      |
| • Executive (<30)   | %      | 39     | 11      | 0       |
| • Executive (30-50)   | %      | 61     | 89      | 100     |
| • Executive (>50)   | %      | 0      | 0       | 0       |
| • Non-Executive (<30)   | %      | 0      | 0       | 0       |
| • Non-Executive (30-50)   | %      | 67     | 100     | 100     |
| • Non-Executive (>50)   | %      | 33     | 0       | 0       |
| <b>Bursa C3(b) Percentage of directors by gender and age</b>  |        |        |         |         |
| Male  | %      | 89     | 86      | 87      |
| Female  | %      | 11     | 14      | 13      |
| <30   | %      | 0      | 0       | 0       |
| 30-50   | %      | 0      | 0       | 0       |
| >50   | %      | 100    | 100     | 100     |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff   | %      | 4      | 8       | 12      |
| <b>Community Engagement</b>   |        |        |         |         |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | RM     | 85,000 | 267,500 | 163,220 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities  | Number | 1,860  | 3,191   | 13,460  |



# Sustainability Statement

## Independent Limited Assurance Report

To the Board of Directors of AI – Salam REIT.

### Independent Limited Assurance Report on the Selected Sustainability Information Disclosed in the Sustainability Report 2024 for AI – Salam REIT.

AI – Salam REIT ('AI-Salam') has engaged PKF Risk Management Sdn Bhd ('PKF') to independently verify and provide assurance on selected sustainability information in the AI-Salam Sustainability Statement 2024. The primary objective of this verification process is to provide assurance to AI-Salam and its stakeholders regarding the accuracy and reliability of the information presented in the statement.

The verification by PKF Risk Management Sdn Bhd focuses on the sustainable performance information (the subject matter) that falls within the scope of assurance, as outlined in the AI-Salam Sustainability Statement 2024.

The scope of work is limited to all selected subject matter disclosed in the FY2024 Sustainability Report. It does not extend to data sets or information beyond the specified subject matter and related disclosures. In addition, the verification excludes information outside the FY2024 Sustainability Report, comparisons with historical data, and any forward-looking statements made by management.

### Subject Matter

We conducted a limited assurance engagement on the selected indicators listed in the table below, as disclosed in AI-Salam's Sustainability Report FY2024.

| Common Sustainability Matters         | Common Indicators  |
|---------------------------------------|--|
| <b>Anti-Corruption</b>                | Percentage of Employees Who Have Received Training on Anti-Corruption by Employee Category             |
|                                       | Percentage of Operations Assessed for Corruption-Related Risks   |
|                                       | Confirmed Incidents of Corruption and Action Taken   |
| <b>Diversity</b>                      | Percentage of Employees by Gender and Age Group, for Each Employee Category                            |
|                                       | Percentage of Directors by Gender and Age Group  |
| <b>Health and safety</b>              | Number of Work-related fatalities  |
|                                       | Lost time incident rate  |
|                                       | Number of employees trained on health and safety standards   |
| <b>Labour Practices and Standards</b> | Total Hours of Training by Employee Category   |
|                                       | Percentage of employees that are contractors or temporary staff  |
|                                       | Total Number of Employee Turnover by Employee Category   |
|                                       | Number of Substantiated Complaints Concerning Human Rights Violations                                  |
| <b>Supply Chain Management</b>        | Proportion of Spending on Local Suppliers  |
| <b>Data Privacy and Security</b>      | Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data |



# Sustainability Statement

## Independent Limited Assurance Report

### Subject Matter (Cont'd)

| Common Sustainability Matters | Common Indicators                  |
|-------------------------------|------------------------------------|
| Waste Management              | Total Waste Diverted from Disposal |
|                               | Total Waste Directed from Disposal |

### Reporting Frameworks and Standards

Al-Salam prepares the subject matter in alignment with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and draws guidance from the Sustainability Reporting Guide (3rd Edition).

### Al-Salam REIT’s responsibilities

The management of Al-Salam is responsible for selecting the criteria and for preparing the subject matter in accordance with those criteria, in all material respects. This responsibility includes designing and maintaining effective internal controls, keeping adequate records, and making relevant estimates to ensure the subject matter is free from material misstatement, whether due to fraud or error.

### Our responsibilities

We conducted our assurance engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (“ISAE 3000 (Revised)”) and *International Standard for Assurance Engagements on Greenhouse Gas Statements* (“ISAE 3410”) (collectively referred to as the “Standards”) and in line with the terms of reference agreed with Al-Salam on 26 June 2024. These standards require that we plan and perform the engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement. The nature, timing, and extent of the procedures performed are determined based on our professional judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

Based on our review, we believe the evidence obtained is sufficient and appropriate to form the basis for our limited assurance conclusion on the selected sustainability information presented in Al-Salam's Sustainability Report 2024.

### Our independence and quality management

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

Al-Salam's management retains full responsibility for the Sustainability Statement’s preparation. PKF Risk Management Sdn Bhd affirms the independence of this verification, as our team had no participation in developing either the Sustainability Statement or the Integrated Annual Report 2024.



# Sustainability Statement

## Independent Limited Assurance Report

### Our Approach

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

#### Interviews & Process Understanding:

- Engaged with personnel to gain insights into business operations and reporting workflows.
- Held discussions with key stakeholders to assess the process for gathering, consolidating, and reporting the Subject Matter during the relevant period.

#### Evaluation of Methodology & Assumptions:

- Assessed the reasonableness of key factors applied in the Subject Matter Information calculations.
- Reviewed significant assumptions, underlying principles, and default values used in the Subject Matter Information against the Reporting Criteria.

#### Compliance & Accuracy Review:

- Verified that calculation methodologies aligned with the prescribed Reporting Criteria.
- Evaluated whether the Subject Matter Information adhered to the Reporting Criteria in all material respects.

#### Data Analysis & Validation:

- Performed analytical procedures on datasets and investigated material variances through management inquiries.
- Conducted sample-based document inspections and analytical reviews to validate the compilation and reporting of the Subject Matter.

#### Presentation & Consistency Assessment:

- Reviewed the overall presentation of the Subject Matter Information to ensure clarity and alignment with the Reporting Criteria.

# Sustainability Statement

## Independent Limited Assurance Report

### Our Approach (Cont'd)

Our procedures included:

### Presentation & Consistency Assessment (Cont'd):

- Verified consistency between the reported Subject Matter Information and the established Reporting Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter stated above in our report as of 30 April 2025 for the year ended 31 December 2024, in order for it to be in accordance with the Criteria.

### Restricted use

The contents of this report are confidential and are to be used only by Al-Salam.

PKF RISK MANAGEMENT SDN BHD  
30 APRIL 2025  
Kuala Lumpur, Malaysia



# Sustainability Statement

## GRI Content Index

|                         |   |
|-------------------------|---|
| <b>Statement of use</b> | Al-Salām Real Estate Investment Trust has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards. |
| <b>GRI 1 used</b>       | GRI 1: Foundation 2021  |

| GRI STANDARD                               | DISCLOSURE   | LOCATION  |
|--|--|---|
| <b>GRI 2: General Disclosures 2021</b>     | 2-1 Organisational details   | The information can be found in the relevant sections of the Annual Report. |
|  | 2-2 Entities included in the organisation's sustainability reporting             |   |
|  | 2-3 Reporting period, frequency and contact point                                |   |
|  | 2-5 External assurance   |   |
|  | 2-6 Activities, value chain and other business relationships                     |   |
|  | 2-7 Employees  |   |
|  | 2-8 Workers who are not employees  |   |
|  | 2-9 Governance structure and composition   |   |
|  | 2-10 Nomination and selection of the highest governance body                     |   |
|  | 2-11 Chair of the highest governance body  |   |
|  | 2-12 Role of the highest governance body in overseeing the management of impacts |   |
|  | 2-13 Delegation of responsibility for managing impacts                           |   |
|  | 2-14 Role of the highest governance body in sustainability reporting             |   |
|  | 2-16 Communication of critical concerns  |   |
|  | 2-25 Processes to remediate negative impacts                                     |   |
|  | 2-26 Mechanisms for seeking advice and raising concerns                          |   |
|  | 2-27 Compliance with laws and regulations  |   |
|  | 2-29 Approach to stakeholder engagement  |   |
| <b>GRI 3: Material Topics 2021</b>         | 3-1 Process to determine material topics   |   |
|  | 3-2 List of material topics  |   |
|  | 3-3 Management of material topics  |   |
| <b>GRI 204: Procurement Practices 2016</b> | 204-1 Proportion of spending on local suppliers                                  |   |
| <b>GRI 205: Anti-corruption 2016</b>       | 205-1 Operations assessed for risks related to corruption                        |   |
|  | 205-2 Communication and training about anti-corruption policies and procedures   |   |
|  | 205-3 Confirmed incidents of corruption and actions taken                        |   |

# Sustainability Statement

## GRI Content Index (Cont'd)

| GRI STANDARD   | DISCLOSURE   | LOCATION  |
|--|--|---|
| <b>GRI 302: Energy 2016</b>                          | 302-1 Energy consumption within the organisation   | The information can be found in the relevant sections of the Annual Report. |
|  | 302-4 Reduction of energy consumption  |   |
| <b>GRI 303: Water and Effluents 2018</b>             | 303-1 Interactions with water as a shared resource   |   |
| <b>GRI 305: Emissions 2016</b>                       | 305-1 Direct (Scope 1) GHG emissions   |   |
|  | 305-2 Energy indirect (Scope 2) GHG emissions  |   |
|  | 305-3 Other indirect (Scope 3) GHG emissions   |   |
| <b>GRI 306: Waste 2020</b>                           | 306-1 Waste generation and significant waste-related impacts   |   |
|  | 306-2 Management of significant waste-related impacts  |   |
|  | 306-3 Waste generated  |   |
|  | 306-4 Waste diverted from disposal   |   |
|  | 306-5 Waste directed to disposal   |   |
| <b>GRI 401: Employment 2016</b>                      | 401-1 New employee hires and employee turnover   |   |
|  | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees |   |
|  | 401-3 Parental leave   |   |
| <b>GRI 403: Occupational Health and Safety 2018</b>  | 403-1 Occupational health and safety management system   |   |
|  | 403-2 Hazard identification, risk assessment, and incident investigation                                 |   |
|  | 403-5 Worker training on occupational health and safety  |   |
|  | 403-8 Workers covered by an occupational health and safety management system                             |   |
|  | 403-9 Work-related injuries  |   |
| <b>GRI 404: Training and Education 2016</b>          | 403-10 Work-related ill health   |   |
|  | 404-1 Average hours of training per year per employee  |   |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b> | 405-1 Diversity of governance bodies and employees   |   |
| <b>GRI 406: Non-discrimination 2016</b>              | 406-1 Incidents of discrimination and corrective actions taken   |   |
| <b>GRI 413: Local Communities 2016</b>               | 413-1 Operations with local community engagement, impact assessments, and development programmes         |   |
| <b>GRI 418: Customer Privacy 2016</b>                | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data       |   |