



A member of UEM Group

SUSTAINABILITY REPORT 2018



Welcome to UEM Sunrise Berhad's
Sustainability Report 2018

ABOUT THIS REPORT

This is UEM Sunrise Berhad ("UEM Sunrise")'s 10th annual Sustainability Report, which provides stakeholders information on how we create and maintain sustainable economic, environmental and social ("EES") value while doing business as we uphold our vision of *Building communities of the future with you and for you.*

A materiality analysis was undertaken beforehand in order for us to produce a report that is relevant and pertinent to our stakeholders. The materiality analysis identified 32 material matters – 10 that are highly important to both our internal and external stakeholders, 16 that are of medium-high priority, and six that are of medium-low priority. These material matters are highlighted in a matrix on page 9 of this report.

We have sought to provide an account of why these matters are important, what UEM Sunrise's stand is on each matter, and what we are doing to ensure positive outcomes. Where possible, we substantiate qualitative narrative with quantitative data. As this is still a relatively new journey for us, we are still putting in place the systems and processes that will enable us to monitor and measure data to produce more comprehensive reports as we go along.

This report is prepared according to the Global Reporting Initiative ("GRI") Standards and Bursa Malaysia's Corporate Social Responsibility ("CSR") Framework, while being aligned with the United Nations' Sustainable Development Goals ("SDG"), and especially goal 11, which focuses on the development of Sustainable Cities and Communities.

This Sustainability Report details our sustainable performance and covers initiatives undertaken by UEM Sunrise and our subsidiaries, as included in the Group's consolidated financial statements, for the period from 1 January 2018 till 31 December 2018. A subsidiary is defined as a company in which UEM Sunrise holds more than half of the issued share capital or has control over the composition of the board of directors or more than half of the voting power of the company. References to "the Company" and "we" refer to UEM Sunrise and/or our affiliates and subsidiaries.



We welcome your feedback, and look forward to receiving your comments/suggestions via:

Mail:
Corporate Communication Department
UEM Sunrise Berhad
Level U2, Block C5
Solaris Dutamas
No.1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

Tel : +603 2718 7788
Fax : +603 6207 9033
Email : corpcomm@uemsunrise.uemnet.com



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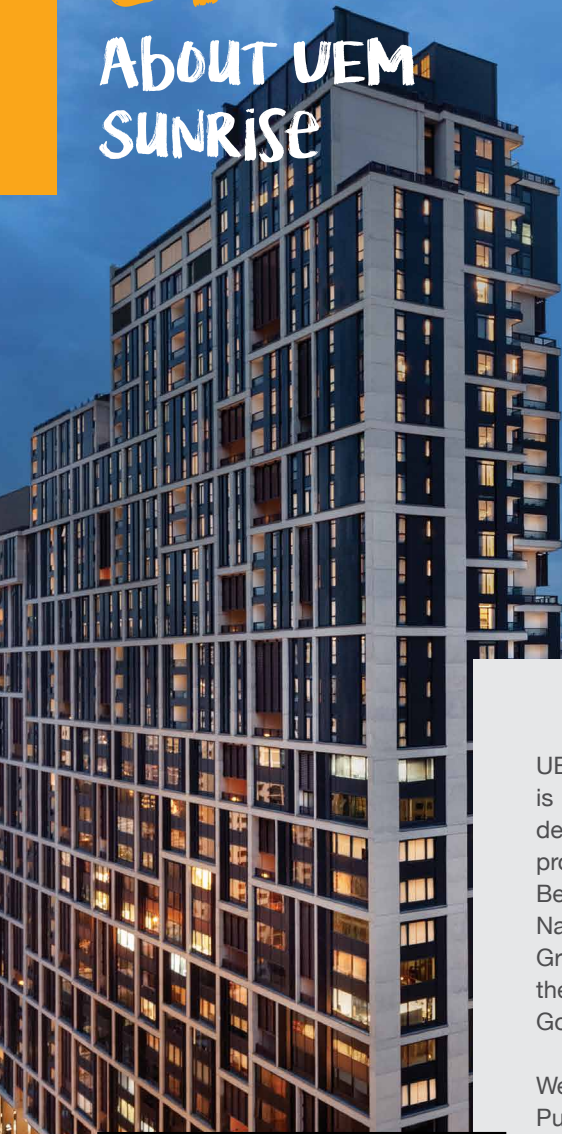
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ABOUT UEM SUNRISE



GERBANG NUSAJAYA

IS CURRENTLY UNFOLDING
WITH A TARGETED COMPLETION
DATE SET FOR

2040

UEM Sunrise, a public listed company, is one of Malaysia's leading property developers. We are the township and property development arm of UEM Group Berhad ("UEM Group") and Khazanah Nasional Berhad ("Khazanah"). UEM Group is wholly-owned by Khazanah, the strategic investment arm of the Government of Malaysia.

We are the master developer of Iskandar Puteri, one of the five flagship zones in Iskandar Malaysia. Once completed, Iskandar Puteri is expected to become the largest fully integrated urban development in Southeast Asia providing significant investment, financial and business opportunities for the economic growth and development of the region. The first phase of Iskandar Puteri is almost completed and the second phase, Gerbang Nusajaya, is currently unfolding with a targeted completion date set for 2040.

In the Central region of Peninsular Malaysia, UEM Sunrise is renowned for its award-winning, up-market high-rise residential, commercial and mixed-use

developments, most of which are in the affluent and cosmopolitan Mont'Kiara enclave. UEM Sunrise is also developing a 44-acre integrated township, Serene Heights in Bangi offering life's simple pleasures within a nature-inspired environment. This is in addition to Symphony Hills, an exclusive residential development in Cyberjaya, a couple of projects in the Kuala Lumpur City Centre and joint venture projects in Shah Alam and Seremban.

Internationally, UEM Sunrise has completed a project in Vancouver, Canada called Quintet and is currently developing three residential projects in Melbourne, Australia: the 88-storey Aurora Melbourne Central, 42-storey Conservatory, and ultra-luxe Mayfair designed by the late Dame Zaha Hadid.

In addition, UEM Sunrise is the project manager of Marina One and DUO in Singapore, developed by M+S Pte Ltd ("M+S"), a joint venture company owned by Khazanah and Temasek Holdings Pte Ltd.

UEM SUNRISE IS ALSO
DEVELOPING A

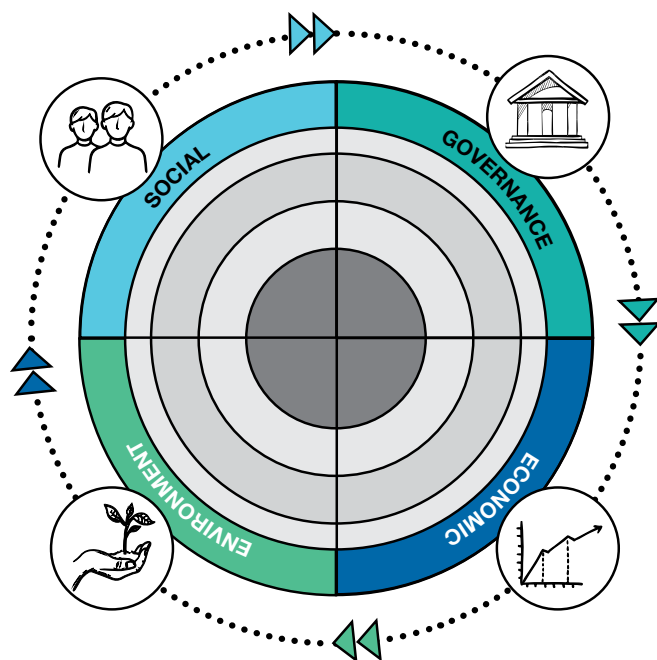
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INTEGRATED TOWNSHIP,
SERENE HEIGHTS, BANGI

OUR COMMITMENT TO SUSTAINABILITY

At UEM Sunrise, we believe that how we do business is as important as what we do. We seek to build for the long term by making decisions that balance social, environmental and economic considerations. To this end, we work actively to balance our corporate, strategic and business strategies with industrial, ecological and technical realities, to create an optimal environment for sustainable growth, job creation and innovation.

Our commitment to sustainability can be summarised by the principles that guide our governance, economic, environment and social approach:



GOVERNANCE

Our Board of Directors ensures the highest level of integrity and transparency in all our actions to build and maintain our corporate reputation and the trust that our stakeholders have in us.

ECONOMIC

We seek to create economic value for our suppliers and vendors through our business dealings, the Government through taxes paid and for the nation as a whole through the development of infrastructure that attracts investments and economic activity.

ENVIRONMENT

We manage our energy and water consumption to avoid waste, and manage our waste to minimise our impact on the environment. We incorporate innovative designs and features in our developments to reduce material use and find avenues to preserve the country's biodiversity.

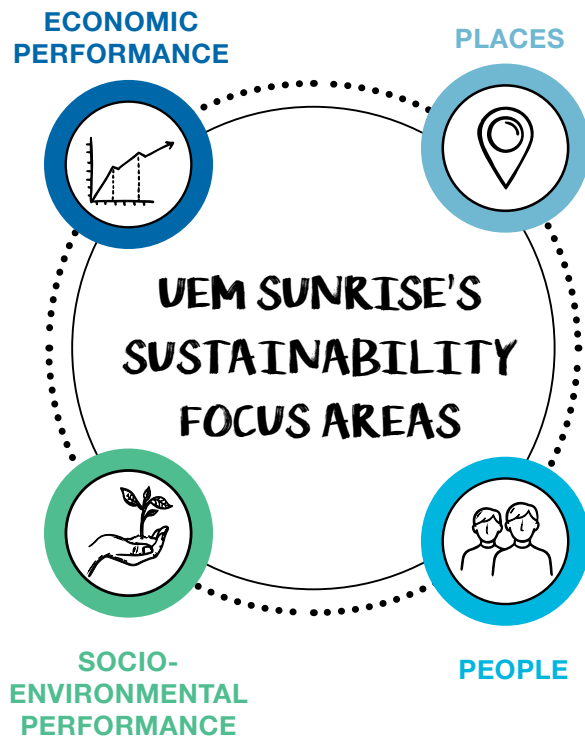
SOCIAL

We commit to providing the best possible living environment for our customers while nurturing a conducive workplace for our employees. We also invest in our local communities to bridge socio-economic gaps.

SUSTAINABILITY POLICY

UEM Sunrise commits to achieving a balance of social, environmental and economic considerations by:

- Providing a healthy, safe, conducive and empowering workplace;
- Being an environmentally responsible leader and partner in our communities;
- Conserving natural resources by optimising re-use and recycling wherever possible;
- Ensuring the efficient and responsible use of water and energy;
- Utilising operational processes that do not adversely affect the environment;
- Conducting rigorous audits, evaluations, and self-assessments on the implementation of this policy;
- Working with our stakeholders to enhance awareness, and incorporate, practise and promote sound environmental practices, using our resources to provide leadership, guidance and motivation where necessary; and
- Taking steps to continually develop and provide environmentally supportive performance and advances including embedding sustainability into our decision making, planning and investment processes to create sustainable value for our shareholders.



PLACES

We continue to transform the places in which we invest to create value while retaining their character, supporting our communities and enhancing people's lives

PEOPLE

Our employees are our most valuable assets and their contributions are critical to our success

SOCIO-ENVIRONMENTAL PERFORMANCE

We take great care in developing high-quality developments while improving our social and environmental performance

ECONOMIC PERFORMANCE

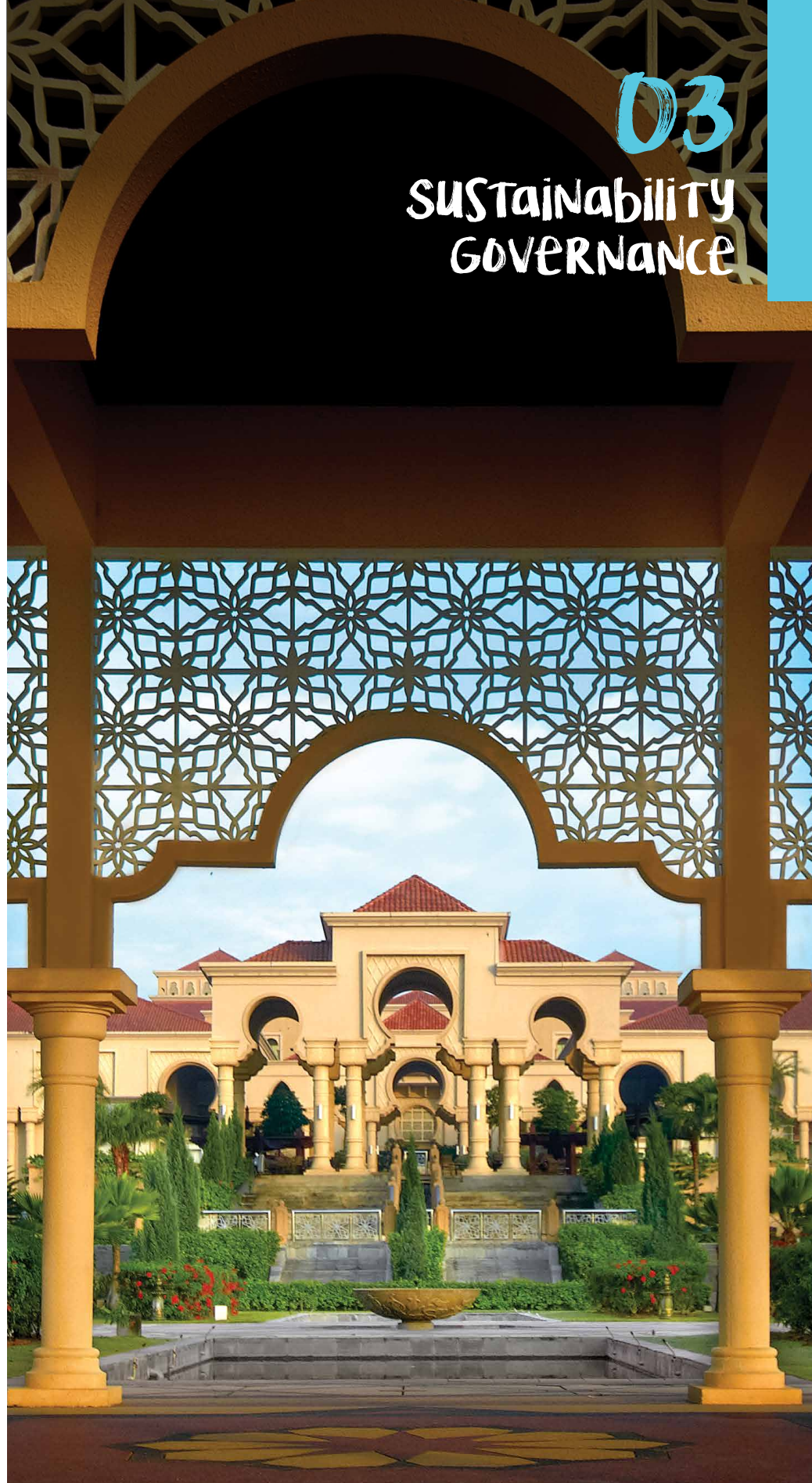
We deliver sustainable economic performance that is underpinned by good corporate governance and high ethical standards

.....

Sustainability at UEM Sunrise is driven by our management with oversight by the highest level of authority in the organisation, namely our Board of Directors, which sets the tone and is responsible for our overall business conduct.

The Board works with management to consider specific issues from strategy through to safety, the environment and reputation. The Executive Team is accountable for UEM Sunrise's overall business including our sustainability performance. This team comprises the Managing Director/Chief Executive Officer ("MD/CEO"), heads of business and certain functions such as Safety and Operational Risk and Human Resources.

Our MD/CEO and his immediate appointees maintain the procedures stipulated in our Sustainability Policy and ensure they are implemented in a reasonable timeframe.








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

OUR STAKEHOLDERS & HOW WE ENGAGE WITH THEM

We define our stakeholders as those who are able to influence our business performance and/or reputation as well as those who are impacted by our business and other activities. Stakeholders who influence our business are necessarily important to us while, as a responsible organisation, we take seriously our impact on the lives we touch and seek to ensure we create positive value for those within our circle of influence. We recognise the importance of understanding the expectations of our stakeholders, as well as to communicate our plans, actions and strategies, hence engage with them regularly on various platforms appropriate to the different stakeholder groups.

STAKEHOLDER ENGAGEMENT FRAMEWORK

| Stakeholder Groups | Areas of Interest | Methods of Communication |
|--|--|---|
| Customers  | <ul style="list-style-type: none"> • Community activities and programmes • Company and development updates • Project launches • Customer engagements | <ul style="list-style-type: none"> • U Living magazine • Company website • Events and engagement sessions • Social media • Call centre • Customer satisfaction survey • Emails |
| Shareholders & Investors  | <ul style="list-style-type: none"> • Return on investment • Financial performance • Branding • Company strategy and updates | <ul style="list-style-type: none"> • Investor relations and conferences • Annual Reports and Sustainability Reports • Shareholder updates • Annual General Meetings (“AGM”) and Extraordinary General Meetings (“EGM”) • One-to-one or group meetings • Site visits |
| Analysts/Media  | <ul style="list-style-type: none"> • Ongoing and future projects | <ul style="list-style-type: none"> • Media releases • Media conferences • Media interviews • Social media • Analyst briefings |
| Industry Peers  | <ul style="list-style-type: none"> • Ongoing and future projects • UEM Sunrise’s involvement in society | <ul style="list-style-type: none"> • Corporate website • Events, seminars and engagement sessions • U Living magazine |
| Value Chain Partners  | <ul style="list-style-type: none"> • Fair procurement • Sustainable partnerships with UEM Sunrise | <ul style="list-style-type: none"> • Training and briefing • Events and engagement sessions |

Our Stakeholders & How We Engage With Them

| | Areas of Interest | Methods of Communication |
|---|--|--|
| Community and the Public  | <ul style="list-style-type: none"> • Societal contributions • Socio-environmental impact from operations | <ul style="list-style-type: none"> • U Living magazine • Community programmes • Social media • Website • Call centre |
| Employees  | <ul style="list-style-type: none"> • Career development opportunities • Benefits and remuneration | <ul style="list-style-type: none"> • Employee satisfaction survey • Employee engagement activities • Regular meetings • Internal newsletter • Titans portal |
| Government/Regulatory Authorities  | <ul style="list-style-type: none"> • Compliance • Supporting government Initiatives | <ul style="list-style-type: none"> • Formal meetings • Performance reports |

ETHICS & WHISTLE-BLOWING

We uphold the highest level of integrity in our dealings with stakeholders in order to build and maintain strong relations based on trust. As part of our commitment to corporate integrity, we have a Whistle-Blower Policy through which we provide a mechanism for stakeholders to report any unethical behaviour, including actual or suspected fraud, committed by anybody representing UEM Sunrise in a manner that protects their privacy. We assure employees, vendors and anyone else who makes a report that they will not face any negative repercussion for their action, as long as their allegations were made in good faith. At the same time, to protect the integrity of the organisation, disciplinary action will be taken against false or baseless allegations.

All allegations will be investigated, and the appropriate action will be taken against persons found to have behaved in any way that contravenes our Code of Ethics.

Reports can be made through any of the following Whistle-Blowing channels:

- Online reporting system via Secured Postbox
- Email to whistleblower@uemnet.com
- In person to one of: the Head of Group Human Capital or the Chief Audit Executive or the Head of Human Resources or Head of Internal Audit or Head of Risk Management and Compliance of the respective subsidiaries using the prescribed Whistle-Blower Lodgement Form
- In writing to the Chairman of the Board of Directors or the Chairman of the Audit Committee of UEM Group or any of our subsidiaries using the prescribed Whistle-Blower Lodgement Form.

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OUR MATERIAL ISSUES



Having identified our material matters, these form the basis of our sustainability initiatives. In reporting our sustainability performance for the year 2018, therefore, we will disclose management’s approach to these material matters.

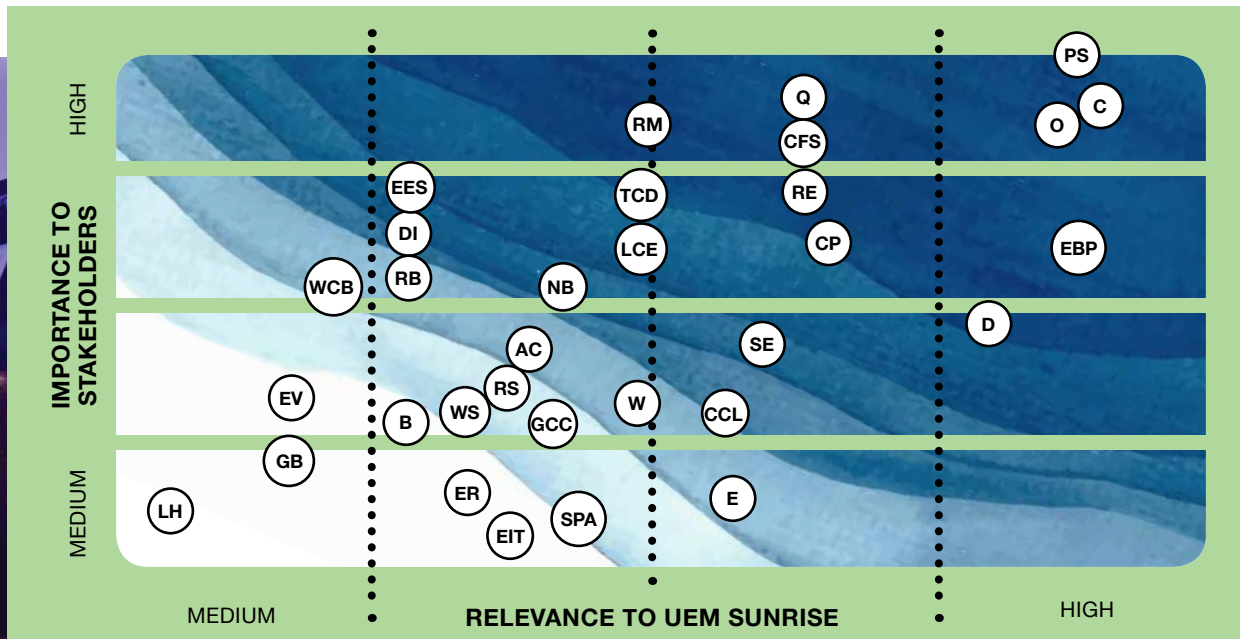
In the last quarter of 2017, UEM Sunrise conducted our first materiality assessment to identify issues that are important to our long-term organisational success, as well as those that are seen to be important to our stakeholders.

The survey was performed by an external consultant to maintain impartiality and secure the anonymity of the respondents. The survey responses were used to ascertain the views of stakeholders. As each stakeholder group was not equally represented, a separate average score was calculated for each area within each stakeholder group before obtaining a total average. This approach ensured that each stakeholder group was represented equally.

From the assessment, a total of 32 material matters were identified. Weightage along a scale of 1-5 given by respondents in the surveys – from ‘Very Unimportant’ [1 on the scale] to ‘Very Important’ [5 on the scale] – was used to prioritise the matters.

The RESULT

The result was the following materiality matrix:



- O** - OSH
- Q** - Quality
- PS** - Public safety
- RM** - Responsible marketing
- CFS** - Customer feedback/satisfaction
- C** - Corruption
- EES** - Employee engagement & satisfaction
- TCD** - Training and career development
- RE** - Recruiting/retaining employees
- CP** - Customer privacy
- EBP** - Economic & business performance
- DI** - Diversity & inclusivity
- LCE** - Local community engagement
- SE** - Stakeholder engagement
- D** - Discrimination
- RB** - Remuneration and benefits
- NB** - Nation building
- CCL** - Child & compulsory labour
- EV** - Employee volunteerism
- WCB** - Wider community benefit
- AC** - Anti-competition
- E** - Energy
- GB** - Green building
- RS** - Responsible sourcing
- LH** - Local hiring
- WS** - Waste
- W** - Water
- B** - Biodiversity
- GCC** - GHG emissions & climate change
- ER** - Employer/employee relations
- SPA** - Sustainable procurement & supplier assessment
- EIT** - Environmental impact from transportation

The matrix was reviewed by management in 2018 and found to still be relevant. Having identified our material matters, these form the basis of our sustainability initiatives. In reporting our sustainability performance for the year 2018, therefore, we will disclose management’s approach to these material matters. Where possible, we will also describe actions taken and results achieved. Some of the material matters are closely linked – for example Responsible Sourcing and Sustainable Procurement & Supplier Assessment, as well as Energy Consumption & GHG Emissions – thus reported together.

With a robust assessment of material sustainability aspects forming the basis of sound sustainability disclosure, we will continue to review the matrix every year to drive relevant reporting as well as disclose any changes to the material matters. This will ensure that the sustainability matters being managed and reported remain material to the business and are aligned with our stakeholders’ needs.

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OUR ECONOMIC IMPACT

OUR ECONOMIC IMPACT

Our business contributes to the nation's economy directly, through the employment of labour and payment of taxes, as well as indirectly through the development of infrastructure that drives economic growth while improving Malaysians' standard of living, supporting the government's vision of achieving high-income nation status. Our economic impact is determined largely by our financial performance, which also has a bearing on our shareholders.

ECONOMIC & BUSINESS PERFORMANCE

In 2018, our revenue increased by 10% to RM2,044.0 million as compared to RM1,860.6 million in 2017. In line with the increase in revenue, our Profit after tax and non-controlling interests ("PATANCI") also grew approximately 166% to RM280.3 million as compared to RM105.6 million in 2017 due to development cost savings and contribution from non-strategic asset divestment.

The biggest contributor to our revenue was property development, at RM1,431.0 million whilst dispose of non-strategic land sales recorded a revenue of RM457.4 million the remaining comprises of Property Investment, Asset & Facilities Management and Project Management – amounting to RM74.3 million.

| | FY2018 (RM mil) | FY2017 (RM mil) |
|-------------------------------------|--------------------|--------------------|
| Revenue | 2,044.0 | 1,860.6 |
| Cost of Sales | (1,302.7) | (1,317.5) |
| 1 Operating Expenses | (339.6) | (350.1) |
| Operating Profit | 476.0 | 249.2 |
| Other Income | 74.3 | 56.2 |
| Finance Costs | (101.0) | (91.2) |
| Share of Results of Associates & JV | 41.4 | 36.1 |
| Profit Before Zakat and Income Tax | 416.4 | 194.1 |
| PATANCI | 280.3 | 105.6 |
| ROE | 4.0% | 1.5% |

Note: FY2017 members have been restated based on the MFRS framework

UEM Sunrise has adopted a dividend policy of paying out of 20% to 40% of the Group's PATANCI (Formerly known as Profit after tax and minority interest ("PATAMI")), subject to, among others, availability of distributable reserves and adequate free cash flow from operations.

REVENUE
INCREASED BY
10% TO
RM 2,044.0 Million



PATANCI GREW
APPROXIMATELY

166% TO
RM 280.3 Million

Sales achieved
RM 1,433.0 Million
EXCEEDED TARGET
BY 19%

NATION BUILDING

Iskandar Puteri, for which we are the master developer, is part of the ambitious Iskandar Malaysia development that is set to transform southern Malaysia into an international metropolis. Since 2006, Iskandar Malaysia has attracted a total of RM272.90 billion in investments and created a total of 740,000 jobs.

We recognise that sustainability of Iskandar Puteri depends not only physical infrastructure but also on attracting and maintaining a vibrant economic and social ecosystem. For the former, there are numerous catalytic developments within the zone such as Puteri Harbour, designed to become Malaysia's own Riviera; Kota Iskandar, the seat of the Johor State Government; Southern Industrial Logistics Clusters ("SILC"), an industrial park for advanced technologies; and Educity, a fully integrated education hub, among others. To encourage greater footfall, we have been placing increasing emphasis on placemaking initiatives that serve to create a distinct lifestyle and community living experience.

AMONG THE KEY ACTIVITIES ORGANISED IN 2018



Iskandar Puteri Night Marathon

UEM Sunrise was a silver sponsor of the event held at Dataran Mahkota, Kota Iskandar to incorporate sports and healthy living into the blueprint of Iskandar Puteri.



Iskandar Puteri Jazz Festival

7,000 jazz fans enjoyed an evening that featured a line-up of 12 experimental and classical jazz performances.



Challenge Iskandar Puteri

700 triathletes took part in the third edition of Southeast Asia's most renowned global triathlon.



Spartan Asia Pacific Championship

More than 6,000 athletes from all over the world participated in what is considered one of the toughest obstacle races in the world.

Our Economic Impact



Symphony Fun Walk & Run_Symphony Hills, Cyberjaya

The second “Symphony Fun Walk & Run 2018” saw a great camaraderie and encouraging response amongst the community of Cyberjaya and Klang Valley, where close to 600 participants took part in the 7KM Fun walk and run at Symphony Hills residential area.



ISKARNIVAL

Our annual festive bonanza in Iskandar Puteri (please refer to boxed story below).



The Moscow Circus

The circus featured dazzling world-class circus acts and stunts by two of the most renowned Russian circus companies – the Bolshoi and Nikulin.

These events are highlighted in our *ULiving* magazine, where we also showcase the sophistication of our business and customers and highlight various offerings from our strategic partners. Such brand association helps to ensure the success of our placemaking initiatives.

PLAYING UP PUTERI HARBOUR

Our eighth ISKARNIVAL, themed *Main-Main (Play)*, turned Puteri Harbour into a gigantic playground on 8-9 December, attracting more than 70,000 visitors who also helped us commemorate Iskandar Puteri’s first anniversary as a city. The carnival was the perfect platform for innovation, education and creativity, encouraging local initiatives and talents to showcase and share ideas on the theme of play for all ages.

Among the main highlights were performances by Zee Avi, the US-based singer-songwriter, Lyia Meta, named World Music Artist of the Year at the 2018 Josie Music Awards in the US; and rapper Joe Flizzow, who won the Best South-East Asia Act at the MTV Europe Music Awards 2018 in Spain.



Please scan this QR code for more information on our Events Highlights
<https://uemsunrise.com/corporate/media-centre/happenings>

Affordable Housing

As a responsible township and master developer, we fully support the Government's agenda for all Malaysians to have decent and comfortable homes. Accordingly, we are developing a number of affordable housing projects in the Southern as well as in the Central region of Malaysia. During the year, we launched our first affordable housing project in the Central region, Kondominium Kiara Kasih in Segambut, Kuala Lumpur, which has been extremely well received, attracting a take-up rate of 97% as of March 2019.

To continue providing affordable homes for Malaysians, in 2019 we will be launching Rumah Selangorku in Serene Heights Bangi comprising 800 apartment units with a GDV of RM94 million and Phase 1 of Laman Nusantara in Gerbang Nusajaya, with a GDV of RM9 million.

While being affordable, these projects are carefully planned so as to provide maximum living comfort while also offering recreational, religious and other facilities that enhance community living.



PROJECTS

Taman Nusantara & Nusantara Prima

Size & Location

650 acres in Iskandar Puteri

Description

Undertaken together with Denia Development Sdn. Bhd. The project encompasses double-storey terrace houses, shop offices and single-storey shop lots. To date a total of 5,172 residential and commercial units have been completed.

Perumahan Iskandar Malaysia ("PRISMA")

Size & Location

60 acres in Iskandar Puteri

Description

The land has been allocated to the Iskandar Regional Development Authority ("IRDA") to develop 34 blocks of three to four-storey apartments. A total of 1,500 apartments have already been completed and rented out.

Bayu Nusantara, Nusa Bayu

Size & Location

19.88 acres (part of Nusa Bayu) in Iskandar Puteri

Description

Completed 351 landed units in 2016, consisting of 80 units of 850 sq ft apartments, 241 units of 1,000 sq ft apartments and 30 units of 1,200 sq ft shop lots.

Our Economic Impact

PROJECTS

Denai Nusantara

Size & Location

40.8 acres in Iskandar Puteri

Description

In February 2018, we completed the development of Rumah Mampu Biaya Johor Denai Nusantara comprising 1,109 units of three-bedroom apartments and 108 single-storey shop lots. Shared amenities include a multipurpose hall, mosque, and an open green space with a football field, jogging track, recreational area as well as safety fencing.

Gerbang Nusantaara

Size & Location

164.8 acres in Gerbang Nusajaya, Iskandar Puteri

Description

4,752 units of houses as well as a mosque, primary schools, religious schools, a multipurpose hall and community centre. We plan to launch the first phase of Gerbang Nusantara in Q3 2019.

Kondominium Kiara Kasih

Size & Location

2.14 acres in Mont'Kiara, Kuala Lumpur

Description

719 three-bedroom units in a 40-storey tower, complete with a guard house, mail room, entrance plaza, nature play, urban farming, outdoor fitness station, open lawn, open plaza and terrace garden, a nursery, pocket garden, management office, surau, reading room, playground, BBQ area, swimming pool, wading pool, changing room, multipurpose hall, terrace garden, sky fitness station, viewing deck and scent garden. To be completed in October 2022.

Local Hiring

We believe in providing employment opportunities to Malaysians in order to grow local capabilities and contribute to enhanced gross national income ("GNI"). Accordingly, all our employees in Malaysia are Malaysian.



SUSTAINABLE PROCUREMENT & SUPPLIER ASSESSMENT

We aim to promote local businesses as far as possible through our procurement activity while ensuring that our suppliers adhere to the same ideals of sustainability that we do.

To ensure the corporate values of our suppliers are in line with those of UEM Sunrise, we incorporate sustainability-related questions in our bids and performance indicators. Our focus is on areas such as our suppliers' integrity, their adherence to labour and human rights laws and their health, safety and environment performance. In terms of the environment, we expect our contractors to ensure their work does not directly or indirectly pollute or contaminate the surrounding area. All requirements imposed by the authorities, especially the Environmental Quality Act 1974, must be adhered to. We also ensure our contractors adhere to commitments made under our Environmental Impact Assessments.

We engage with suppliers and contractors on sustainable development issues during our business reviews, supplier sustainability forum and supplier audits.

To reinforce sustainable procurement practices, we will continue to:

- Improve processes and engage with suppliers to identify and manage risks
- Increase productivity and efficiency within the supply chain

WHAT WE EXPECT OF OUR SUPPLIERS, CONTRACTORS & SUBCONTRACTORS



Social obligations

- Compensation packages that comply with:
 - Δ The Worker's Compensation (Foreign Workers Compensation Scheme) (Insurance) Order 1996
 - Δ Social Security Insurance
 - Δ Employer's Liability Insurance
 - Δ Any other insurance with statutory limits under Malaysian law
- Fair remuneration that at least covers their workers' living expenses
- Valid permits to work, which should be issued before the workers start work, in accordance with Malaysian Immigration and Labour Laws
- Overtime payment
- Safety – workers must not be exposed to hazards or risks when carrying out work in addition to being supervised by our safety personnel on site



Environmental obligations

- Operations must not degrade the environment with pollutants
- Manage the impact of their operations and preserve biodiversity through reduced carbon emissions, proper waste disposal, etc
- Reduce the consumption of resources such as raw materials, energy and water

Our Economic Impact

QUALITY CONSTRUCTION & MANAGEMENT

We recognise that the quality of our developments reflects our own value as an organisation. We have always sought to achieve the highest quality and have been rewarded for our efforts by numerous local, regional and international awards. To ensure consistently high quality in our products, we adhere to the Quality Assessment System in Construction (“QLASSIC”) as advocated by Malaysia’s Construction Industry Development Board (“CIDB”). The system assures workmanship quality of a building’s construction based on the Construction Industry Standard (CIS7:2014).

QLASSIC Scores obtained in 2018, Central region

| Development | Phase | Units | House Type | QLASSIC Score |
|-----------------------|------------------------|-------|------------------------------------|---------------|
| Serene Heights, Bangi | Phase 1C1 (Begonia) | 153 | Double Storey Terrace Landed | 77% |
| Radia | Phases 3&4 | 264 | High Rise | 75% |

QLASSIC Scores obtained in 2018, Southern region

| Development | Phase | Units | House Type | QLASSIC Score |
|-----------------|-----------|-------|---------------------|---------------|
| Estuari Gardens | Package 1 | 70 | Landed | 80% |
| | Package 2 | 120 | Superlink House, | 77% |
| | Package 3 | 64 | Gated & | 79% |
| | Package 4 | 96 | Guarded | 84% |

Our target is to obtain QLASSIC scores of 75 and above for mid-range developments, and 77 and above for high-end projects. We therefore met our target for all developments audited during the year. We were especially pleased with the scores for Packages 1 and 4 of Estuari Gardens which far exceeded our target.



INTEGRATED MANAGEMENT SYSTEM

The Group has a dedicated team for Quality Assurance, Safety, Health and Environment (“QASHE”). The team monitors technical findings and defects inspection to ensure our projects are developed and delivered in accordance with contract specifications and internal guidelines. It is also responsible for compliance with all legal and other requirements in terms of occupational safety, health and environmental management.

The team is guided by various management systems that we have in place, represented by the ISO, OHSAS and MS certifications obtained over the years, as depicted below.

| Assurance | Certification | Date Obtained |
|---|------------------|---------------|
| Systematic approach to the development, implementation and improvement of the Group’s Quality Management System with an emphasis on understanding customers and meeting their expectations. | ISO 9001:2000 | November 2000 |
| | ISO 9001:2008 | March 2010 |
| | ISO 9001:2015 | June 2018 |
| Demonstration of having an effective system to manage health and safety in the organisation | OHSAS 18001:1999 | November 2007 |
| | OHSAS 18001:2007 | November 2008 |
| | MS 1722:2011 | January 2011 |
| Implementation of a comprehensive Environment Management System | ISO 14001:2004 | November 2009 |
| | ISO 14001:2015 | June 2018 |
| Implementation of effective IT Service Management system that ensures day-to-day IT service delivery is aligned with customer satisfaction | ISO 20000-1:2011 | December 2017 |

As these certifications continue to evolve, we continue to upgrade our systems to keep up with the latest requirements. We are, for example, currently working on upgrading our health and safety certification to the ISO 45001:2018 standard, latest by 2021. For greater efficiency we are also in the process of merging our different systems into a single Integrated Management System (“IMS”).

ANTI-COMPETITION

We support fair competition in the industry, as reflected by our maintaining competitive prices. We also partner other developers in a number of joint ventures and work symbiotically together for the benefit of our own organisation, our partner, and the end consumer – our customers.

06

OUR SOCIAL CONTRACT

We recognise that our operations and the way we run our business have a bearing on a very large number of people, not just our customers and employees but also communities – and are conscious of creating value for each stakeholder group. We design our projects specifically with our customers’ needs and lifestyle aspirations in mind; we encourage our employees to grow with us as we provide them with training and professional advancement opportunities; and we give back to our local communities in ways that are meaningful as well as impactful.

CUSTOMER SATISFACTION

Our customers are extremely important to us. We build for them with the intention of enhancing their lives. Other than offer world-class residential, commercial, educational, industrial, lifestyle and health infrastructure, we seek to gain their loyalty through highly professional and efficient service.

We have a Customer Excellence (“CX”) team dedicated to ensuring a high level of customer experience. All enquiries received from customers are assigned to a dedicated CX Executive who is then responsible for attending to the case and resolving it. We strive to meet the relevant Service Level Agreement (“SLA”) for all services provided in accordance with our Integrated Standard Operating Procedures (“ISOPs”).

In 2017, we launched the One Stop Centre (“OSC”) at newly handed over developments which alleviates the need for homebuyers to go to multiple offices or places prior to getting the keys to their new homes. We also ensure our front-liners are well trained to further enhance our customer experience.

AMONG OTHER INITIATIVES THAT HAVE BEEN INTRODUCED TO ADD VALUE TO OUR CUSTOMERS ARE:



Shuttle bus service in Mont’Kiara and Iskandar Puteri



Tresor loyalty programme



Engagement events organised by our Fun Zone teams such as Symphony Fun Walk & Run

We conduct an annual Customer Satisfaction Survey to gauge our customers’ overall satisfaction with UEM Sunrise’s products and service. We were pleased to see our scores increase year-on-year in all three parameters measured, namely corporate reputation, product quality & offerings, and overall customer experience.

Customer Satisfaction Survey scores, 2017 & 2018

| | 2017 | 2018 |
|------------------------------------|------|------|
| Corporate Reputation | 80% | 82% |
| Product Quality & Offerings | 69% | 73% |
| Overall Customer Experience | 75% | 76% |
| Overall Performance of UEM Sunrise | 75% | 77% |

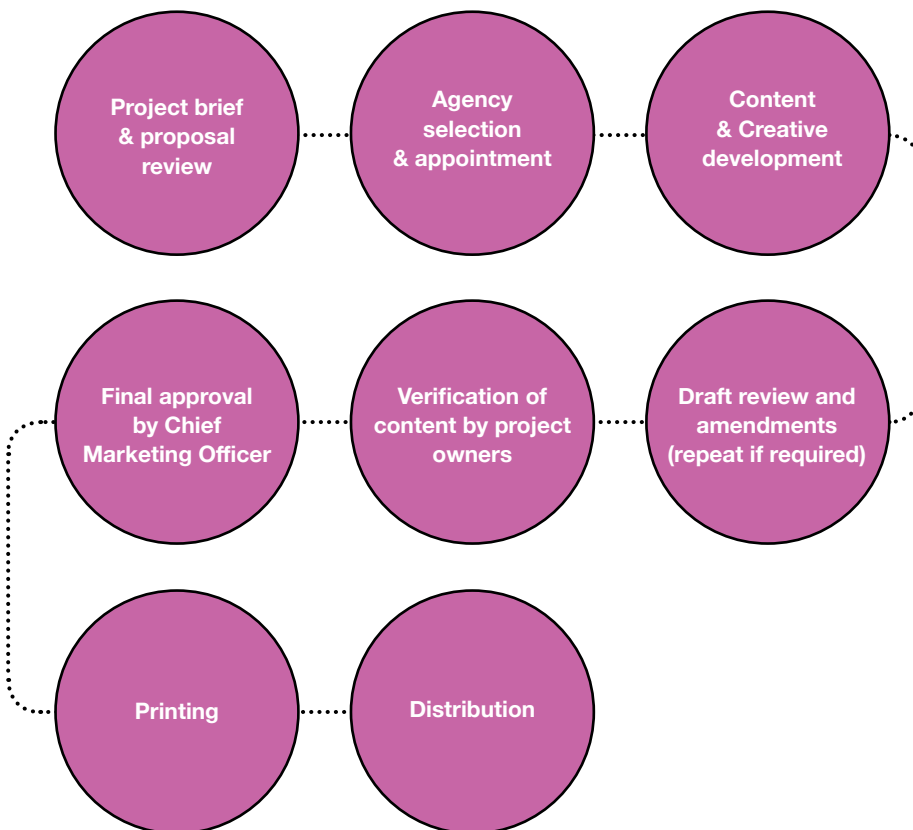
The survey is important because it serves as a channel for honest feedback from our customers. We truly value such feedback, as it helps us identify and rectify problem points. Other than through the survey, we encourage customers to provide us feedback through our Customer Care toll-free hotline at 1 800 888 008, our Customer Care email address, or via SMS.

RESPONSIBLE MARKETING

UEM Sunrise conducts socially responsible marketing and communication, at the corporate level and at each project entry. We also consider what is in the best interest of relevant stakeholders, namely current and potential customers, the community and society as a whole.

Our marketing collaterals are clear, accurate and informative. Properties under development are showcased at their respective sales galleries close to the project site. This includes Iskandar Puteri, Mont’Kiara, Serene Heights in Bangi and Cyberjaya’s Symphony Hills. These galleries allow us to promote our projects and act as an information centre catering for current and prospective customers and investors. Our sales personnel are customer-centric and are trained to attend to any queries pertaining to our projects and developments.

PROCESS-FLOW FOR COLLATERAL PRODUCTION



CUSTOMER PRIVACY

We respect customers’ right to privacy of their personal data, and fully adhere to the Personal Data Protection Act 2010 (“PDPA”). We issue a PDPA notice to all customers to obtain their consent before using their data for commercial transactions. This notice informs customers of how UEM Sunrise and our subsidiaries as well as associate companies collect, store and handle their personal information in accordance with the PDPA and other Malaysian regulations.

PUBLIC SECURITY

We have a Security Department entrusted with safeguarding the security of residents and the public at our finished developments. In addition to responding to calls regarding crime at any one of our completed or ongoing projects, personnel from the Department collaborate with external stakeholders such as Royal Malaysian Police (“PDRM”), Immigration, Customs, the Ministry of Home Affairs, Fire Brigade and our various Resident Associations, Condo Management Committees and others on crime prevention.

The Department manages our Auxiliary Police in all our townships to create safe and secure environments. We also work with security consultants to adopt the best technologies to keep enhancing our security measures. In the Southern region, for example, we have engaged security solutions provider Inneonusa as our joint venture partner for security solutions. Together with Inneonusa, we are installing an Integrated Observation Centre (“IOC”) that allows for real-time monitoring of our township.

The Department has also initiated a number of community programmes, meet and greet sessions, and talks on crime prevention to enhance residents’ feeling of security and to obtain feedback on improving preventive measures and safety.

Moving forward, we have included Artificial Intelligence to add another layer of protection thus enhancing our security features at selected developments.

Our Social Contract

RECRUITING/RETAINING EMPLOYEES

We recruit the best talents by participating in numerous career fairs such as Graduan Aspire and M100 Career Fair as well as those organised by universities and the Labour Office/JobsMalaysia. We are also represented by UEM Group at international career fairs such as the UKEC Career Fair in the UK. Selection of new hires is based on interviews, psychometric as well as aptitude online assessments. Among the more salient attributes we look for in new hires are: competency, leadership, integrity, passion, being enterprising, the ability to work in teams and a drive to succeed. To help new hires settle in, they are given an onboarding brief on their first day and subsequently attend an onboarding programme during the first quarter of their employment in UEM Sunrise.

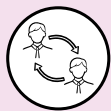
For more experienced positions, we advertise for talent via an internal job portal used by all UEM operating companies and on online channels such as LinkedIn and Jobstreet as well as through professional headhunters.

NEW HIRES IN 2018, BY REGION & GENDER

| | Central Region | Southern Region | Male | Female |
|-------------------------|----------------|-----------------|------------|------------|
| Executive | 120 | 26 | 74 | 72 |
| Non-Executive | 35 | 21 | 42 | 14 |
| TOTAL | 155 | 47 | 116 | 86 |
| Graduate Trainee | 69 | 19 | 23 | 65 |
| GRAND TOTAL | 224 | 66 | 139 | 151 |

We retain our talents by addressing their developmental needs, offering the right perks, creating a high growth culture and enabling an environment that supports work-life integration. We demonstrate how much we value our employees by listening to them and acting on their feedback. We also provide exciting career development opportunities which inspire our people to stay and grow with us.

Key retention strategies include:



Employee Engagement

We engage regularly with employees to keep them updated of corporate developments through quarterly townhall sessions led by our MD/CEO, our internal newsletter and the Titans portal. We also create opportunities for employee engagement via various activities.



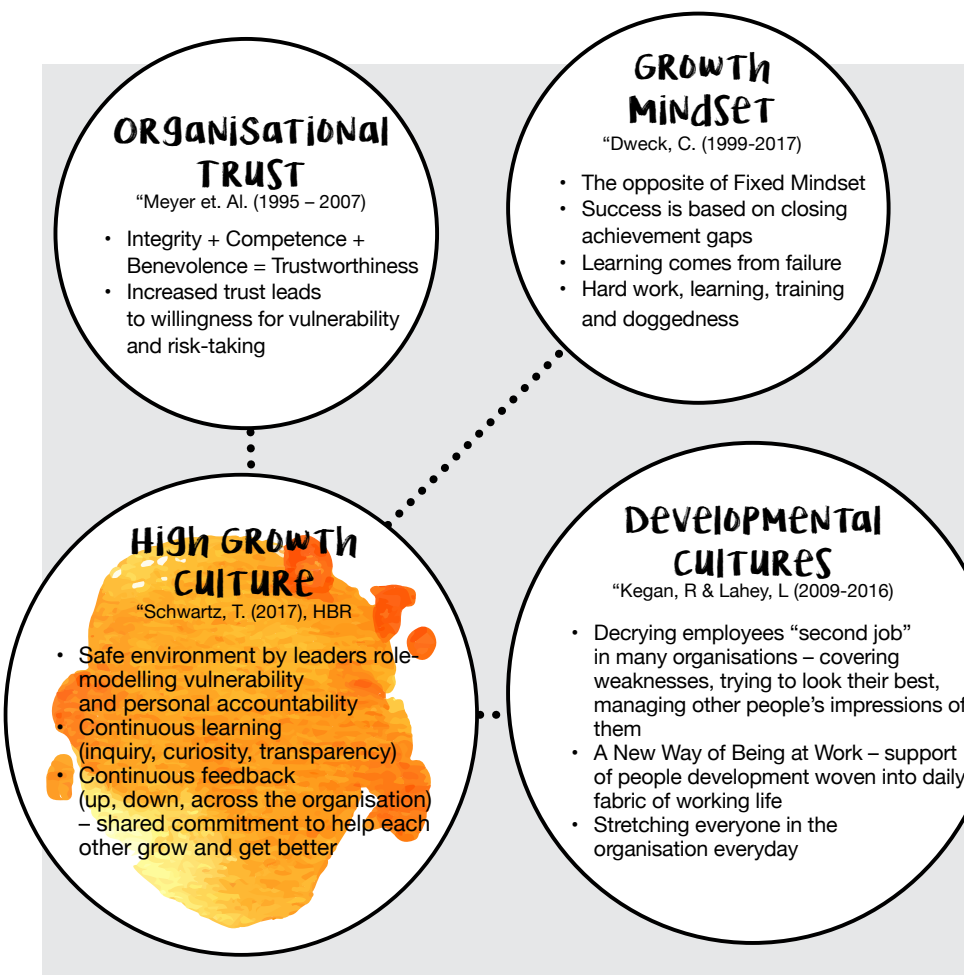
Development Opportunities

We develop the individual talents of our people by enabling them to demonstrate their unique skills while helping them to overcome any skills deficiencies they may have through various formal and informal programmes.



Talent Mobility

We provide our employees the opportunity to work in our offices overseas as well as in other companies within the UEM Group, as part of their career development. These postings greatly enhance their professional experience, broadening their leadership and technical skills.



DEVELOPING A HIGH GROWTH CULTURE

We are creating and enabling a high growth culture in which development support is ingrained in our everyday operations, daily routines and conversations. We encourage our employees to keep challenging themselves. We identify skills that each employee needs to work on and help them acquire the relevant capabilities. We recognise that mistakes will be made in such an environment, and share the view that mistakes are to be treated as learning opportunities for us to be better at what we do.

In September 2018, we ran a Culture Alignment Survey to gauge where we are now in relation to our desired culture.


Overall, three areas have been identified where most change is required:

- 1 How organisational decisions are made;
- 2 How we interact with each other; and
- 3 Beliefs about UEM Sunrise's strategy and business model.



Succession Planning

By having a succession plan, we are able to manage organisational risk and prepare potential talents to take on critical roles within the Company. In 2018, we established a UEM Sunrise Talent Council and an Advisory Council to steer and advise on matters relating to building a sustainable talent pipeline.



Benefits and Remuneration

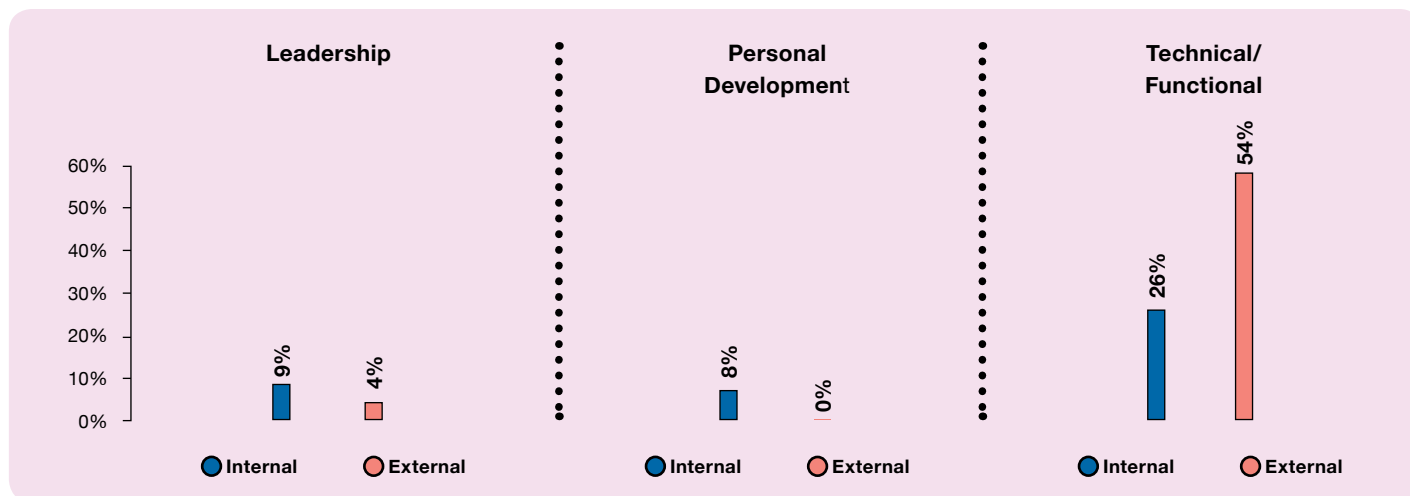
We offer industry benchmarked salary and remuneration packages in order to attract the right talent.

Our Social Contract

TRAINING AND CAREER DEVELOPMENT

We adopt the time-tested and proven 70:20:10 corporate guideline for people development which encompasses 70% experiential learning from daily work; 20% learning from others; and 10% formal learning via training programmes.

2018 TRAINING PROGRAMMES BREAKDOWN



Learning and development programmes at UEM Sunrise include:

Leadership & Talent Development

We are creating a great workplace where employees are empowered, engaged and energised by their leaders. We have put in place leadership, mentoring and talent development programmes relevant to the respective levels to ensure our leaders demonstrate exemplary capabilities in leading the organisation.

Business Management Programme

We enroll key talents in the programme to equip them with relevant theoretical and practical knowledge in strategic management, accounting & finance, entrepreneurship & innovation, change management & leadership, and marketing to create a pool of commercial savvy business leaders.

Core/Functional/Technical Development Programmes

We have identified and developed key UEM Sunrise Core, Functional and Technical Competencies that are critical for employees to achieve high levels of competencies in their roles. Learning programmes are developed as part of intervention plans to close gaps and improve employees' capabilities.

Knowledge Sharing

Subject matter experts from the different divisions conduct training sessions for others in the organisation to share their knowledge and expertise. Such sessions are announced on our intranet and held on average once a month.

OSH/QASHE Training

Specialised training is organised for members of the relevant teams in the areas of Quality, Safety, Health and Environment. This includes on-the-job training at project sites to do things right through experiential learning.

PERFORMANCE MANAGEMENT

Each employee works together with the manager to plan, monitor and review the employee's work objectives and overall contribution to the organisation. More than just an annual performance review, we encourage employees to engage in regular performance discussions with their line managers, where ongoing coaching and feedback can be provided to ensure that employees meet their objectives and career goals.

We have in place a Performance Management System ("PMS") that recognises and measures the performance of employees. The PMS has evolved into an electronic format, called ACE, where employees can create their scorecards and set their Key Performance Indicators ("KPI"s), track performance progress and review their performance during the Performance Appraisal cycle.

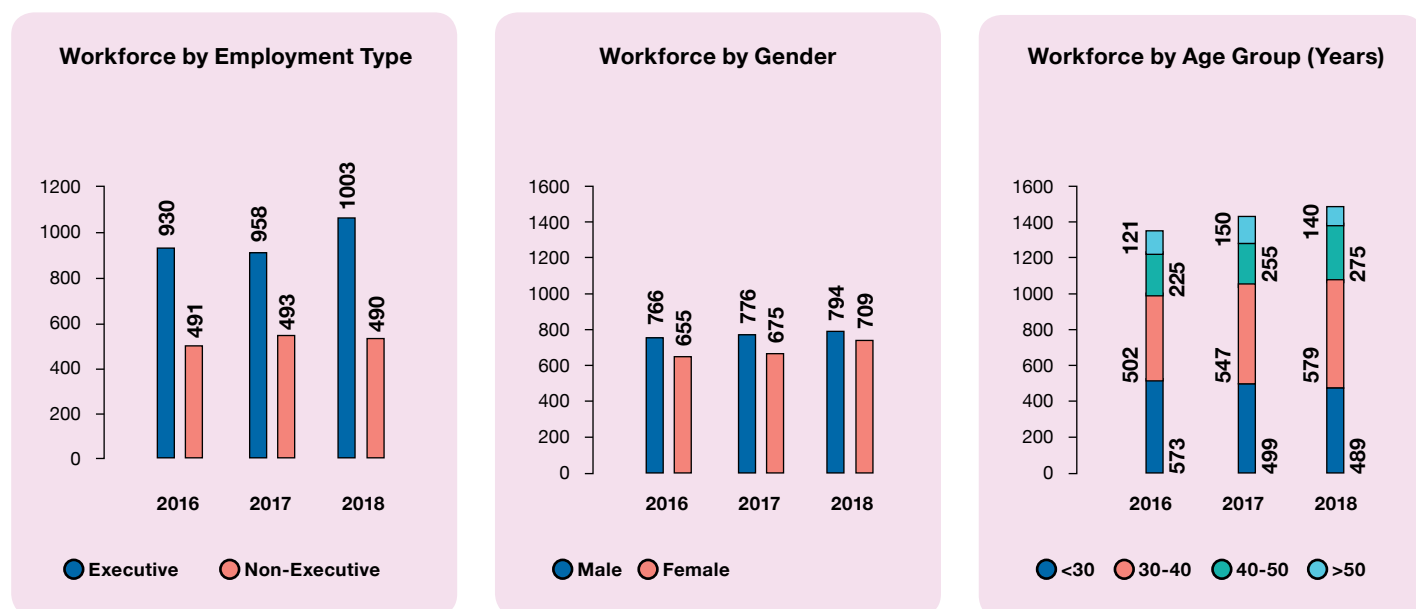
DIVERSITY & INCLUSION

We believe that a diverse workforce enriches our intellectual perspective, bringing together different views for greater creativity, broader-based strategies and more effective decisions. We therefore seek to bring together Malaysians of different ethnic and cultural backgrounds into the Group, while maintaining a good representation of the different age groups as well as balance of the genders.

We are pleased to have been able to gradually increase the percentage of women working in the Group from 46.1% in 2016 to 47.0% in 2018. Various initiatives have been introduced to create a conducive work environment for women, taking into account their personal and familial responsibilities. These include setting up a Mother's Room at our headquarters in Publika, Kuala Lumpur for nursing mums. In March 2018, we took another step towards empowering women within the Group by launching "Women of UEMS" to serve as a platform for women to network and support each other.

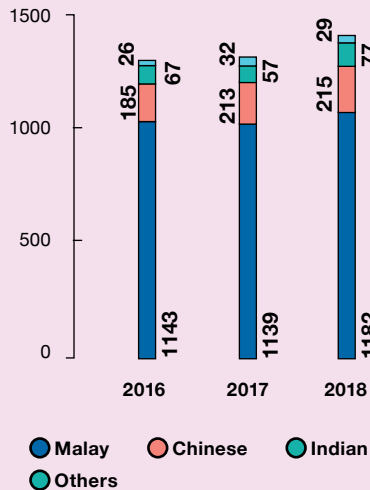
Inclusivity at UEM Sunrise is supported by zero tolerance for any form of harassment or discrimination against any person due to race, age, religion, ethnicity, or any kind of disability.

WORKFORCE BREAKDOWN IN UEM SUNRISE

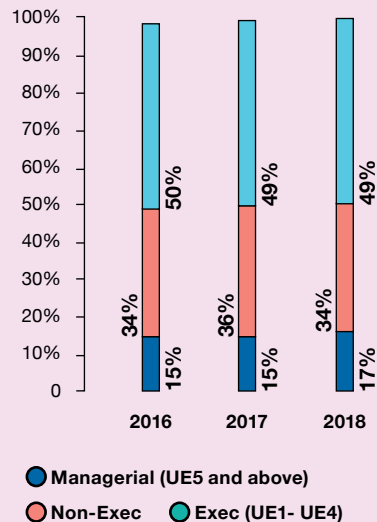


Our Social Contract

Workforce by Race



Workforce by Job Management Level



EMPLOYER/EMPLOYEE RELATIONS

At UEM Sunrise, we observe and support the following:

- 1) **Gender Equality** – We reject all forms of discrimination against women
- 2) **Good Health & Wellbeing** – Everyone deserves the right to live happily and enjoy healthier life
- 3) **Decent Work** – We reject all forms of harassment and discrimination against race, age, religion, ethnicity, pregnancy and disabilities.
- 4) **No Child Labour** – We do not employ minors below the age of 18 years and prohibit the use of child or forced labour in and/or for our organisation.

EMPLOYEE VOLUNTEERISM

Our employees take pride in our social citizenry and willingly volunteer their time to help us carry out various community outreach programmes. Calls for volunteers are made via our intranet as well as emails and the quota for volunteers needed is usually filled within a day. Being able to contribute in a meaningful way to society is one of the attractions of working at UEM Sunrise.

OCCUPATIONAL SAFETY & HEALTH

The safety of our employees as well as the employees of our contractors is given utmost priority. To ensure the highest level of safety, we have a Health and Safety Policy which is shared with all our contractors and project managers. This is supported by a Health, Safety and Environment (“HSE”) Management System which forms a framework through which we manage our HSE risks across the organisation.



HSE reports are produced every month, which are reviewed by our Board. At the ground level, various safety initiatives are organised regularly to create a safety culture and instill a mindset that recognises individual responsibility for the safety of self and others.

We have identified job scopes that pose particularly high safety risk, and have placed additional emphasis on ensuring all workers undertaking these functions are adequately trained before they embark on any work at our sites. These functions include:



Working at Height

All fatalities in the past related to UEM Sunrise construction have been in relation to working at height. We define working at height as work on any platform more than 2 metres above ground. Workers who perform such jobs are required to obtain a Permit to Work and wear harnesses in addition to the normal personal protective equipment ("PPE"). Meanwhile, we ensure all ladders are made of quality material and offer adequate strength.

Lifting

This includes any function that involves working with cranes, hoists or gondolas. Workers undertaking such jobs are required to have the necessary permit to work and technical qualifications. Only 'competent' persons are allowed to operate cranes and conduct safety audits on such work at site.

Scaffolding

Scaffolds or staging are temporary structures used to support workers and material in the course of construction, as well as maintenance and repair works. Once again, those undertaking scaffolding work need to have the necessary permit, and only those with the relevant qualifications are allowed to erect and dismantle scaffolds.

Our Social Contract

Targets

- Zero fatalities
- 100% compliance on PPE
- 50% reduction in Notice of Prohibition (“NOP”) and Notice of Improvement (“NOI”) from the Department of Occupational Safety and Health (“DOSH”)
- 100% with CIDB Green Card

We are very selective of the contractors we work with, ensuring they have good safety and SHASSIC track records. SHASSIC, which stands for Safety and Health Assessment System in Construction, sets out the safety and health management and practices of a contractor for various aspects of the construction work activities.

Before any work starts on site, the workers are given a safety induction briefing. A total of 570 briefings were conducted in 2018, attended by a total of 3,139 workers. During construction, we conduct random checks to ensure that all relevant safety processes and procedures are adhered to. At the same time, we conduct various programmes with our own employees to enhance their safety awareness and promote safe behaviours at all times.

This year, the following safety initiatives were organised:

- Fire drill at Imperia Office Tower
- Fire drill in Nusajaya Centre
- Workplace Accident Free Week
- Safety campaigns on Sandy Beach and in Serimbun, Iskandar Puteri for our contractors’ workers

As a result of our safety initiatives, we maintained our zero-fatality record for the last three years and significantly reduced the number of minor injuries (treated with first aid).



Safety performance from 2016

| Indicator | 2016 | 2017 |
|---|-----------------------------------|------------|
| No. of minor injuries | 22 | 12 |
| No. of lost time injuries | 2 | 0 |
| No. of property damage | 4 | 0 |
| No. of fatal accidents | 0 | 0 |
| Total days of project operations | 365 | 365 |
| Work without a Lost Time Incident (LTI) (Man Hour) | 13,741,680 | 7,524,816 |
| Accumulated Work without Lost Time Injury (Man Hour) | 12,250,960 | 19,775,776 |
| | (Last accident dated 17 Feb 2016) | |



PUBLIC SAFETY

We work closely with our contractors to meet the Guidelines for Public Safety And Health At Construction Sites (1st Revision: 2007) and require them to adhere to our safety requirements which are clearly stated in a Health, Safety and Environment Requirement for Contractor document that is incorporated into their contract.

Our safety policies and procedures are underlined by our Quality, Health, Safety and Environmental (“QHSE”) Policy which states that UEM Sunrise will:

- Construct an effective QHSE system in compliance with legal, customers and other requirements;
- Apply best practices in our QHSE system to achieve continual improvement;
- Render QHSE Management System training and briefings to employees and vendors continuously to improve awareness and participation;
- Enrich our QHSE Management System practices by providing our best efforts towards achieving customer satisfaction, prevention of pollution, work injury, near misses, ill health, fatalities, disability, disease, property and environmental damage.

Initiatives to ensure public safety include the following:

- Putting up proper hoarding, gates and fencing along project site boundaries to avoid trespassers;
- Proper traffic management control for vehicles in and out of the project as well as to any construction works on public roads;
- Proper temporary earth drainage system at the project to avoid flooding of public roads during heavy rain; and
- Use of safety nets and catch platforms around edges of the building.

We conduct monthly safety inspections at our project sites to monitor our contractors’ performance and eliminate any public safety risk.

| 2018 |
|--------------------------------------|
| 6 |
| 1 |
| 0 |
| 0 |
| 365 |
| 4,062,544 |
| 23,838,320 (Till 26 Nov 2018) |
| 307,952 (27 Nov till 31 Dec 2018) |

Our Social Contract

SHASSIC Scores in 2018

PROJECTS



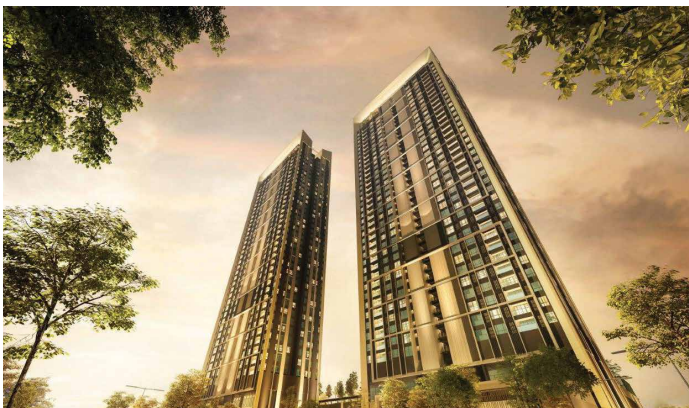
Almās, Iskandar Puteri

Phase -
Contractor IJM Construction Sdn Bhd
Score 85% (5 stars)



Aspira LakeHomes, Gerbang Nusajaya

Phase 3
Contractor Pamir Development Sdn Bhd
Score 99% (5 stars)



Solaris Parq, Mont'Kiara

Phase -
Contractor Geo Works Sdn Bhd
Score 88% (5 stars)



Sefina, Mont'Kiara

Phase -
Contractor Hab Construction Sdn Bhd
Score 95% (5 stars)

Safety is necessarily an ongoing journey and to further enhance our safety performance, we plan to implement the Guidelines on Occupational Safety and Health in Construction Industry (Management) (“OSHCIM”) released by the Department of Occupational Health and Safety (“DOSH”) to strengthen our project from the design stage to the maintenance stage, so the public won’t be exposed to safety issues during construction as well as during building maintenance upon completion.



LOCAL COMMUNITY ENGAGEMENT

UEM Sunrise has a tradition of giving back to the communities where we have a presence through our developments. Our focus is on education enhancement and community engagement. We believe education is a fundamental human right and should be extended to every child. Education is also one of the most effective ways of breaking out of the poverty cycle.

PINTAR Programme

We were one of the earliest supporters of Khazanah's PINTAR school adoption programme, and continue to invest in underperforming schools with the objective of enhancing the students' outcomes.

At these schools, we run four core modules, namely Motivational & Team Building Programme, Educational Support Programme, Capability & Capacity Building; and Reducing Vulnerabilities & Social Issues. Among the programmes organised are the Academic Excellence Programme, UPSR Workshop for Teachers, Road Safety Programme, Students' Motivational Camp, Remedial Classes and Library Enhancement. These contribute to holistic development of the students.

Since 2008, we have adopted a total of 25 schools, 11 of which have graduated, having moved up from Band 5 to Band 2 or 1 in the school ranking system. We are currently working with eight schools in Iskandar Puteri and five in the Klang Valley.

Under the Academic Excellence Programme, we collaborate with Malay-language daily Berita Harian to run examination seminars for the students, providing them with studying and examination techniques to help them increase their scores in the UPSR (Standard 6) and SPM (Form 5) national exams. During the year, a total of eight seminars were held, benefitting approximately 1,000 students.

In a separate programme that started in 2008, Bijak Al-Quran (formerly known as Pintar Al-Quran), pre-schoolers are taught to recite the Al-Quran. This year, on 17 November, a ceremony was held at the Masjid Kota Iskandar in Iskandar Puteri to celebrate 120 pre-schoolers who had completed their Al-Quran recital classes. The programme brings value to the community as it instils strong Islamic values among the very young. Currently, seven pre-schools in the Southern region are taking part in the Bijak Al-Quran programme.

Community Engagement

We integrate ourselves in our local communities by supporting local events and contributing our resources to enhance the standard of living of those who are marginalised or underprivileged.

Our Social Contract

UEM SUNRISE'S COMMUNITY PROGRAMMES IN 2018



23 MAY - 8 JUN

Ramadan events

- Religious talk by SS Datuk Dr Zulkifli Mohamad Al-Bakri to employees and students from Maahad Tahfiz Dhiya Ul Islah.
- Iftar with children from Pertubuhan Nur Kasih Bestari Orphanage.
- Total of RM336,441.08 was contributed in zakat to various underserved schools, orphanages and mosques.



30 AUG

Pre-Merdeka celebration

- UEM Sunrise volunteers organised a fun day for 16 underprivileged children aged between seven and 13 years at the Siddharthan Care Centre, during which RM6,000 of financial aid was also presented.



20 SEPT

Crime Prevention Talk

- UEM Sunrise collaborated with our Auxiliary Police to present a talk to students of Sekolah Menengah Kebangsaan Kiaramas in Kuala Lumpur on crime, bullying, sexual harassment and paedophilia.



13 OCT

PDRM National Sports Day

- UEM Sunrise was the strategic partner and title sponsor of the event held in Puteri Harbour. About 2,000 officers from all over Malaysia as well as residents from Iskandar Puteri and Gelang Patah took part in the 5km Fun Run and 30km cycling event.



22 NOV

Moscow Circus

- UEM Sunrise treated 500 students from our PINTAR adopted schools to the opening night of the circus.



26 & 28 NOV

Appreciation Hi-tea

- UEM Sunrise feted our PINTAR adopted schools' teachers, headmasters, community leaders, local authorities and collaborative partners at two separate events held in the Southern and Central regions.

In transforming landscapes into built environments, we have a duty to ensure our operations are conducted responsibly, with minimal impact on the natural ecosystem as well as biodiversity. In addition to preserving green spaces, we seek to minimise our carbon footprint and use natural resources efficiently, as these considerations go a long way towards protecting the planet as we know it for future generations.

MANAGING WATER

Water is a limited natural resource and is becoming increasingly scarce. We therefore make every effort to be efficient in our use of water and have implemented various initiatives to protect the country's water resources, such as smart irrigation and efficient landscaping at our existing buildings and ongoing developments. We have also retrofitted completed projects with water-efficient features including smart controllers and low-flow sprinkler heads.

In some of our bigger, landed developments such as Estuari Gardens in Iskandar Puteri, we harvest rainwater for use in irrigation.

MANAGING OUR WASTE

Waste is produced during construction of our projects as well as once they are completed, by the residents/occupants of the buildings. Our goal is to minimise waste generation in both stages and encourage the use of recycling and reusing to minimise the volume of waste going to the landfills. We work with our contractors and tenants to achieve the best possible outcomes.

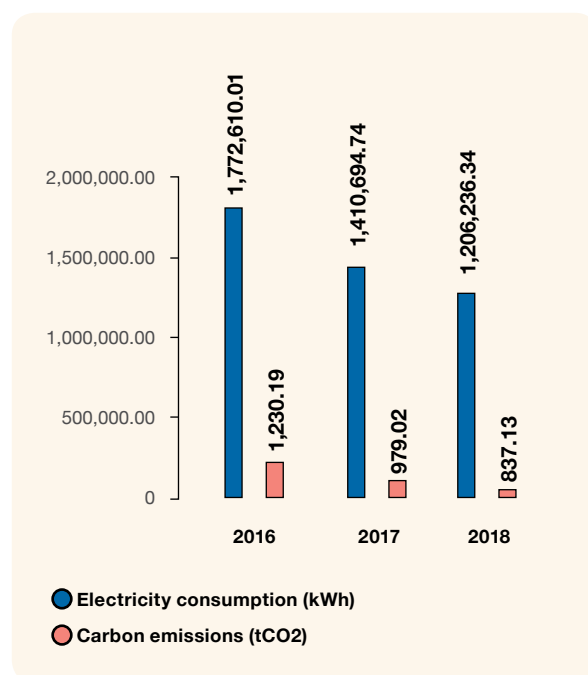
Our waste management strategy can be summarised thus:

- *Designed for Less.* We incorporate waste separation and collection facilities in our developments to make it easier for tenants to recycle their waste.
- *Built with Less.* We encourage our contractors to minimise the use of wood in construction, recycle waste and employ the Industrialised Building System ("IBS") which involves offsite prefabrication and a reusable formwork system made of aluminium or steel. Our contractors are required to disclose how much waste they generate and how they dispose of the waste.
- *Disposing Less.* We engage with our tenants to segregate all their recyclables waste, going beyond regulatory requirements in cultivating a recycling culture in our developments.

ENERGY CONSUMPTION & GHG EMISSIONS

We monitor the energy consumed in our offices – our headquarters in Solaris Dutamas and satellite premises in Gerbang Nusajaya, Tapah, Serene Heights Bangi and Cahaya Jauhar, Johor. We have not started collecting data from our office in UEM Mercu. We also monitor the fuel (petrol and diesel) consumed in employees' daily commutes to and from work, as well as that of business air travel.

Electricity used in our premises (excluding UEM Mercu)



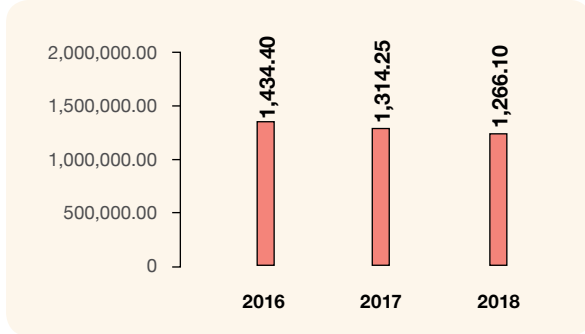
Note: Emissions have been calculated using SEDA's methodology

We are pleased to see that our electricity consumption has reduced by 32% from 1,772,610.01 kilowatt hours (kWh) in 2016 to 1,206,236.34 kWh in 2018, while our carbon emissions have dropped from 1,230.19 tonnes of carbon dioxide (tCO₂) to 837.3 tCO₂. This has been due to an energy-saving culture inculcated among employees, such as switching off lights and appliances when not in use, and printing only when necessary.

Our Planet Performance

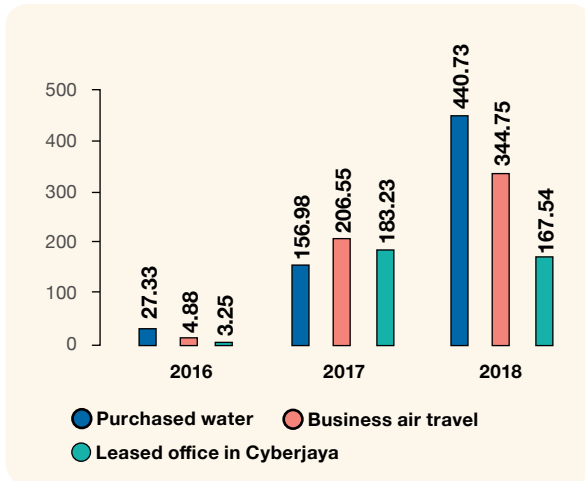
Total emissions from petrol and diesel used for employees' commute, in tCO₂ equivalent (tCO₂eq)

Total emissions (tCO₂eq)



Similarly, emissions from employees' commute to and from work have also reduced by 11.7% from 1,434.4 tCO₂eq to 1,266.1 tCO₂eq.

Total emissions from indirect sources, in tCO₂eq



Note: Emissions for purchased water have been calculated using Defra Conversion Factors while for air travel we have used the World Resource Institute GHG Emissions Factor Compilation, 2017.

Emissions from purchased water and leased premises in Cyberjaya have also decreased over the last three years. However, business travel increased from 156.98 tCO₂eq in 2016 to 183.23 tCO₂eq in 2018. This was due to an increased need for air travel. Year-on-year, however, emissions dropped 11.3%.

BIODIVERSITY

Malaysia is one of the world's mega biodiverse hotspots. We value the country's biodiversity for its inherent value as well as the benefits it brings to human society and are deeply concerned with conducting our operations in a manner that respects the natural landscape, preserving as much of the existing flora and fauna as possible.

In our townships, we include green lungs that serve to enhance a holistic sense of well-being. This is best exemplified by SIREH Park, a natural heritage park where we conserve, document and promote plants that have existed in the area for hundreds of years.

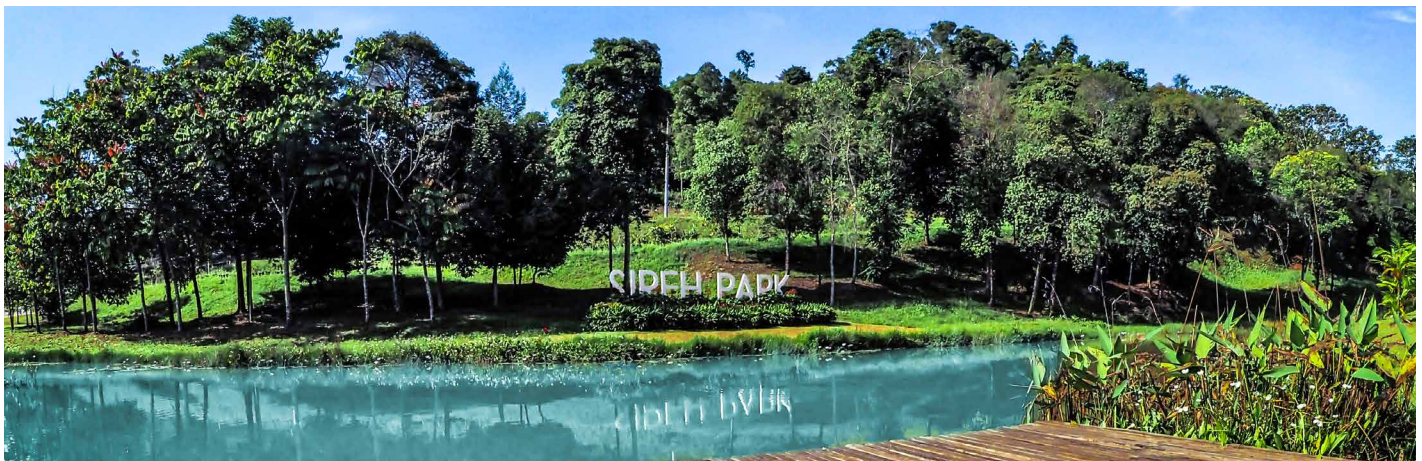
The 343-acre park is named after the Malay word for betel leaf and acronym of Sustainable Initiatives Recreational Educational Haven. These leaves were traditionally offered to guests as a welcome gesture. Similarly, SIREH Park welcomes guests in a manner that is respectful of our natural heritage. Developed and seed-funded by UEM Sunrise, it is managed under The Nusajaya Natural Heritage Trust.

It has been demarcated into four zones:

- Tropical Floral Park featuring a garden landscape, open-ground and event spaces
- Lake Park, a recreational and relaxation space centred around an existing lake, providing venues for camping, cycling and water-related activities
- Forest Park, designed for passive outdoor recreational and educational activities, and featuring an arboretum park
- Legacy Forest, a highly bio-diversified forest area for scientific and conservation purposes created through reforestation and enrichment planting of world-wide tropical species

OUR PROMISE

Sustainability is integral to our corporate DNA, as encapsulated in our Vision of "building communities of the future with you and for you". We endeavour to continue presenting a balanced overview of the company's sustainability approach and initiatives, allowing our stakeholders to gain a comprehensive understanding of our financial and non-financial performance. We are committed to operating in the most sustainable manner possible and will keep enhancing our social as well as environmental performance to create value for all our stakeholders.



uemsunrise.com

UEM SUNRISE BERHAD (830144-W)

Level U2, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1
50480 Kuala Lumpur, Malaysia

TEL (603) 2718 7788 | **FAX** (603) 6207 9330
EMAIL corpcomm@uemsunrise.uemnet.com
