

SUSTAINABILITY STATEMENT

ABOUT OUR STATEMENT

Guided by our vision to be a REIT with sustainability and community engagement at the forefront of our investment strategies, the Manager is proud to present our sustainability statement ("the statement") for the reporting period from 1 July 2022 to 30 June 2023 ("FY 2023").

Documenting the ESG performance and achievements of our operations as a retail REIT, this statement serves as a practical tool for stakeholders to track our ESG progress. It offers a transparent overview of our management approach towards our sustainability priorities and goals, and demonstrates our efforts to embed value creation within our business model to produce long-term, sustainable outcomes. To ensure quality disclosures, we are guided by local and international guidelines and reporting frameworks.

The Year in Review – Our Sustainability Progress

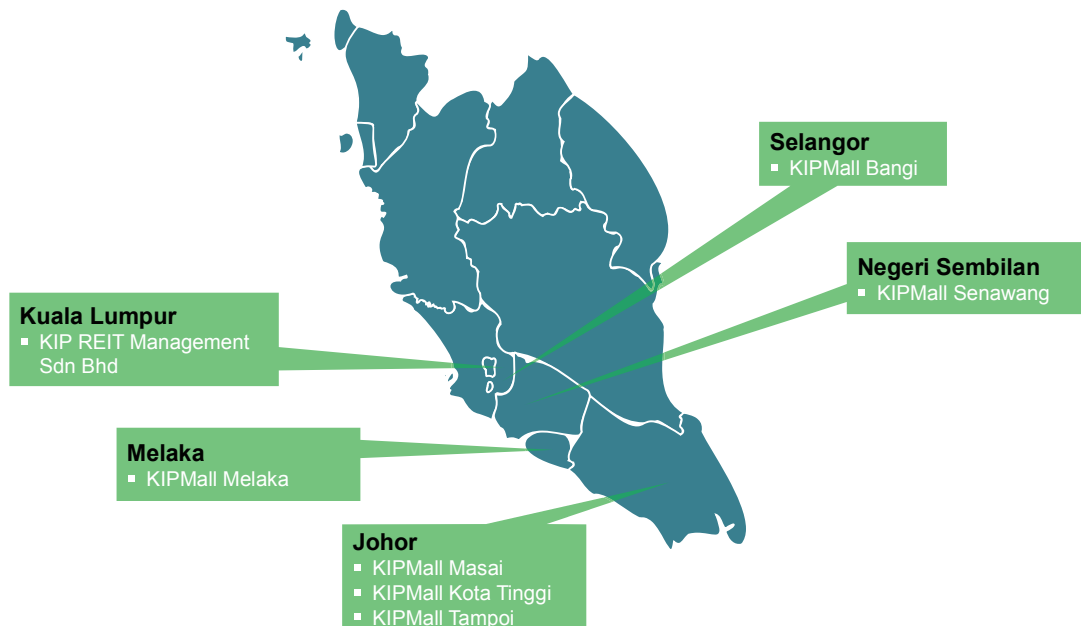
We are fully conversant with how rapidly the real estate landscape is evolving and place climate change awareness and sustainability issues at the forefront of our business agenda. We enacted a Sustainability Policy to formalise our advancement towards ensuring effective corporate governance and lay the groundwork for holistic ESG integration throughout our operations.

This fiscal year, we also conducted a materiality reassessment and identified fifteen (15) material matters. This was instrumental to our sustainability journey by deepening our understanding of the material matters significant to our commitments and development.

Reporting Scope and Boundary

Disclosures in this sustainability statement centre on our operations at the Manager headquartered in Kuala Lumpur and six (6) community-centric neighbourhood malls across Malaysia that comprise the Group's retail portfolio. We discuss our non-financial aspects, such as risks, opportunities, and sustainability performance throughout FY 2023. Where appropriate, data from prior years may be included to highlight and track our progress, as well as indicate annual trends. Any references to KIP REIT's employees should be interpreted as referring to the personnel of the Manager and KIP Property Services Sdn. Bhd. ("Service Provider"), the entity that provides mall management services to the Property Manager.

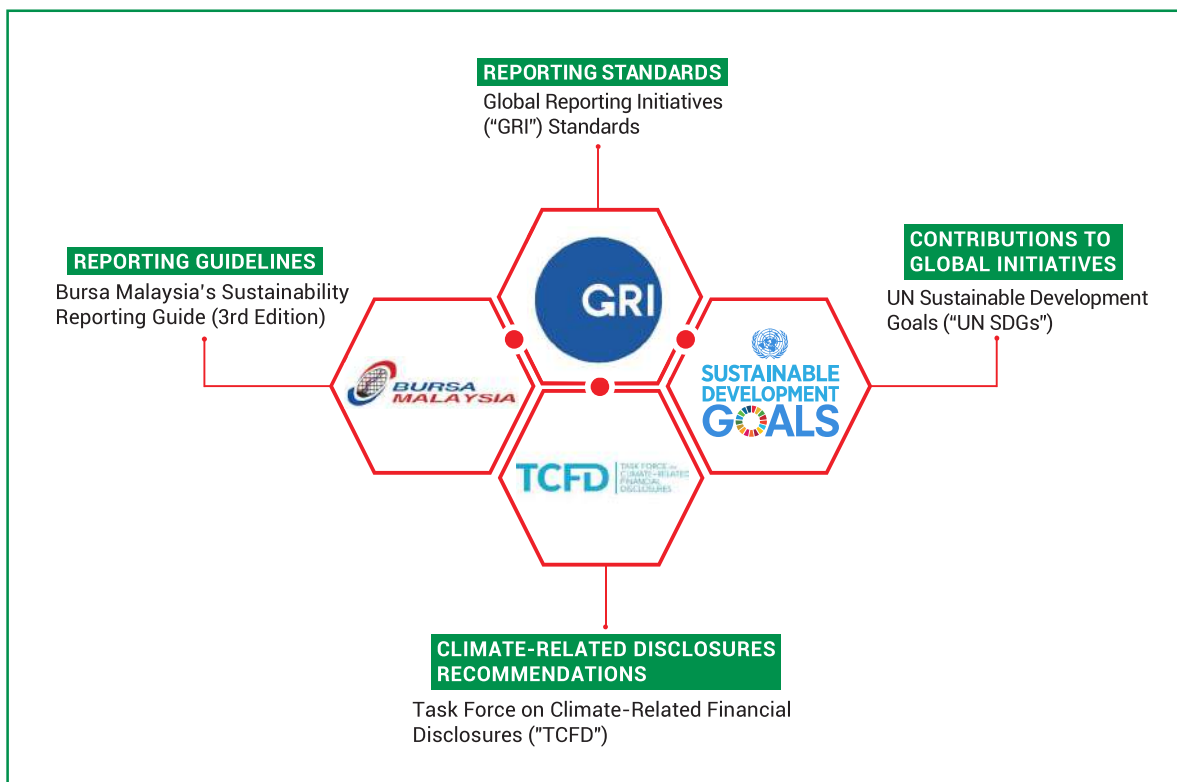
This statement excludes disclosures pertaining to our industrial properties and AEON Mall Kinta City as of this publication. These properties are currently leased to third-parties and are not administered by the Manager.



SUSTAINABILITY STATEMENT (CONT'D)

Reporting Framework

We prepared this statement and its content with reference to Bursa Malaysia's Main Market Listing Requirements and the Sustainability Reporting Guide (3rd edition). To present meaningful climate-related financial disclosures, we adopted aspects of the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. Furthermore, we benchmarked against the FTSE4Good Index and referenced the Global Reporting Initiative ("GRI") Standards and the United Nations Sustainable Development Goals ("UN SDGs" or "SDGs") to demonstrate our efforts in providing cohesive, reliable ESG disclosures and year-to-year comparability of our sustainability performance.



Feedback

Your feedback helps us elevate our sustainability and reporting procedures and improves the relevancy of our future reports. Thus, we welcome all inquiries and comments pertaining to our sustainability statement, initiatives, and performance.

Please share your thoughts with us by contacting:

Tan Jo Lynn
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Data Assurance Statement

We implemented internal quality controls throughout the data collection and analysis process, ensuring that pertinent business divisions and information holders validated all sustainability indicators. We aim to routinely examine our data gathering and analysis procedures to identify enhancement opportunities in order to uphold continual adherence to meaningful, transparent reporting. Consequently, these procedures may be modified in subsequent reports.

SUSTAINABILITY STATEMENT (CONT'D)

CREATING SHARED VALUE

ESG Approach – What Drives Us

Our Sustainability Performance

Due to our uncompromising adherence to our ESG principles, we managed to reach several important milestones. Building on this year's accomplishments, we intend to achieve even greater success in our sustainability journey and positive environmental impacts, thereby contributing to the UN SDGs and the global goals.

Key Sustainability Highlights in FY 2023

Zero
reported cases of bribery
and corruption



33.33%
of our Board of Directors
in FY2023 were women

32.94%
of our energy supply was
generated by our solar
photovoltaic systems



Began monitoring
Scope 2 emissions
data in FY 2023

Raised **awareness**
using educational
posters on responsible
water use amongst
tenants, customers and
service providers.



Employed **licenced**
contractors to collect and
dispose of all of our
properties' waste in
compliance with
applicable regulatory
requirements.

Invested
RM 50,508.25
for employee training
programmes



Maintained **ZERO**
work-related injuries

Recorded an increase of
21.90% in total
training hours
compared to the previous
financial year

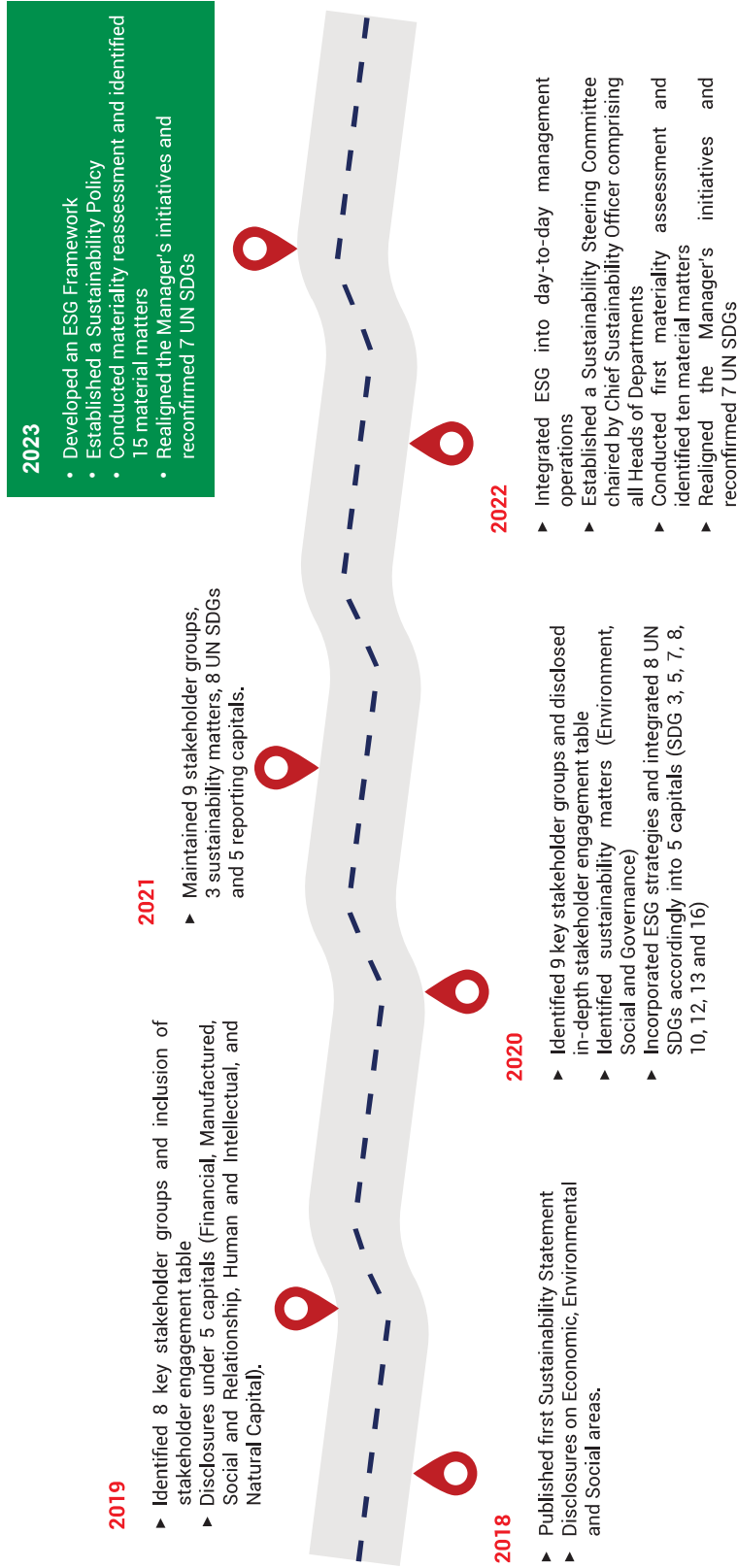


100.00% of our
procurement budget was
spent on local suppliers

SUSTAINABILITY STATEMENT (CONT'D)

Our Sustainability Journey

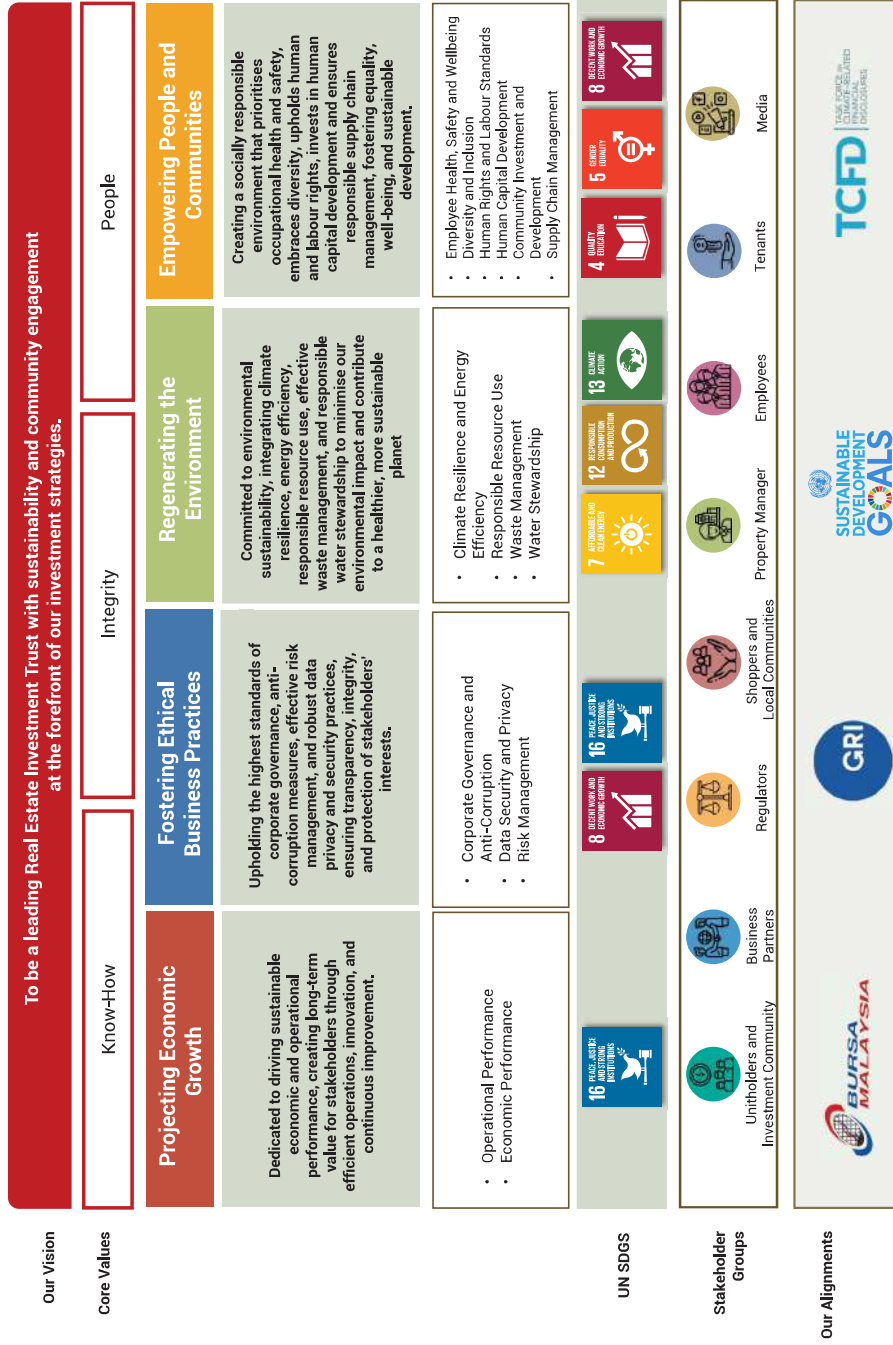
We began our journey in 2018 with our first Sustainability Statement, and will continue to drive our sustainability performance as we endeavour to meet and actively expand our ESG ambitions.



SUSTAINABILITY STATEMENT (CONT'D)

Our ESG Framework

Serving as the focal point for aligning our long-term sustainable development with our business operations, our ESG Framework sets the course for how we address material ESG issues and integrate ESG considerations into our corporate strategy. Founded on four (4) sustainability pillars: Fostering Ethical Business Practices, Projecting Economic Growth, Regenerating the Environment, and Empowering People and Communities, it directs us towards optimal business decisions, effectively managing risks and unlocking potential opportunities.



SUSTAINABILITY STATEMENT (CONT'D)

An Overview of the United Nations Sustainable Development Goals (“UN SDGs”)

The 2030 Agenda for Sustainable Development is a comprehensive set of transformative goals devoted to addressing social and environmental concerns on a global scale. These 17 UN SDGs, embraced by all United Nations Member states in 2015, are aimed at fundamentally altering the way all nations mobilise towards a sustainable and equitable future.



How We Contribute to the UN SDGs

To positively impact the communities and environments we serve, we incorporated the UN SDGs global priorities and aspirations as part of our sustainability strategy and identified seven (7) UN SDGs most relevant to our operations. We remain aligned with these UN SDGs in FY 2023, as they remain pertinent to our beliefs, aspirations, and most impactful business activities.

SUSTAINABILITY STATEMENT (CONT'D)



GOAL 4: QUALITY EDUCATION

Invested RM 50,508.25 for employee training programmes

Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills including technical and vocational skills.



GOAL 5: GENDER EQUALITY

33.3% of our Board of Directors in FY 2023 were women

Target 5.5: Proportion of women in managerial positions.



GOAL 7: AFFORDABLE AND CLEAN ENERGY

32.94% of our energy supply was generated by our solar photovoltaic systems

Target 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services



GOAL 8: DECENT WORK AND ECONOMIC GROWTH

Uphold decent work standards, safe working conditions, and social protection, to ensure the well-being of workers.

Target 8.8: Protect labour rights and promote safe and secure working environments for all workers.



GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

98.84% of waste was diverted from landfill in FY 2023

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.



GOAL 13: CLIMATE ACTION

Began monitoring Scope 2 emissions data in FY 2023

Target 13.2: Integrate climate change measures into policies and planning.



GOAL 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

Zero reported cases of bribery and corruption

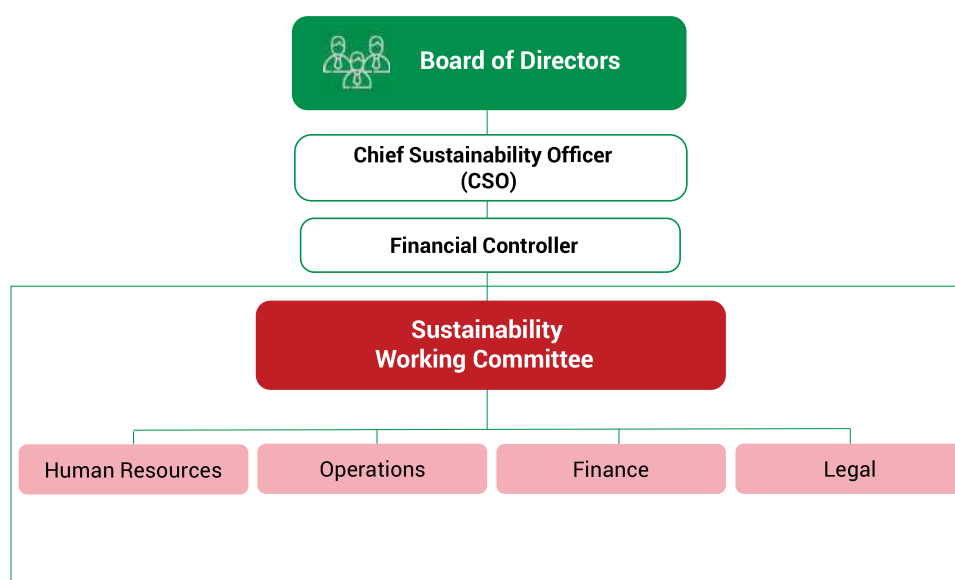
Target 16.5: Substantially reduce corruption and bribery in all their forms.

SUSTAINABILITY STATEMENT (CONT'D)

Our Governance Structure

A strong governance structure is the foundation of exemplary sustainability governance. It ensures a clear segregation of all roles and responsibilities, enhances accountability, and supports a consolidated approach to overseeing our performance. In FY 2022, we instituted a three-tier sustainability governance structure to enhance our sustainability approach and effectively administer our sustainability matters.

This three-tiered structure is chaired by the Board which holds the ultimate responsibility of steering the Group's sustainability direction. The Board is supported by the Sustainability Working Committee led by the CSO who manages sustainability strategies, material sustainability matters, policies and targets.



Roles and Responsibilities

Roles and Responsibilities	
Board of Directors	<ul style="list-style-type: none"> Oversees the management of sustainability strategies, material sustainability matters, policies and targets Approves the proposed sustainability strategies, policies, material sustainability matters, and annual sustainability statement Ensures ESG-related risks and opportunities are incorporated into the Manager's strategy and risk management, including climate risks Considers sustainability issues when overseeing the planning, performance and long-term strategy of the Manager Ensures the communication of strategies, priorities and targets to relevant stakeholders
Sustainability Working Committee	<ul style="list-style-type: none"> Responsible for the strategic management of material sustainability matters Proposes and advises the Board on sustainability strategies, initiatives, and targets and ensures their alignment with the Manager's overall business strategy and goals Assesses and manages the Manager's ESG-related risks and opportunities, including climate-related risks and opportunities Reviews, approves and proposes policies to the Board for final approval Oversees the implementation of approved sustainability strategies and initiatives Monitors the sustainability performance and progress of the Manager and the management of stakeholder engagement

SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Policy

Underpinned by KIP REIT's vision and mission, our Sustainability Policy was established to foster a resilient, high-performing corporate culture and guide the direction of our ESG strategy. It outlines our core ESG commitments towards long-term growth and facilitates embedding sustainable practices throughout our operations and value chain. This policy has been reviewed and approved by the Board and is subject to periodic review to ensure its applicability in the future.

Governance

KIP REIT is dedicated to upholding high standards of corporate governance and adhering to ethical business practices to protect stakeholder values and interests. We also comply with applicable laws and regulations to minimise risks in data protection and cybersecurity.

Economic

We aim to generate value for our stakeholders through stable and regular income distribution and capital appreciation. KIP REIT is committed to providing adequate work, productive employment, and platforms for SMEs to expand their businesses within the local community.

Environment

To reduce our carbon footprint and other environmental impacts, KIP REIT is focused on implementing responsible resource management. We strive to assess and control GHG emissions arising from our business operations and promote the use of energy-efficient technology and renewable energy generation at our properties where practical.

Social

KIP REIT works to create a safe, healthy, diverse, and inclusive work environment with fair opportunities for all workers. We adhere to strict labour regulations, prioritise product quality and customer satisfaction, and conduct supplier assessments to ensure suppliers address the pertinent social criteria. We safeguard tenants through security and crime prevention strategies, and we have an emergency response plan in place.

SUSTAINABILITY STATEMENT (CONT'D)

Understanding Stakeholder Perspectives

Proactive stakeholder engagement is fundamental to assessing most material issues encountered across our operations. It acts as a platform for our stakeholders to voice their opinions, facilitates information gathering and allows us to become familiar with current trends. This in turn enhances our decision-making and business strategies based on the received feedback and enables us to serve evolving stakeholder needs.

Key Stakeholder Groups	Unitholders and Investment Community	Business Partners	Regulators	Shoppers and Local Communities	Property Manager	Employees	Tenants	Media
Key Concerns/Interest	<ul style="list-style-type: none"> Stable and regular income streams Sustainable business model for dividend and/or capital appreciation Transparency in communications 	<ul style="list-style-type: none"> Sustainability of business model Active participation and knowledge sharing 	<ul style="list-style-type: none"> Compliance with relevant regulations Timely and transparent release of performance information Robust corporate governance structure Active participation and knowledge sharing 	<ul style="list-style-type: none"> Good selection of tenants providing goods and services Safe shopping environment 	<ul style="list-style-type: none"> Partnership in management of KIP REIT assets Sustainable business model and operations 	<ul style="list-style-type: none"> Just and fair compensation and benefits Employee wellbeing Career progression and personal development Training and development Safe working environment 	<ul style="list-style-type: none"> Sustainable business model and relationship Regular communication High shopper traffic Maintenance and upkeep Portfolio of properties 	<ul style="list-style-type: none"> Timely communication of corporate exercise Performance and market outlook Notification on material matters
Engagement Method	<ul style="list-style-type: none"> Investor briefings Roadshows Institutional investors Written and digital communication Annual report Annual General Meeting Extraordinary General Meetings Quarterly/Annual results 	<ul style="list-style-type: none"> Participation in MRWA events Communication (formal and informal) 	<ul style="list-style-type: none"> Timely submissions of required reporting Open discourse and transparency Communication (formal and informal) Media announcements 	<ul style="list-style-type: none"> Promotional events held Shopper surveys Customer feedback Social media 	<ul style="list-style-type: none"> Monthly team meeting/feedback Communication (formal and informal) 	<ul style="list-style-type: none"> Team meetings Feedback/annual appraisals Team building events Employee welfare programmes 	<ul style="list-style-type: none"> Communication (formal and informal) Ad-hoc meetings Two-way feedback channel Social media 	<ul style="list-style-type: none"> Press release Media interviews Annual General Meeting/Extraordinary General Meeting Company updates Announcements
Frequency of engagement	<ul style="list-style-type: none"> Quarterly Ad-hoc Annually 	<ul style="list-style-type: none"> Ad-hoc Annually Quarterly 	<ul style="list-style-type: none"> Ad-hoc Quarterly Annually 	<ul style="list-style-type: none"> Ad-hoc 	<ul style="list-style-type: none"> Monthly Ad-hoc 	<ul style="list-style-type: none"> Ad-hoc Annual 	<ul style="list-style-type: none"> Ad-hoc 	<ul style="list-style-type: none"> Ad-hoc Annually Quarterly

SUSTAINABILITY STATEMENT (CONT'D)

Engaging Our Stakeholders

To acquire an accurate view of our external stakeholders' perspectives, we distributed online forms to representatives of each group. We collected their feedback and presented their opinions on the REIT's business operations throughout FY 2023 below.

Unitholders and Investors

Our unitholders and investors support KIP REIT as we meet their expectations as a preeminent REIT management company with exceptional ESG practices.

Unitholders and investors have a favourable opinion of KIP REIT's ESG practices and the quality of these practices relative to those of other Main Market-listed companies. Increasing investment value to facilitate the expansion of KIP REIT's ESG practices was met with an encouraging reception.

Business Partners

Through building mutually beneficial business partnerships, we can bolster our business strategy and work towards delivering sustainable value.

Our business partners supported our adoption of appropriate sustainable strategies in line with the business environment and our engagement with tenants during the pandemic in order to promote the long-term sustainability of our business.

Regulators

Our regulators have observed the growing public awareness and concern for sustainable business practices. While more businesses are implementing ESG practices, the likelihood of non-compliance with regulations remains low.

The effectiveness with which KIP REIT provided updates on our compliance with applicable rules and regulations and our efforts to align with the Sustainability Themes of the 12th Malaysia Plan was well received.

Property Manager

Regular communications with our property managers established long-lasting relationships based on trust, thereby enhancing our oversight of our operations. KIP REIT ensures that our properties comply with the relevant authorities' regulations, provides communication channels and assures frequent contact with our property managers, resolving any issues they raise promptly. Our property managers viewed our actions as advantageous and conducive.

Tenants

Engaging with our tenants and understanding their requirements is critical to business longevity. Our tenants enjoyed a positive experience with KIP REIT management's customer support and interaction channels, and our efforts to develop close tenant-landlord relationships to maximise tenant retention. These indicate that KIP REIT has development potential, and we aim to capitalise on these possible growth opportunities to continue building stronger rapport with this stakeholder group.

Shoppers and Local Communities

KIP REIT values the wellbeing of our shoppers and the communities we serve. Our contributions to local community social development via our Corporate Responsibility ("CR") programmes positively impacted our shoppers and local communities. The safety regulations and practices implemented at KIP REIT properties are also highly rated for their effectiveness, demonstrating our commitment to ensuring the safety of our customers and the communities we serve.

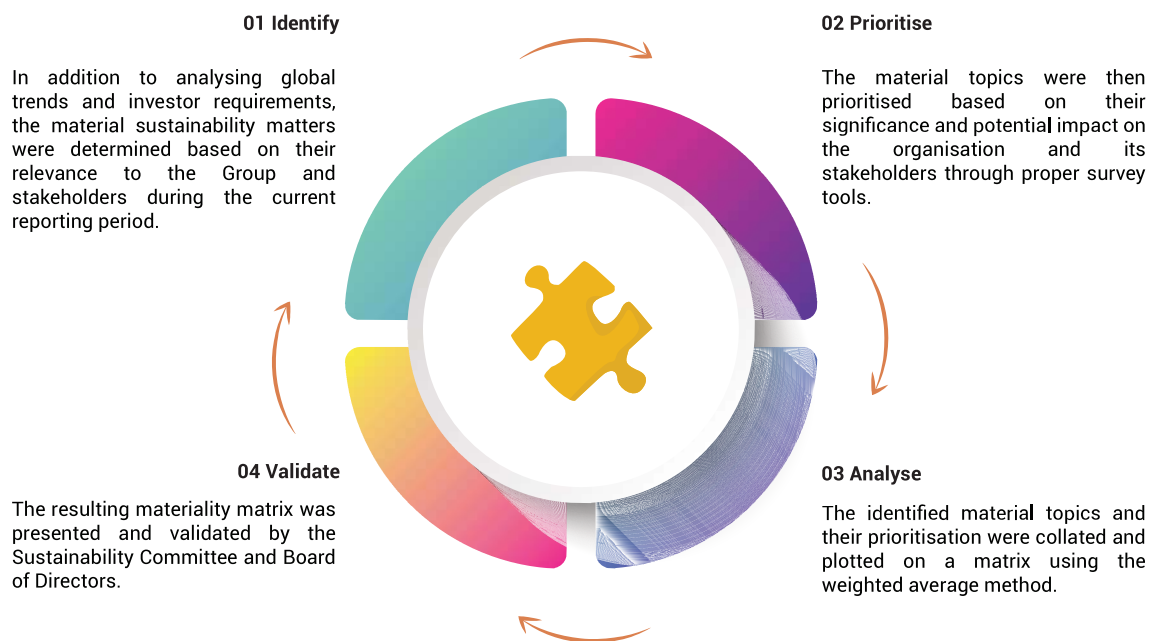
Furthermore, customers felt well served by KIP REIT's properties as a one-stop shopping destination. We will continue to improve the services provided by the KIPMalls in order to achieve and retain better shopper satisfaction in the future.

SUSTAINABILITY STATEMENT (CONT'D)

Understanding The Matters Material To Us

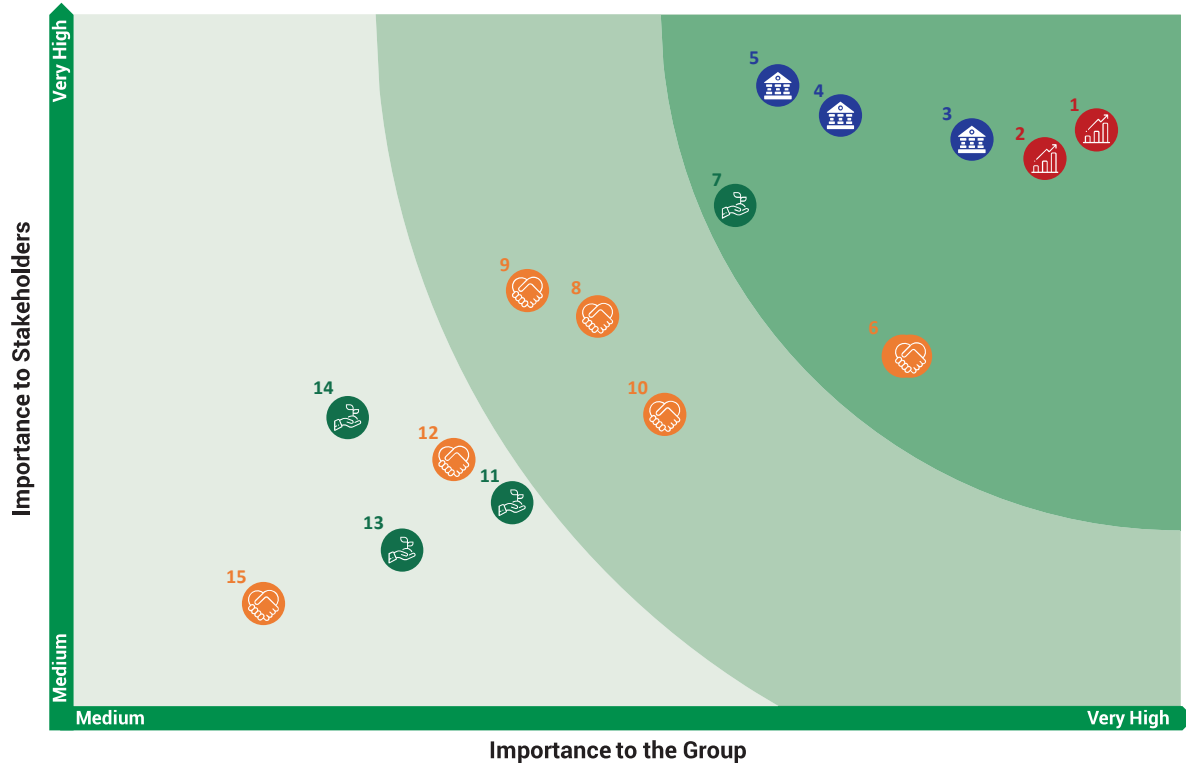
Materiality Assessment Process

The materiality assessment is an effective tool to systematically identify and prioritise the ESG topics most material to the Group and our stakeholders. Using the FY 2022 assessment process as a basis, we incorporated enhancements guided by stakeholder expectations, our operations, and in alignment with Bursa Malaysia's enhanced Main Market Listing Requirements and the Sustainability Reporting Guide (3rd edition) to create a streamlined process for FY 2023. Employing this updated 4-step process culminated in the development of our updated Materiality Matrix.



SUSTAINABILITY STATEMENT (CONT'D)

Materiality Matrix



Projecting Economic Growth 	Fostering Ethical Business Practices 	Regenerating the Environment 	Empowering People and Communities 
1 Operational Performance	3 Corporate Governance & Anti-Corruption	7 Climate Resilience & Energy Efficiency	6 Employee Health, Safety & Wellbeing
2 Economic Performance	4 Data Security & Privacy	11 Responsible Resource Use	8 Diversity & Inclusion
	5 Risk Management	13 Waste Management	9 Human Rights & Labour Standards
		14 Water Stewardship	10 Human Capital Development
			12 Community Investment & Development
			15 Supply Chain Management


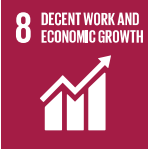







Based on the assessment, we identified fifteen (15) material matters for FY 2023. The five highest-ranked material matters among these were: **Operational Performance, Economic Performance, Corporate Governance and Anti-Corruption, Data Security and Privacy, and Risk Management.** These material matters generally entail accountability towards customers and workers which is crucial to fostering a sense of trust among our stakeholders. Specifically, Operational Performance can be attributed to the Group's main business activities as a REIT to ensure the smooth operations of all buildings in our portfolio.

To align with Bursa Malaysia's 11 common material matters, we also added 8 new material matters, which are: **Employee Health, Safety and Wellbeing, Climate Resilience and Energy Efficiency, Human Rights and Labour Standards, Responsible Resource Use, Community Investment and Development, Waste Management, Water Stewardship, and Supply Chain Management.**





SUSTAINABILITY STATEMENT (CONT'D)

Mapping of Material Sustainability Matters

Our ESG strategies are inextricably linked to our material sustainability concerns. The table denotes the interdependence of our pillars, significant stakeholder groups, and the relevant UN SDGs.

Pillars	Commitment Statement	Material Sustainability Matters	Relevant Standards/ Recommendations	Stakeholders	Corresponding UN SDGs
Projecting Economic Growth	Dedicated to driving sustainable economic and operational performance, creating long-term value for stakeholders through efficient operations, innovation, and continuous improvement	Operational Performance	GRI Standards 201 – Economic Performance 2016 203 – Indirect Economic Impacts		
		Economic Performance			
Fostering Ethical Business Practices	Upholding the highest standards of governance, including strong corporate governance, anti-corruption measures, effective risk management, and robust data privacy and security practices, ensuring transparency, integrity, and protection of stakeholders' interests	Corporate Governance and Anti-Corruption	GRI Standards 2-23 – Policy commitment 2-27 – Compliance with laws and regulations 205 – Anti-corruption 418 – Customer Privacy		
		Data Security and Privacy			
		Risk Management			
Regenerating the Environment	Committed to environmental sustainability, integrating climate resilience, energy efficiency, responsible resource use, effective waste management, and responsible water stewardship to minimise our environmental impact and contribute to a healthier, more sustainable planet	Climate Resilience and Energy Efficiency	GRI Standards 301 – Materials 302 – Energy 303 – Water and Effluents 305 – Emissions 306 – Effluents and Waste TCFD Recommendations		
		Responsible Resource Use			
		Waste Management			
		Water Stewardship			

SUSTAINABILITY STATEMENT (CONT'D)

Pillars	Commitment Statement	Material Sustainability Matters	Relevant Standards/ Recommendations	Stakeholders	Corresponding UN SDGs
Empowering People and Communities	Creating a socially responsible environment that prioritises occupational health and safety, embraces diversity and inclusion, upholds human rights and labour standards, invests in human capital development, engages in community initiatives, and ensures responsible supply chain management, fostering equality, well-being, and sustainable development	Employee Health, Safety and Wellbeing	GRI Standards 204 – Procurement Practices		
		Diversity and Inclusion	401 – Employment 402 – Labour/ Management Relations		
		Human Rights and Labour Standards	403 – Occupational Health and Safety		
		Human Capital Development	404 – Training and Education		
		Community Investment and Development	405 – Diversity and Equal Opportunity		
		Supply Chain Management	406 – Non-discrimination 413 – Local Communities		

Adopting Task Force on Climate-related Financial Disclosures (“TCFD”)

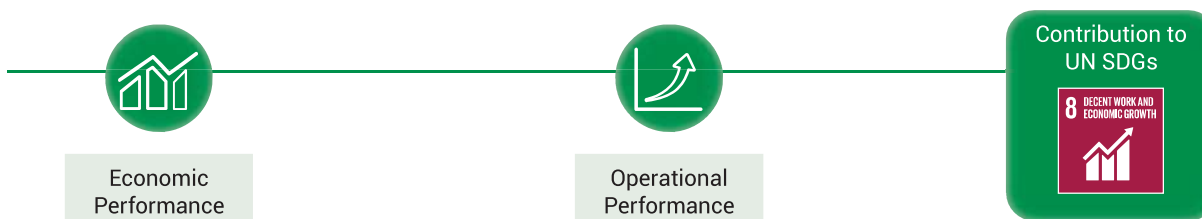
Climate change is universally acknowledged as a substantial threat to business operations and economic stability. To effectively handle its damaging effects on the environment, society and economy, a thorough awareness of climate-related risks and opportunities is imperative. As such, the Manager had begun to align the Group's sustainability strategies with the TCFD recommendations, integrating the four principles put forward by the TCFD throughout our company operations to mitigate climate change risks.

The TCFD recommendations also facilitate accurate financial disclosures that will allow our stakeholders to make efficient strategic plans and informed capital allocation decisions, improving our risk and opportunity evaluation in the short, medium and long term.

Governance	KIP REIT is cognisant of the effects of climate change on the industry and took proactive action to mitigate our carbon footprint. These actions included installing solar panels at our KIPMall properties to generate renewable energy. The Board oversees climate-related risks and opportunities, as well as all measures required to combat climate risks. We ensure both board and committee meeting agendas cover climate-related issues.
Strategy	Our climate and sustainability plans are based on our materiality reassessment. Our new Sustainability Policy covers climate risk considerations and will act as our overarching guide to sustainable company operations in future endeavours.
Risk Management	To ensure the methodical and consistent management of ESG risk factors, the Board is supported by the ERM framework. The ERM helps identify and evaluate climate-related risks the REIT is exposed to.
Metrics and Targets	This year, we identified two climate-related material matters: “Climate Resilience and Energy Efficiency” and “Waste Management”. We disclosed our Scope 2 greenhouse gas (“GHG”) emissions based on these matters and plan to evaluate our Scope 1 and Scope 3 GHG emissions the following year.

SUSTAINABILITY STATEMENT (CONT'D)

Projecting Economic Growth



As the industry advances, ESG performance has taken on a more prominent role in generating investment returns. Cognisant of this, the Manager works to incorporate ESG considerations into our corporate strategy to ensure sustainable business performance and accountability to our stakeholders. Through our efforts we can generate stable economic benefits and sustainable distributions for our unitholders and other stakeholders, leading to an optimised capital structure and driving excellence throughout the REIT's asset and portfolio management efforts.

Economic Performance

By nature of our operations as a REIT, asset acquisition is a strategy that directly fuels economic growth and strengthens our financial results. Hence, on 16 June 2023, KIP REIT entered into a conditional sale and purchase agreement with Cahaya Serijaya via our Trustee. The proposal covers the acquisition of KIPMall Kota Warisan for a cash purchase consideration of RM80.0 million.

Revenue	RM 83.8 Million
Operating costs	RM 21.6 Million
Employee remuneration	Not applicable - no employee under KIP REIT structure (refer to reimbursable costs for wages of Service Provider to KIP REIT for mall management employment costs)
Distribution to unitholders	RM 36.8 Million
Taxes	Not applicable - distributed 94.9% of total income, net income exempted from taxes
Community investments	RM 10.5 Million

SUSTAINABILITY STATEMENT (CONT'D)

Operational Performance

The Manager is a strong proponent of efficient property management, as we understand it to be a core component of value creation for our stakeholders. To ensure optimal performance, we closely monitor all tasks performed across our portfolio properties and implement enhancement initiatives as and when required.

Property	Work Performed	Status as at FY 2023
KIPMall Tampoi	Renovation at the New Wing (Jalan-Jalan Japan) to install a new anchor tenant	Completed
	Renovation at the food court area for a new tenant, PISB Sdn Bhd	
	Converted the "Car Show Gallery" into fixed lots to accommodate the new pharmacy tenant, Healthlane Pharmacy, and a smaller retailer, Sushi Go.	
	Roadworks	
KIPMall Masai	Renovation at the New Wing (Jalan-Jalan Japan) to install a new anchor tenant	On going
KIPMall Bangi	A facelift project to enhance mall interior design	

These initiatives are our commitment towards excellent operational performance, with the REIT maintaining the Best Managed & Sustainable Property Award ("BMSPA") in the 10-years and above category as recognised by The Edge in August 2022. This accolade is given to expertly and sustainably managed buildings by comparing them against the best-in-class globally.



SUSTAINABILITY STATEMENT (CONT'D)

Fostering Ethical Business Practices



Good business is built on a solid foundation of trust, and good governance is maintained through ethical business practices. Balancing both is crucial to long-term success as they facilitate the creation of transparent rules and controls, provide leadership guidance, align the interests of shareholders, directors, management, and employees, and build trust with investors, the community and regulatory authorities.

Corporate Governance and Anti-Corruption

Our vigilance in preventing bribery, corruption, and anti-competitive practices is part of our unwavering dedication to high compliance management standards. Therefore, we are internally guided by the Board Charter which was established by the principles and best practices of the MCGG. The Charter outlines the stipulated functions and responsibilities of the Board, as well as their expected standard of professional behaviour. To ensure relevance and alignment with the latest regulatory requirements, the Charter will undergo regular review.

In addition, the Manager adopted a Code of Conduct for the Board of Directors as an ethical framework that reinforces prudent and professional behaviour. It sets the tone for Director conduct, compelling them to uphold the Manager's values in their day-to-day functions and to foster effective governance within KIP REIT.

Cultivating Transparency and a Bribe-Free Culture

The Manager advocates the highest ethical standards when doing business and has zero tolerance for all forms of corruption. We prioritised implementing an ABC Policy to instil a transparent, zero-bribery governance culture and promote our ethical business conduct. To reinforce this corruption-free culture, we communicated the policy to our workforce via briefings and workshops and ensured that it was accessible to our stakeholders on our corporate website. We also trained employees on anti-bribery measures to safeguard our reputation and maintain stakeholder trust.

The Manager encourages the disclosure of any alleged form of misconduct within the REIT's operations via our Whistleblowing Policy. This policy provides a formal platform that protects the confidentiality and identity of employees or external parties, allowing them to anonymously raise concerns without fear of reprisal. Accessible by all internal and external parties, any violations can be reported via email.

As of this statement, we are pleased to report we have had zero incidences of corruption and misconduct reported through the whistleblowing mechanism in FY 2023.

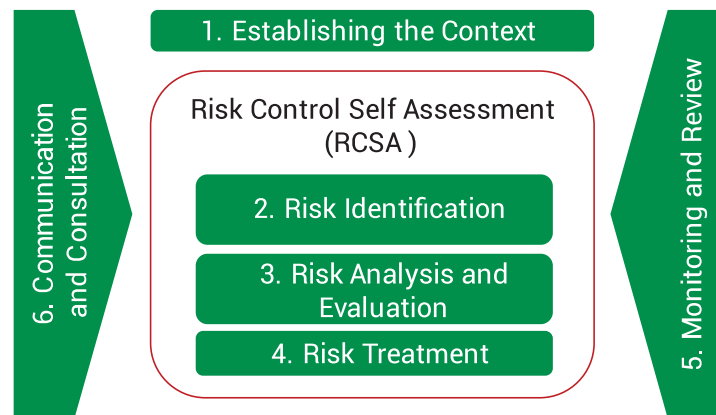
SUSTAINABILITY STATEMENT (CONT'D)

Risk Management

Responsible and effective risk management practices build stakeholder confidence and long-term profitability. To operate sustainably, we addressed stakeholders' ESG expectations.

Our Approach with the ERM Framework

Appropriate risk management is crucial to future-proofing our business as a REIT. To adequately address all potential business risks relevant to KIP REIT, the Manager employs the ERM framework adapted from the ISO 3100:2018 Risk Management Guidelines. The framework assures continuous risk identification within KIP REIT and permits the timely implementation of mitigation plans.

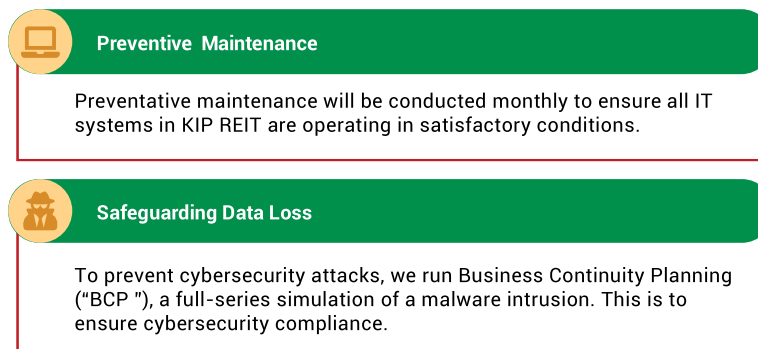


The ERM framework sets the principles of sound risk management governance. This ensures all business activities are aligned with the REIT's long-term viability and durability, improving our capacity to absorb losses. KIP REIT's ARMC is responsible for ensuring the Manager's activities are consistent with the approved risk register, strategies and policies. With an Independent Director as the Chairman of this committee, ARMC has the authority to review the sufficiency, adequacy and comprehensiveness of the ABMS in line with the need to mitigate bribery risks.

Data Security and Privacy

Digital services have become a ubiquitous facet of progressive businesses, making data privacy and cyber security important for long-term business viability. By nature of our operations as a REIT, protecting customer and tenant data from cyber security threats is among our highest priorities. Thus, REIT implemented several technological and organisational security measures that ensure adherence to the Personal Data Protection Act ("PDPA") which regulates the gathering, use, disclosure and maintenance of personal data.

Since the implementation of these measures, there have been no recorded complaints concerning breaches of customer privacy and losses of customer data.



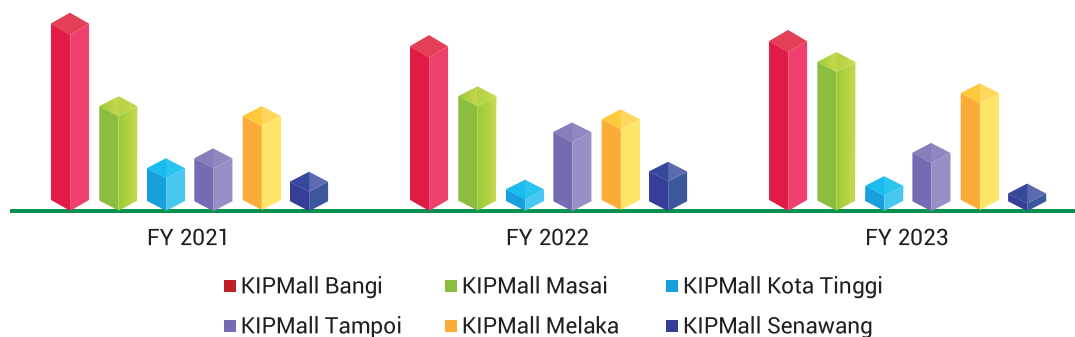
SUSTAINABILITY STATEMENT (CONT'D)

Renewable Energy Sourcing and Generation

All KIPMalls in our portfolio are equipped with a solar photovoltaic system that generates solar energy. KIP REIT also remained a participant for KIPMall Bangi, Kota Tinggi and Senawang in the Net Metering programme by the Sustainable Energy Development Authority ("SEDA") Malaysia which allowed for the distribution of excess solar power generated to surrounding communities.

Energy Consumption

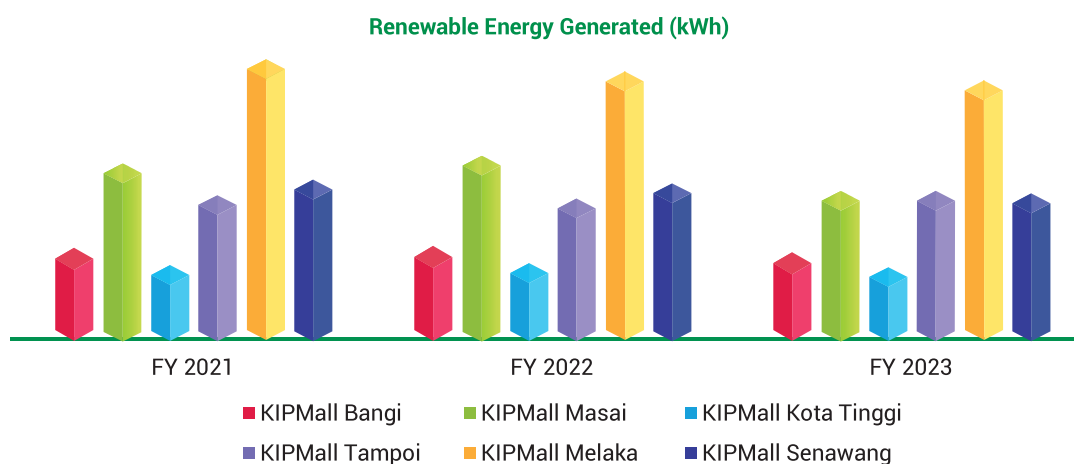
Grid-sourced Electricity (kWh)



Property (Mall)	Grid-sourced Electricity Consumption (kWh)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	2,087,572	1,867,751	1,947,625
KIPMall Masai	1,286,634	1,326,937	1,640,488
KIPMall Kota Tinggi	461,457	258,556	303,836
KIPMall Tampoi	527,523	953,131	648,090
KIPMall Melaka	1,256,388	1,136,332	1,343,675
KIPMall Senawang	345,133	453,587	298,604
Total	5,964,706	5,996,294	6,182,318

Our total consumption of grid-sourced electricity recorded an upward trend across the past three years, with FY 2023 recording the highest at 6,182,318 kWh. It is a 3.10% increase compared to FY 2022 and a 3.65% increase compared to FY 2021. This is attributed to the increase in the local temperature range. The internal temperature of each mall is controlled by a centralised air handling unit ("AHU") set at 23°C to 25°C degrees, depending on external temperatures. As temperatures climb, this causes the AHU compressor to run frequently to ensure a steady temperature, ultimately consuming more electricity. In addition, during the Movement Control Order ("MCO") in FY 2022, mall operations had limited operation hours. In FY 2023, when mall operations resumed normal hours, this led to an increase in consumption.

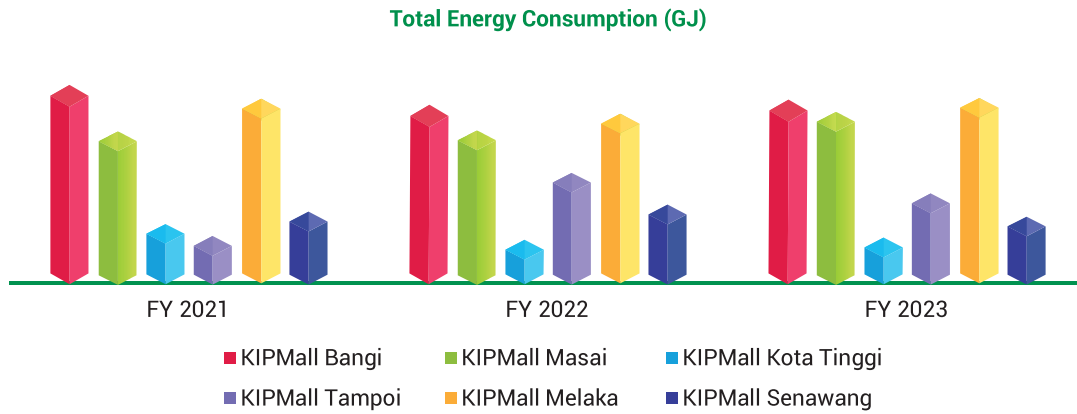
SUSTAINABILITY STATEMENT (CONT'D)



Property (Mall)	Renewable Energy Generated (kWh)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	309,935	316,711	295,269
KIPMall Masai	640,210	663,670	523,701
KIPMall Kota Tinggi	247,580	248,147	232,600
KIPMall Tampoi	516,061	508,210	516,170
KIPMall Melaka	1,025,593	985,888	949,200
KIPMall Senawang	566,772	553,477	519,290
Total	3,306,151	3,276,103	3,036,230

Our malls function on a system where 100% of all solar energy generated is utilised in mall operations, with the rest of our energy needs supplemented by electricity from the grid. This year, KIP REIT recorded a decrease of 7.32% in energy generated compared to FY 2022 and 8.16% compared to FY 2021. This minor decline is due to the naturally changing weather patterns that reduced the efficacy of our solar photovoltaic systems this year.

SUSTAINABILITY STATEMENT (CONT'D)



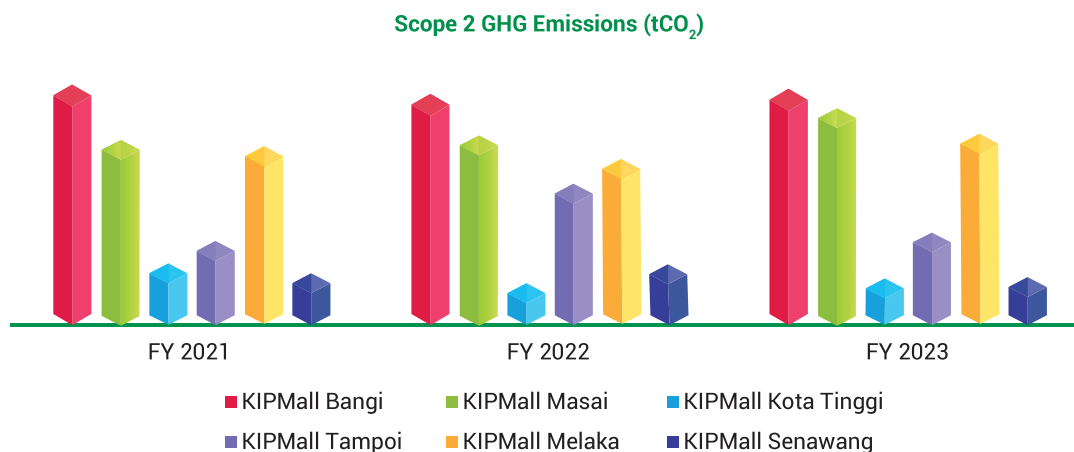
Property (Mall)	Total Energy Consumption (GJ)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	8,631	7,864	8,074
KIPMall Masai	6,937	7,166	7,791
KIPMall Kota Tinggi	2,552	1,824	1,931
KIPMall Tampoi	1,859	5,261	4,191
KIPMall Melaka	8,215	7,640	8,254
KIPMall Senawang	3,283	3,625	2,944
Total	33,375	33,380	33,187

KIP REIT consumed a total of 33,187 GJ in energy this year, which is a 193 GJ decrease compared to FY 2022. This is attributed to the reduced solar energy generated in FY 2023 as indicated in the previous table.

SUSTAINABILITY STATEMENT (CONT'D)

GHG Emissions

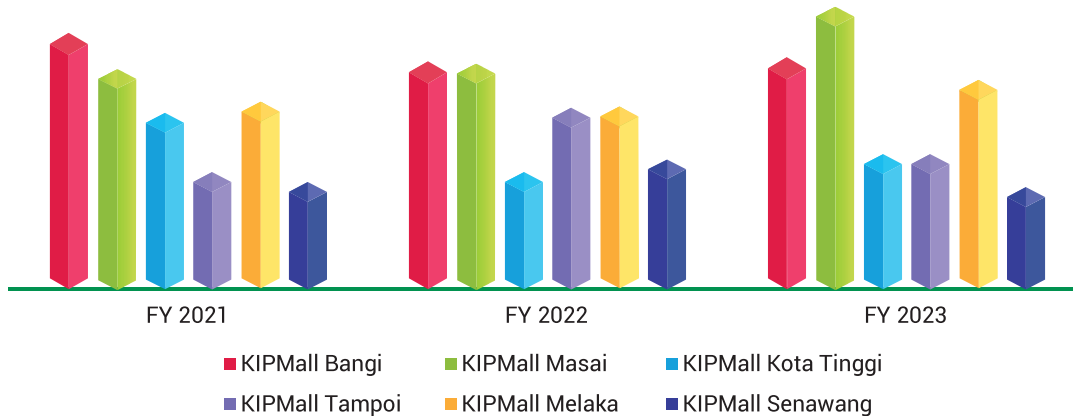
As part of our commitment to enhancing our climate resilience, we strive to mitigate and manage our GHG emissions. In this reporting period, we tracked our Scope 2 GHG emissions, which are classified as indirect emissions arising from the consumption of purchased power drawn from the grid, enabling us to track our progress and identify improvement opportunities.



Property (Mall)	Scope 2 GHG Emissions (tCO ₂)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	1,221	1,093	1,139
KIPMall Masai	753	776	960
KIPMall Kota Tinggi	270	151	178
KIPMall Tampoi	309	558	379
KIPMall Melaka	735	665	786
KIPMall Senawang	202	265	175
Total	3,490	3,508	3,617

SUSTAINABILITY STATEMENT (CONT'D)

Scope 2 GHG Emissions Intensity (tCO₂/m²)



Property (Mall)	Scope 2 GHG Emissions Intensity (tCO ₂ /m ²)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	0.038	0.034	0.035
KIPMall Masai	0.033	0.034	0.042
KIPMall Kota Tinggi	0.025	0.014	0.017
KIPMall Tampoi	0.014	0.026	0.017
KIPMall Melaka	0.029	0.026	0.031
KIPMall Senawang	0.012	0.016	0.011
Total	0.151	0.150	0.153

Due to the increased consumption of grid-sourced electricity, our total Scope 2¹ GHG emissions have increased over the past three years. Currently, FY 2023 recorded the highest emissions among the three years, with a 3.11% increase compared to FY 2022 and a 3.64% increase compared to FY 2021. Emission intensity also increased in a similar trend, with FY 2023 experiencing an increase of 2.00% compared to FY 2022 and 1.32% compared to FY 2021.

¹ 2017 CDM Electricity Baseline for Malaysia: <https://www.mgtc.gov.my/wp-content/uploads/2019/12/2017-CDM-Electricity-Baseline-Final-Report-Publication-Version.pdf>

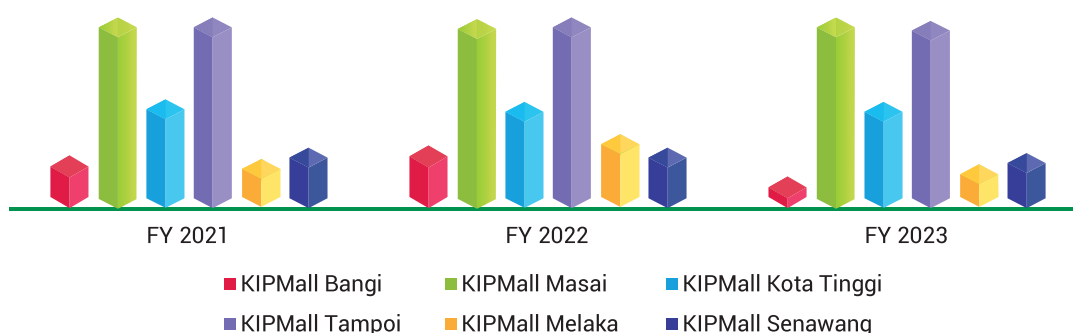
SUSTAINABILITY STATEMENT (CONT'D)

Waste Management

Municipal waste comprises a large portion of the waste produced by the occupants of our properties. Poor waste management, like non-systematic segregation and illegal disposal, can lead to serious environmental risks such as air, water, and soil contamination. Optimising site waste management is thus important for preserving the wellbeing of the environment and community.

We are committed to managing all waste generated by our operations and rigorously abide by all local waste regulations. To facilitate this, we employed licenced contractors to collect and dispose of waste at all of our properties in compliance with applicable regulatory regulations.

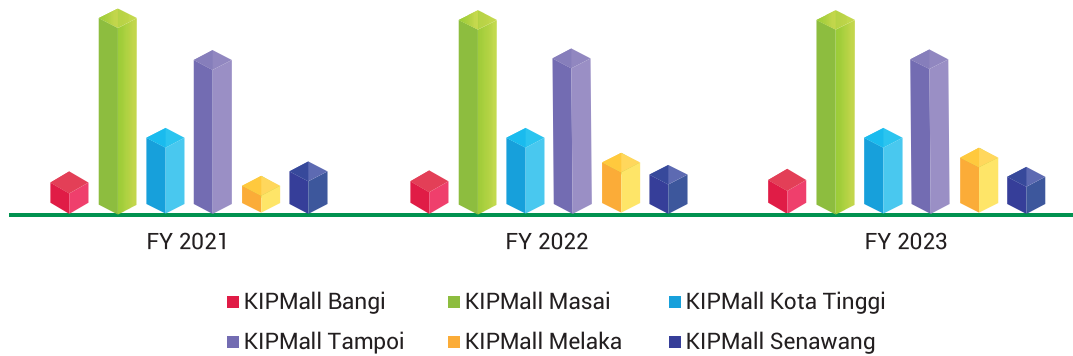
Total Waste Generated (Tonne)



Property (Mall)	Total Waste Generated (Tonne)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	32,960	40,280	16,340
KIPMall Masai	146,000	146,400	145,600
KIPMall Kota Tinggi	78,475	78,475	78,260
KIPMall Tampoi	146,000	146,400	145,600
KIPMall Melaka	29,200	48,500	25,367
KIPMall Senawang	38,400	38,400	36,600
Total	471,035	498,455	447,767

SUSTAINABILITY STATEMENT (CONT'D)

Waste Disposed to Landfill (Tonne)



Property (Mall)	Waste Disposed to Landfill (Tonne)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	309	318	315
KIPMall Masai	1,825	1,830	1,820
KIPMall Kota Tinggi	730	730	728
KIPMall Tampoi	1,460	1,464	1,456
KIPMall Melaka	292	485	513
KIPMall Senawang	384	384	366
Total	5,000	5,211	5,198

In FY 2023, KIP REIT generated a total of 447,767 tonnes of waste, a 10.17% decrease compared to FY 2022 and a 4.94% decrease compared to FY 2021. KIPMall Masai and KIPMall Tampoi have consistently generated the most waste among the six (6) KIPMalls in our portfolio over the past three years. This is primarily attributed to the high turnover of fresh market produce in these malls, as malls with larger fresh market zones consequently produce a large amount of waste. KIPMall Kota Tinggi, the third largest contributor of waste, follows a similar layout concept to the Masai and Tampoi malls, though it is only half the size of both in terms of fresh market area.

We disposed 5,198 tonnes of waste to landfills this reporting period, which is a decrease of 0.25% compared to FY 2022 and an increase of 3.96% compared to FY 2021. Of the three financial years, FY 2022 recorded the highest waste disposed to landfills, attributable to the MCO period that took place within the financial year. During the MCO, many of our essential tenants, particularly those operating within the fresh market segments, experienced increased customer traffic and consumer demand for essential food items. This resulted in increased sales and higher inventory turnover, leading to elevated waste production. We have since returned to our initial collection schedule and daily waste collection procedures in FY 2023, recording an overall decrease in waste disposed.

The waste contractors we engaged with helped us manage our waste diversion to landfills. While we have yet to implement formal recycling measures, we are keen on enacting suitable waste mitigation and recovery measures in the future. In addition, certain KIP REIT tenants, such as supermarket tenants also initiated recycling measures such as implementing recycle boxes.

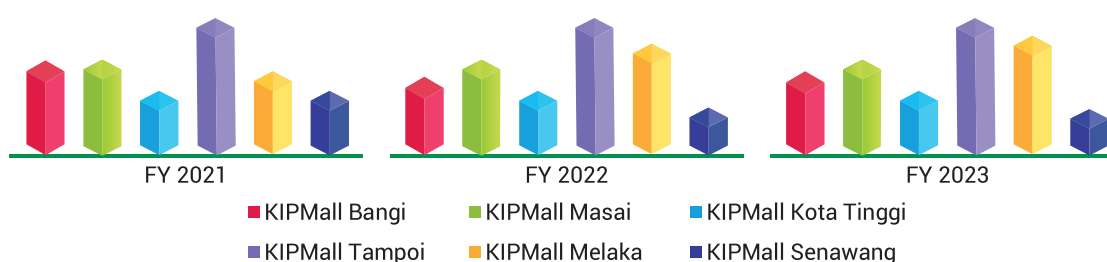
SUSTAINABILITY STATEMENT (CONT'D)

Water Stewardship

Water scarcity impacts 40% of the world's current population. Considering this global water resource trend, water conservation has become an increasingly central aspect of the property sector's focus on sustainability.

As a REIT, we are committed to optimising water consumption across our properties and promoting water management solutions to elevate long-term water sustainability. We also raised awareness on responsible water use among our tenants, customers, service providers, and cleaners across our property portfolio using educational posters displayed in various public spaces.

Water Consumption (m³)



Property (Mall)	Water Consumption (m ³)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	59,149	43,234	46,333
KIPMall Masai	58,769	56,031	64,672
KIPMall Kota Tinggi	30,636	32,530	33,270
KIPMall Tampoi	96,895	89,725	85,690
KIPMall Melaka	47,823	57,947	65,089
KIPMall Senawang	27,927	25,378	26,015
Total	321,199	304,845	321,069

Water Use Intensity (m³/m²)

Property (Mall)	Water Use Intensity (m ³ /m ²)		
	FY 2021	FY 2022	FY 2023
KIPMall Bangi	2	1	1
KIPMall Masai	3	2	2
KIPMall Kota Tinggi	3	3	3
KIPMall Tampoi	4	4	4
KIPMall Melaka	2	2	2
KIPMall Senawang	2	2	1
Total	16	14	13

Among the three reporting years, FY 2021 recorded the highest water consumption, with KIPMall Tampoi being the largest consumer that year. This remained consistent from FY 2021 to FY 2023. Conversely, KIPMall Senawang recorded the lowest water consumption for all three years. This difference is a result of increased water consumption by KIPMall Tampoi's fresh market tenant operations with Masai, Kota Tinggi and Melaka following a similar trend of high water consumption. The remaining malls either feature a smaller fresh market zone or none, leading to lower consumption in comparison.

SUSTAINABILITY STATEMENT (CONT'D)

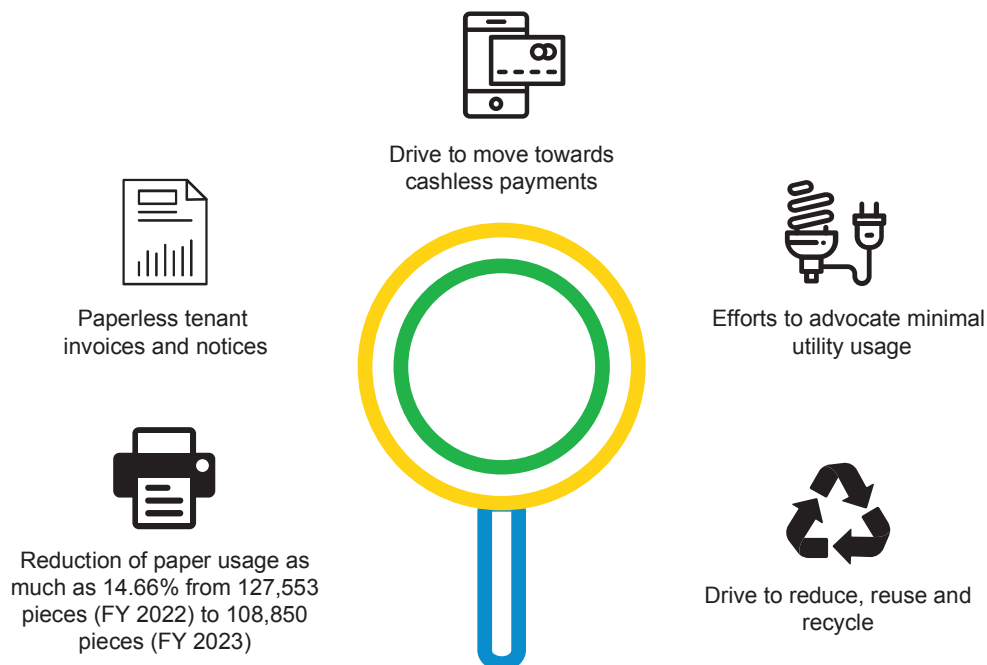
Water Stewardship (Cont'd)

There was a slight fluctuation in the trend in water consumption over the past three years, with first a decrease and then an increase in recorded consumption. A total of 321,069 m³ was consumed in FY 2023, which is an increase of 5.32% compared to FY 2022 and a decrease of 0.04% in comparison with FY 2021. In contrast, water use intensity experienced a steady downward trend, with a 7.14% decrease compared to last year and 18.75% compared to FY 2021. This is indicative of the efficacy of our water efficiency measures.

Responsible Resource Use

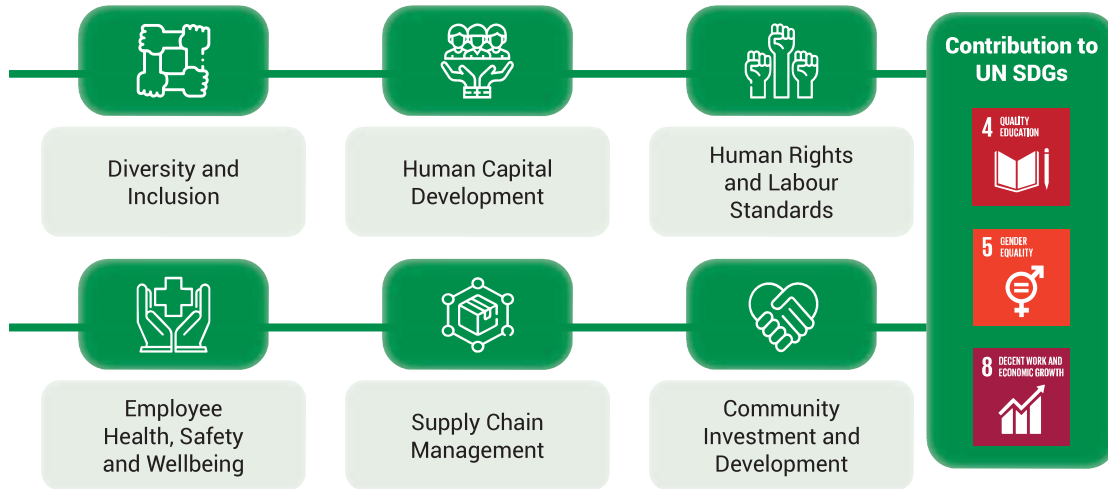
Reducing the use of non-renewable resources is a component of our commitment to the global journey towards carbon neutrality. In order to promote prudent resource consumption, the Manager engages in continued communication with internal and external stakeholders. We are also focused on reducing our overall consumption by implementing paper-saving measures such as:

- **Print only when necessary:** Encouraged the use of digital documents, email, and cloud storage for sharing and storing information, and only printing documents when absolutely necessary.
- **Double-sided printing:** Set the default printer settings to print on both sides of the paper.
- **Digital signatures:** Promoted the use of digital signatures for approvals, contracts, and other documents that traditionally require physical signatures.
- **Electronic communication:** Encouraged the use of email, instant messaging, and collaboration tools for internal communication.
- **Online forms and surveys:** Replaced the use of paper-based forms and surveys with digital alternatives.
- **Paperless billing and invoicing:** Used electronic billing and invoicing methods.



SUSTAINABILITY STATEMENT (CONT'D)

Empowering People and Communities



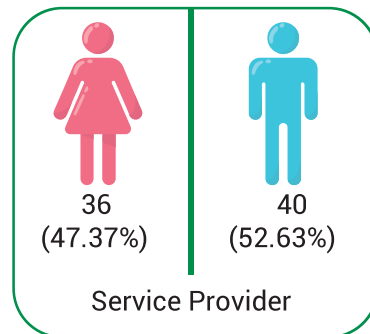
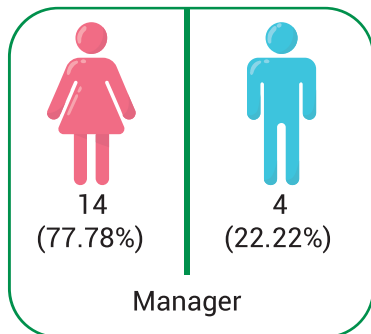
We recognise that people are key to attaining our long-term objectives. At KIP REIT, our commitment to creating positive social impacts and fostering thriving communities is centred on people. We endeavour to cultivate meaningful connections with our staff members by promoting an appealing and healthy work environment that supports a culture of sustainability and responsibility.

Diversity and Inclusion

Embedding a Culture of Inclusivity

Attracting, recruiting, and retaining qualified talent with sector-specific expertise will ensure our future business success. We actively embrace equitable and impartial employment practices to build a gender-balanced, inclusive organisation with diverse perspectives that strongly supports innovation. We also prioritise cooperation and mutual understanding as we foster a culture of zero tolerance for any form of discrimination throughout the REIT.

The Manager places a high value on gender diversity due to its beneficial impact on business performance. As a result, we are continuously striving to increase female representation.




SUSTAINABILITY STATEMENT (CONT'D)

Diversity and Inclusion (Cont'd)

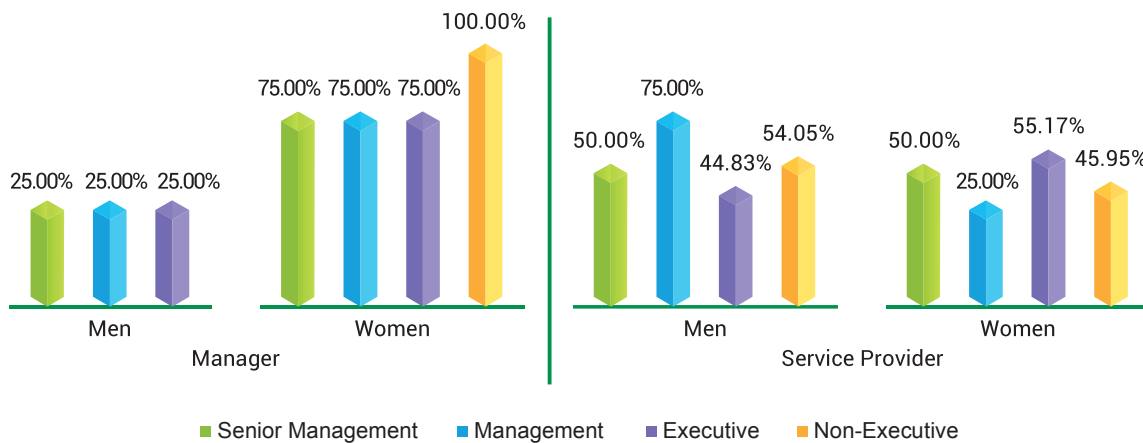
Embedding a Culture of Inclusivity (Cont'd)

In FY 2023, the Manager's workforce comprised of four (22.22%) men and 14 (77.78%) women, while the Service Provider had 40 (52.63%) men and 36 (47.37%) women in their employ. Two directors are in the 30- to 50-year-old range (33.33%) while the remaining are above 50 years of age (66.67%).



The Manager's Board of Directors consists of 33.33% women which is in compliance with MCCG recommendations

Employee Category by Gender in FY 2023



Manager

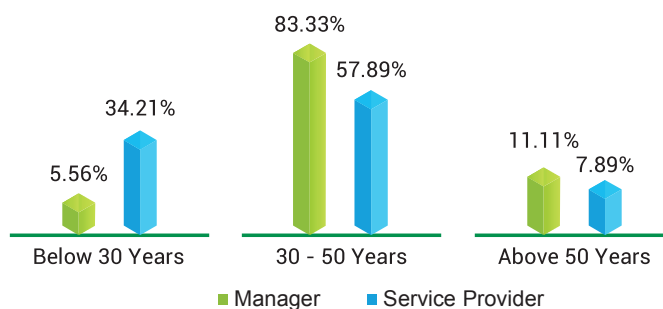
	FY 2021		FY 2022		FY 2023	
	Men	Women	Men	Women	Men	Women
Senior Management	66.67%	33.33%	66.67%	33.33%	25.00%	75.00%
Management	20.00%	80.00%	-	100.00%	25.00%	75.00%
Executive	-	100.00%	-	-	25.00%	75.00%
Non-Executive	60.00%	40.00%	50.00%	50.00%	-	100.00%

Service Provider

	FY 2021		FY 2022		FY 2023	
	Men	Women	Men	Women	Men	Women
Senior Management	100.00%	-	50.00%	50.00%	50.00%	50.00%
Management	100.00%	-	100.00%	-	75.00%	25.00%
Executive	48.78%	51.22%	51.72%	48.28%	44.83%	55.17%
Non-Executive	54.05%	45.95%	57.50%	42.50%	54.05%	45.95%

SUSTAINABILITY STATEMENT (CONT'D)

Employee by Age Group in FY 2023



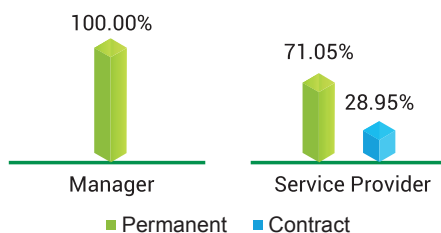
Manager

	FY 2021	FY 2022	FY 2023
<30	14.29%	10.00%	5.56%
30-50	57.14%	80.00%	83.33%
>50	28.57%	10.00%	11.11%

Service Provider

	FY 2021	FY 2022	FY 2023
<30	41.67%	34.67%	34.21%
30-50	52.38%	57.33%	57.89%
>50	5.95%	8.00%	7.89%

Employee by Employment Type



Manager

	FY 2021	FY 2022	FY 2023
Permanent	100.00%	100.00%	100.00%
Contract	-	-	-

Service Provider

	FY 2021	FY 2022	FY 2023
Permanent	98.81%	69.33%	71.05%
Contract	1.19%	30.67%	28.95%

SUSTAINABILITY STATEMENT (CONT'D)

Human Capital Development

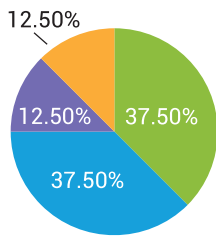
Fostering an Engaging Culture

The Manager aims to create and sustain an engaging workplace culture that encourages high job satisfaction, and has adopted a proactive approach to developing and engaging with our people for this purpose. We also equipped our workers with the right tools and resources which aid cross-collaboration throughout the Group, allowing us to develop sustainable business solutions and provide exceptional services.

The Manager established a formal structure to encourage employee engagement. KIP REIT Management Sdn Bhd hosted monthly staff lunches and welcome lunches for new onboard hires, while all malls participated in KIP REIT's annual dinner and monthly Complex Management Meetings ("CMM"). In addition, we host a "Majlis Berbuka Puasa" every year during the Ramadan season to celebrate this holy month with our Muslim employees.

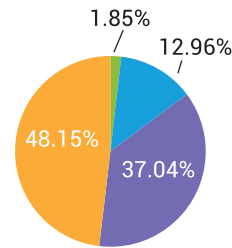
We are committed to nurturing our people through talent development programmes, empowering them to reach their full potential through the acquisition of relevant knowledge and skills. These programmes also encompass organisational core competencies and position-specific competencies. In addition, we encouraged our employees to discuss their performance and aspirations with their supervisors during the annual performance and career development review, which enabled us to identify specific training requirements and expectations.

Employee Performance Appraisal in FY 2023 (Manager)



- Senior Management ■ Management
- Executive ■ Non-Executive

Employee Performance Appraisal in FY 2023 (Service Provider)



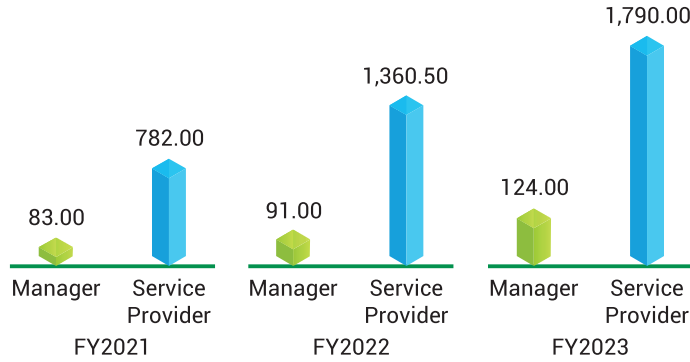
- Senior Management ■ Management
- Executive ■ Non-Executive

This fiscal year, the Manager invested a total of RM 50,508.25 towards learning and development programmes and ensured that all employees, regardless of gender or employee category, were provided upskilling opportunities to grow and excel within their careers across the REIT.

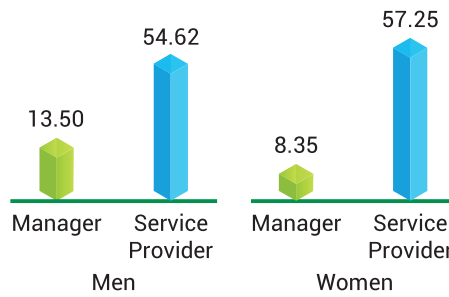
Comparing FY 2023 to FY 2022, the total number of training hours completed by employees increased by 31.86% with the Service Provider recording a greater number of training hours than the Manager. Among all four employment tiers, non-executives and executives recorded the highest number of training hours. We allocate more training hours for non-executives as they comprise the majority of our workforce. By upskilling our non-executive employees and providing them the opportunity to obtain career-specific knowledge, we improve their job performance and enhance overall company productivity.

SUSTAINABILITY STATEMENT (CONT'D)

Total Training Hours



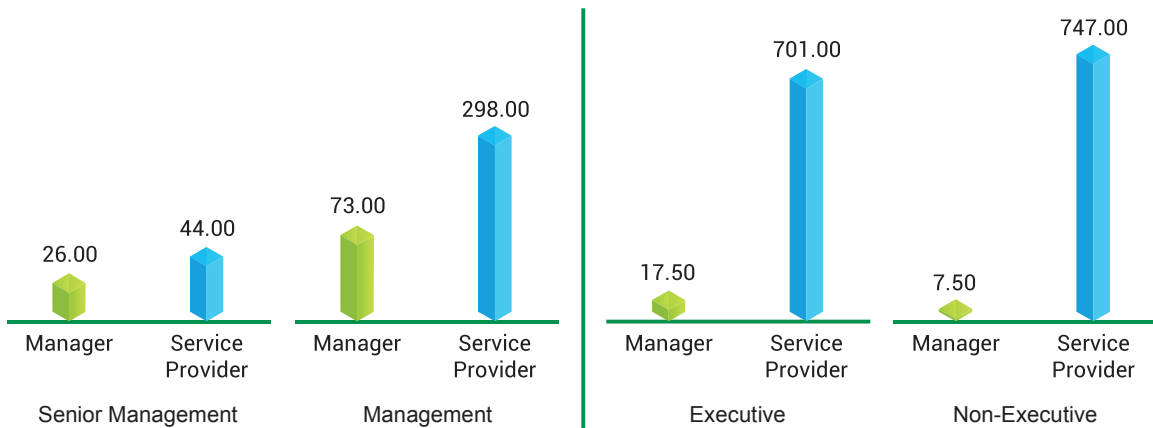
Average Training Hours by Gender in FY 2023



The training programmes attended by KIP REIT staff include:

- KSY 774: Steps to Develop and Implement an ESG Strategy
- MFT318: Inflation, Financial Crisis and Currency War
- M-Reits & The Road Ahead
- Amiro Race - Communication through Gamification
- RR Tenancy Management System
- Briefing of Sexual Harassment Policy

Training Hours by Employee Category in FY 2023

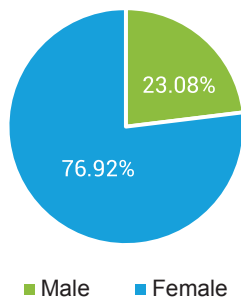


SUSTAINABILITY STATEMENT (CONT'D)

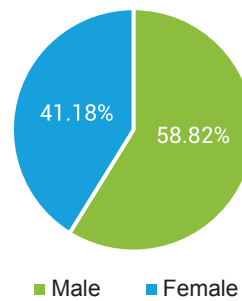
New Hires and Employee Turnover

To support business growth, we actively seek competent and talented employees with the right experience level to supplement the team, both internally and externally. As such, we work to attract qualified new talent while retaining our existing and experienced workforce, evaluating employees based on their qualifications, skills, and experience.

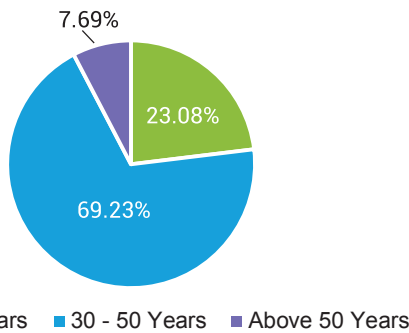
New Hire by Gender in FY 2023 (Manager)



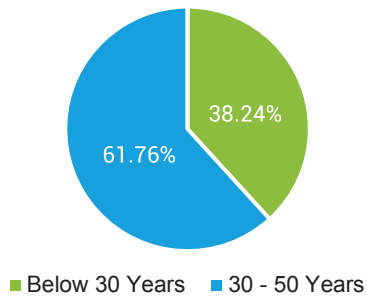
New Hire by Gender in FY 2023 (Service Provider)



New Hire by Age Group in FY 2023 (Manager)



New Hire by Age Group in FY 2023 (Service Provider)

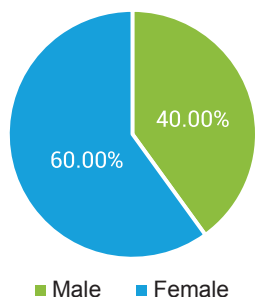


SUSTAINABILITY STATEMENT (CONT'D)

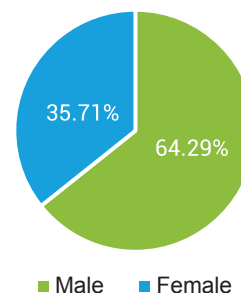
In FY 2023, the new hires for the Manager comprised three men (23.08%) and 10 women (76.92%). Conversely, the Service Provider hired 20 men (58.82%) and 14 women (41.18%).

In terms of age groups, the Manager's new hires are comprised of nine (69.23%) in the 30- to 50-year-old age group, three (23.08%) below 30 years old, and one (7.69%) above 50 years old. Meanwhile, the Service Provider had 13 (38.24%) new employees below the age of 30 and 21 (61.76%) in the 30- to 50-year-old age group.

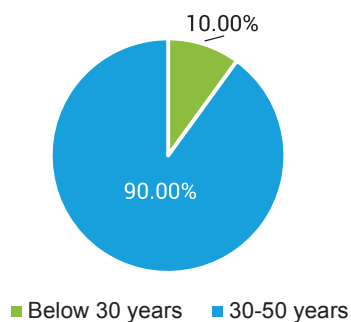
Employee Turnover by Gender in FY 2023 (Manager)



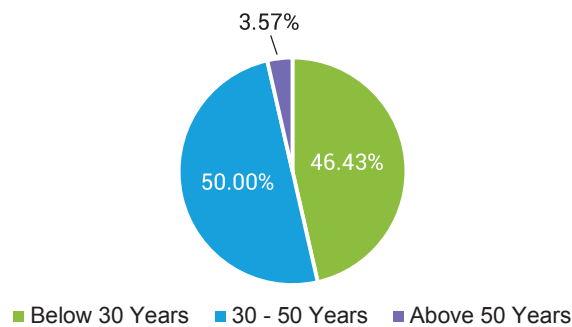
Employee Turnover by Gender in FY 2023 (Service Provider)



Employee Turnover by Age Group in FY 2023 (Manager)

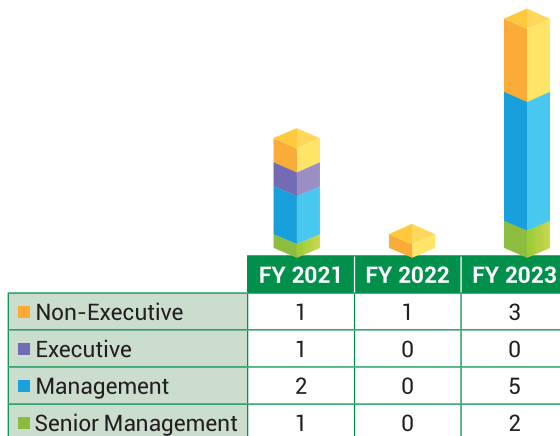


Employee Turnover by Age Group in FY 2023 (Service Provider)

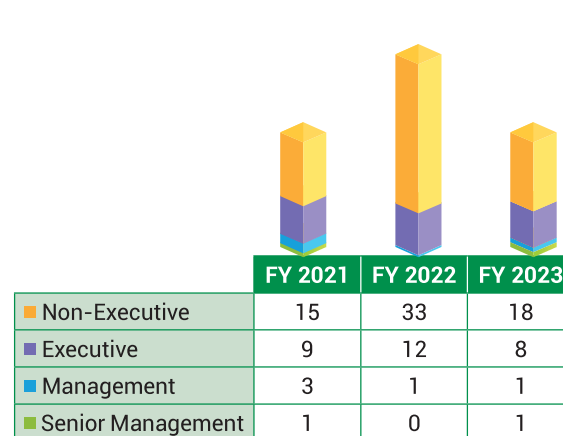


SUSTAINABILITY STATEMENT (CONT'D)

**Employee Turnover by
Employee Category (Manager)**



**Employee Turnover by
Employee Category (Service Provider)**



With regard to age group, the highest recorded resignation for both the Manager and Service Provider was for the 30- to 50-year-old bracket at 90% and 50% respectively. Meanwhile, the lowest recorded percentage was for the Service Provider at 3.57% for the above-50 age group.

Human Rights and Labour Standards

We firmly believe in respecting the fundamental rights of all people and the right to free speech. All KIP REIT decisions and actions are founded on ethical principles in various policies that promote a mutually beneficial, transparent relationship with our people.

The REIT's Labour Rights Policy outlines the standards that must be upheld with respect to employee human rights across KIP, covering non-discriminatory employment and the provision of the Minimum Wage. We also adhere to the Employment Act of 1955 and have zero tolerance for any form of child labour, forced labour, or indentured labour in our operations. The REIT strives to maintain a strong ethical culture to create a safe and respectful workplace free of sexual violence, harassment, and intimidation via our Sexual and Harassment Policy. In FY 2023, there were no reports of discrimination or human rights violations.

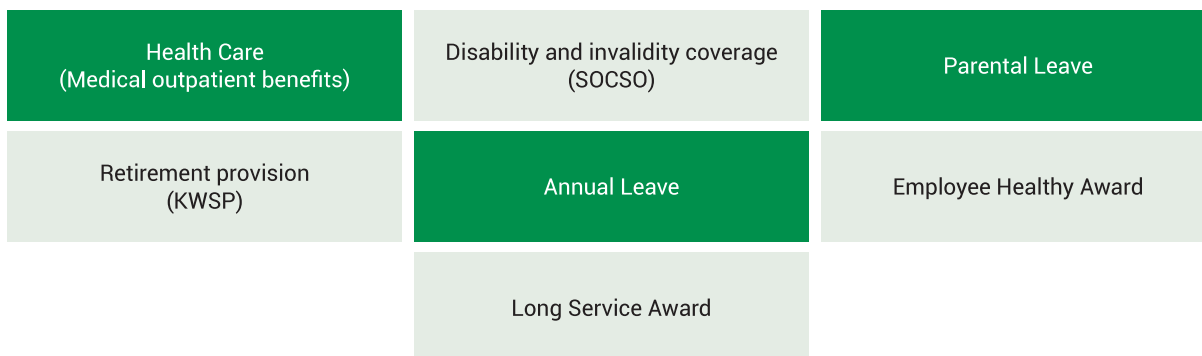
We also work to promote human rights via the Employment Amendment Act 2022 training, educating our workforce for the long-term prevention of human rights abuses. By empowering our employees with information on their rights, we encourage them to uphold their own rights and advocate for others, creating an ethical and respectful business culture.

Operations	Number of employees	Average number of training hours on human rights (hours)
KIP REIT Management Sdn. Bhd	11	1.50
KIPMall Bangi	6	
KIPMall Masai	15	
KIPMall Kota Tinggi	7	
KIPMall Tampoi	14	
KIPMall Melaka	12	
KIPMall Senawang	6	

SUSTAINABILITY STATEMENT (CONT'D)

Employee Benefits

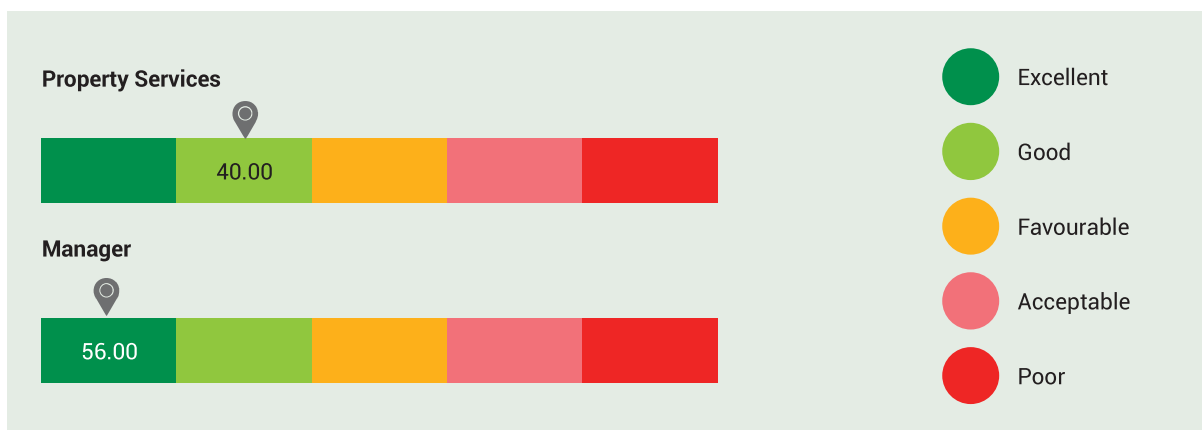
To encourage job satisfaction and facilitate more meaningful and rewarding careers, the REIT provides extensive benefits to all our employees, both permanent and contract staff. These attractive employee benefits include:



As per the Employment Act 1955, all employees are eligible for parental leave. In FY 2023, two staff members went on parental leave, with one taking maternal leave and one taking paternal leave. Both employees returned to work and continued to work for KIP REIT after a period of 12 months.

Parental Leave FY 2023	Men	Women
Number of employees that took parental leave	1	1
Number of employees that returned after parental leave	1	1
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1	1

Employee Satisfaction



Satisfied employees are more engaged, dedicated and innovative, enabling them to provide exceptional service that drives the REIT’s growth and performance. We strive to secure employee satisfaction, and as such implemented the Employee Net Promoter Score (“eNPS”), an effective survey-based method to determine the satisfaction and engagement level of employees and gain insight into their needs and expectations.

Based on this year’s survey, Property Services employees scored 40 which amounts to an overall “Good” satisfaction level. Meanwhile, the satisfaction of employees under the Manager recorded a score of 56, translating to “Excellent” satisfaction.

SUSTAINABILITY STATEMENT (CONT'D)

Employee Health, Safety and Wellbeing

At KIP RIET, we utilise a number of policies for an integrated approach to the successful health and safety management of our employees, tenants and patrons. These policies detail rigorous processes for identifying and reviewing health and safety hazards, ensuring accountability, developing action plans and engaging with various stakeholders.

The KIPMall Safety and Health Policy proactively encourages a culture of safety and safeguards the wellbeing of all individuals within the mall premises by upholding compliance with relevant safety and health regulations. We align our Occupational Safety and Health Policy with the Occupational Safety and Health Act 1994, incorporating safety measures such as fire, hygiene, and waste disposal measures. Among our HR officers, we elected a safety and health representative, who acts as an advisor on all policy issues and coordinates regular OSH inspections to identify and control hazards within the premises, ensuring a hazard-free workplace. OSH matters are periodically communicated to employees via internal memos and OSH training.

- Emergency Response Team and Fire Drill Training
- Seminar on Laws by the Fire and Safety Department
- Occupational Safety and Health at Workplace

We are pleased to report that due to the effective implementation of our Health and Safety Policies, there were zero incidents of work-related fatality or permanent disability recorded in FY 2023.

Number of hours worked	Manager		Service Provider	
	Male	Female	Male	Female
	4,686	16,866	84,480	76,032

SUSTAINABILITY STATEMENT (CONT'D)

Supply Chain Management

As a REIT, we act primarily as an asset manager and thus have a limited role in the procurement of contractors and other service providers for our properties. Though the terms of triple-net lease agreements stipulate that all supply chain decisions and expenditures are under the tenant's purview, other properties require the approval of KIP REIT for any construction work or total asset replacement. Further to that, all management services for these properties are overseen by the REIT's property managers. The Manager closely monitors all procurement and supply chain management decisions as they can impact operations.

The Manager works diligently to guarantee the quality and sustainability of our supply sources. This is accomplished through meticulous selection based on internal standards and our sustainability targets, taking into consideration each supplier's qualifications and experience during the evaluation process. We appoint suppliers based on their quality and competitiveness and also reassess previously selected suppliers using the same process. Upon selection, suppliers will be granted appointment letters for their services.

A supplier performance re-evaluation is conducted on an annual basis to ascertain whether quality is upheld by our suppliers. In FY 2023, we spent 100% of our procurement budget on local suppliers.

Community Investment and Development

KIP REIT supports positive societal developments through charitable contributions and implements various community initiatives. We intend to play an active role in building up local communities and promoting their wellbeing through Corporate Responsibility ("CR") programmes.

Meals for the Community: Lontong Community Cookout



On the 1st of April 2023, a food distribution community initiative was held in the spirit of Ramadan at KIP Mall Tampoi. Organised in collaboration with the Pulai Parliament, 18 associations, three NGOs, and local authorities, KIP REIT and our generous tenants provided an in-kind donation consisting of groceries and cooking items totaling RM 8,500 to the cause.

Multiple parties collaborated to create delectable Lontong Kering from scratch, exemplifying the collaborative strength of the local communities. The hot, scrumptious meal was handed out to a total of 1,300 shoppers visiting the Ramadan Bazaar.

SUSTAINABILITY STATEMENT (CONT'D)

Celebrating Hari Raya Aidiladha: Gift with Purchase Programme



During Hari Raya Aidiladha, we carried out a special promotional event called the Gift with Purchase (“GWP”) programme at KIPMall Masai. During the promotion, any customer who spent a minimum of RM 30 or more on purchases at any shop outlet at the mall was entitled to receive a complimentary 1.5-litre bottle of carbonated drink.

Every Drop Counts: Blood Donation Campaigns



KIP REIT organises a blood donation drive every two months at our KIPMall Kota Tinggi. Conducted in collaboration with healthcare organisations and other NGOs, each blood donation drive targets different blood donor types. These drives serve as easily accessible points of contact for donors and medical institutions in need of a healthy blood supply. The multiple facilities of the mall, such as ample parking spaces and various retail shops, benefit families with demanding work schedules who are unable to make direct donations to hospitals.

On average, 150 individuals donate blood at each blood drive. Given that each donation has the potential to save up to three lives, an effective donation campaign could impact 450 lives.

SUSTAINABILITY STATEMENT (CONT'D)

Empowering Healthcare Awareness: Jom Sihat Carnival



Four government healthcare agencies collaborated with KIP REIT to host a Jom Sihat Carnival at KIPMall Bangi. This campaign scheduled various healthcare awareness programmes that invited shoppers to participate in engaging activities and talks and was aimed at raising drug awareness and providing fitness and healthy lifestyle tips. A blood donation drive was organised in conjunction with this event, and a total of 110 people donated blood, which could potentially impact 330 lives.

Conclusion

Our commitment to positively impacting the communities that we serve is steadfast. As we progress in our ESG-centric ambitions, we are dedicated to upholding integrity across all our real estate assets and management operations. We will continue to strive to be transparent, equitable, and environmentally responsible to generate value for continued long-term growth. Working collaboratively with our stakeholders, we will strengthen our sustainability strategies and our efforts to materialise our commitments for a better tomorrow.

SUSTAINABILITY STATEMENT (CONT'D)

GRI Content Index

Statement of use	KIP REIT has reported the information cited in this GRI content index for the period 1 July 2022 until 30 June 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	64
	2-2 Entities included in the organisation's sustainability reporting	
	2-3 Reporting period, frequency and contact point	64-65
	2-6 Activities, value chain and other business relationships	64-65, 77-78
	2-7 Employees	93-95
	2-8 Workers who are not employees	95
	2-9 Governance structure and composition	71
	2-10 Nomination and selection of the highest governance body	45-48
	2-11 Chair of the highest governance body	71
	2-12 Role of the highest governance body in overseeing the management of impacts	71
	2-13 Delegation of responsibility for managing impacts	71
	2-14 Role of the highest governance body in sustainability reporting	71
	2-23 Policy commitments	72, 81, 100, 102
	2-24 Embedding policy commitments	72, 81, 100, 102
	2-25 Processes to remediate negative impacts	81-82
	2-26 Mechanisms for seeking advice and raising concerns	81
	2-27 Compliance with laws and regulations	72, 81, 100, 102
2-29 Approach to stakeholder engagement	73-74, 77-78	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	75-76
	3-2 List of material topics	76
GRI 201: Economic Performance	201-1: Direct economic value generated and distributed	79
	201-4: Financial assistance received from government	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	103
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	84-86
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	86
GRI 303: Water and Effluents 2018	303-5 Water consumption	91-92
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	87-88
	305-4 GHG emissions intensity	88
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	89-90
	306-5 Waste directed to disposal	89
GRI 307: Environmental Compliance	307-1: Non-compliance with environmental laws and regulations	89

SUSTAINABILITY STATEMENT (CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	98-100
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	101
	401-3 Parental leave	101
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	102
	403-5 Worker training on occupational health and safety	102
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	97
	404-2 Programmes for upgrading employee skills and transition assistance programmes	97
	404-3 Percentage of employees receiving regular performance and career development reviews	96
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	93-95
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	103-105
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	82

TCFD Content Index

TCFD Recommendation	References / Location
Governance	78
Strategy	
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Metrics and Targets	