

A Stellar Force for Good

Sime Darby Property implements the ABCs of the ESG principles to multiply value for people, planet, and prosperity.

THE VERDICT is in - you are either with or against upholding ESG, and there is no in between. Standing for Environmental, Social and Governance, ESG is most probably the only three-lettered little acronym that can make big organisations shake in their boots.

The next generation is speaking up and they want organisations to do better. A Deloitte survey shows that Gen Zs and Millennials - who will make up more than 60% of workforces by 2025 - want to work with companies that take ESG seriously. In other words, companies that want to remain relevant and attract the next generation of talent cannot ignore the climate crisis, societal issues and governance factors in their business any longer.

For Sime Darby Property Berhad, the path begins with a purpose and ends with it fulfilled. An early adopter of the “triple bottom line” in which People, Planet and Prosperity are aligned, Sime Darby Property is committed to focusing on social and environmental concerns as much as they do on making profit - if not more. So much so that it’s even ingrained in the company’s Purpose, Vision, Mission and Value statements.

Its Group Managing Director Datuk Azmir Merican said that good ESG practices must be aligned with the purpose of paving the way for communities, the environment, businesses, and the economy to thrive for generations to come. As a Force for Good, the company also consistently emphasises sustainability as a hallmark of everything it does and stands for, in line with its 2030 Sustainability Goals.

“By centring the components of ESG on our business and op-



Rewilding restores ecosystem health by protecting core wild or wilderness areas.

“By centring the components of ESG on our business and operations, Sime Darby Property is also able to fulfil its Purpose to be a Value Multiplier for People, Businesses, Economies, and the Planet,”

- Datuk Azmir Merican,
Group Managing Director
Sime Darby Property

erations, Sime Darby Property is also able to fulfil its Purpose to be a Value Multiplier for People, Businesses, Economies, and the Planet,” he added.

Environment at its Heart

According to ecologist and Tropical Rainforest Conservation and Research Centre (“TRCRC”) Executive Director Dr Dzaeman Dzulkifli, our natural heritage is a natural capital that is a critical economic asset and a great source of net public benefit on which all our livelihoods depend.

“We are currently being faced with the twin crises of climate change and biodiversity loss. And even without the threat of climate change, the protection of ecosystems and biodiversity will remain a priority as healthy ecosystems underpin all life on earth.”

Dr Dzaeman added: “The people and the planet are only as healthy as the ecosystems that we all depend on. The world is beginning to recognise how important biodiversity is, and

there is a greater awareness and need to tackle these twin crises at the same time through nature-based solutions and natural climate solutions.”

Sime Darby Property has partnered with TRCRC to run the conservation programmes at the Elmina Rainforest Knowledge Centre (“ERKC”) with funding support from Yayasan Sime Darby (“YSD”). “Changing the way we do business is essential to addressing the challenges of environmental degradation and climate change. Sime Darby Property is responding to the climate emergency and organisational change will require effort and time. Partnering with us will help to translate some of those sustainability commitments into reality and for greater biodiversity conservation goals to be realised and achieved,” said Dr Dzaeman.

-  Strategic partnership with an NGO specialising in rainforest conservation.
-  A Zero Primary-Rainforest Removal Policy to balance land development with tropical rainforest conservation.
-  Good biodiversity practices to foster a functional ecosystem within the township as it is being developed.
-  Propagating community engagement and education via “Friends of ERKC”.

-  Establishing the ERKC for forestry research, conservation, education and recreation.
-  A tree-for-tree replacement policy, 10% minimum planting target of ERT species.
-  Sime Darby Property has planted more than 120,000 trees, including more than 24,000 that are ERT species.

Sime Darby Property’s Sustainability Approach



The company leans into its core values to make a difference in the community.

"On a community level, Sime Darby Property has a continuous programme and has activated a community interest group called Friends of ERKC, where they will collaborate with TR-CRC to host biodiversity education programmes for local residents and the public. Through activities such as tree planting, bird watching and botany tour, residents can improve their environmental literacy and make an active contribution in conservation," he said.

Serving a greater purpose, the ERKC and its adjacent Elmina Living Collection Nursery ("ELCN") allow the company to have a constant supply of forest trees for planting within its townships as well as for external parties for reforestation initiatives.

Can property developers undo the damage on the planet? Regardless of the answer, they should not stop trying.

But how? Well, by conserving what they already have for starters. For Sime Darby Property, it's rewilding green areas one step at a time. The company has a "zero rainforest remov-

al" practice in its sustainability policies implemented across all townships. The company's "tree-to-tree replacement" policy returns the land to a more biodiverse state by replacing each oil palm tree felled for development purposes with other trees, focusing on native species. "Although rewilding is a long-term process, its results are shown to be fruitful and lasting for the betterment of the environment and surrounding communities. We have surpassed the company's policy commitment in planting a minimum of 10% ERT tree species throughout our developments, and we will continue this journey until a valuable impact is made," said Datuk Azmir.

The Company is looking towards replanting thousands of trees annually and calculating the carbon sequestered in the process.

Laying the foundation for social well-being

The recent years saw the social component of ESG thrust into the limelight. People want companies to do better in address-

ing the communities' needs, and the voice is only growing louder. Big organisations quickly understood that as part of a community, they have the responsibility to care for their smaller members for the collective success of the society.

For example, tech giant Apple helps educate and empower girls in addition to funding teaching and learning solutions in schools within its community. Coca-Cola reportedly donates at least 1% of its annual operating income to support worthy causes and initiatives, while Microsoft has initiatives around improving skills and employability, and environmental sustainability. It can be safely deducted that socially responsible organisations want to make a positive impact in the world, beginning with their own surroundings.

As with many companies worldwide that are working to improve their ESG performance, Sime Darby Property leans into its core values to make a difference in the community.

Still, humanitarianism is no

solo effort. Sime Darby Property works alongside its philanthropic arm YSD to enhance lives and unlock the power of community, anchored in the latter's five pillars of conduct: Education, Environment, Community and Health, Sports as well as Arts and Culture.

"Understandably, not every organisation is equipped to assume the mammoth responsibility of doing good for the society, but by making the company a positive force in the community it operates in – that could be the start of a domino effect," said Dr. Yatela Zainal Abidin, Chief Executive Officer of YSD. She added: "As an organisation grows, it becomes even more important that they maintain relationships and cultivate the feeling of belonging across its communities to avoid becoming disconnected.

Sime Darby Property has steadfastly fulfilled and executed its responsibility in ensuring that its communities are not marginalised in its pursuit of becoming a real estate company, exemplifying the United Nations' Sustainable Development



Sime Darby Property ensures that its communities are not marginalised in its pursuit of becoming a real estate company.

Goals' principle of Leaving No One Behind."

One of the company's top CSR efforts is its fabric recycling initiative, carried out in partnership with fabric recycling organiser Kloth Cares. For context, of the total municipal solid waste generated in Malaysia, it is estimated that 4% is accounted for by textile waste – and this is just the tip of the iceberg.

We hardly think about the impact our fabrics have on the environment. The World Resources Institute, for one, estimates that it takes as much as 2,700 litres of water – enough to keep a person hydrated for 1,350 days

"Sime Darby Property has steadfastly fulfilled and executed its responsibility in ensuring that its communities are not marginalised in its pursuit of becoming a real estate company, exemplifying the United Nations' Sustainable Development Goals' principle of Leaving No One Behind."

- Dr. Yatela Zainal Abidin,
Chief Executive Officer
Yayasan Sime Darby

– to produce just one piece of cotton shirt. What's more detrimental is that more than 80% of unwanted garments end up in landfills and incinerators.

In its attempt to reverse the negative effects of textile waste, Sime Darby Property recently mobilised its Fabric Recycling & Collection Drive across three townships – Bandar Bukit Raja and the City of Elmina in Selangor, and KL East in Kuala Lum-



One of the company's top CSR efforts is its fabric recycling initiative.

pur – and a total of 460 kg of unwanted fabric was collected in just two days!

A developer of effective governance

The 'G' or governance pillar of ESG dabbles in the corporate board and management structures, company rules, standards, information releases, auditing as well as compliance matters. And today, the conduct of managers and leaders is being put under the microscope more than ever.

For Sime Darby Property, the aim is to become a stronger proponent of workplace safety and health in the country's property development industry. Merging workforce safety and ESG not only futureproofs a business but in the long run, benefits both employees and employers.

Staying true to its vision for sustainable prevention, the property developer has reviewed its historical safety and

health performance and has introduced initiatives to implement minimum Health, Safety, Security and Environment ("HSSE") mandatory requirements across its business. One of the company's priorities is to work closely with its contractors to tackle their biggest risks and provide the necessary resources and support to mitigate them.

In 2020, Sime Darby Property established its 'Workers' Quarters Hygiene Standard', which not only adheres to government regulations but is further strengthened through best practices adopted from global standards applied in sectors beyond real estate. Further to this, Sime Darby Property inaugurated its 'Safety Day' in 2021, themed 'Comply!', to instil a safety culture among employees and raise awareness of the importance of having on-site safety standards, supervision, self-regulation and basic safety

compliance and reporting. This was followed by the second instalment in October 2022, with the theme 'Enforce & Record'.

"The cost of building a workplace where employees feel safe is priceless. If companies want to recruit and keep highly skilled personnel, they must take employee safety seriously. For us at Sime Darby Property, the key priority is to have a comprehensive plan for handling or even prevent workplace safety issues," said Datuk Azmir.

He added: "Sustainability is redefining business methods and working cultures. In the same way that Sime Darby Property's dedication towards its fundamental principles of ethics, human rights and sound corporate governance is woven into its company culture, sustainability is a future-proofing approach that succeeds when integrated throughout business processes."



Small Actions, Big Impacts

Over the years, Sime Darby Property has multiplied value for people, businesses, economies and the planet through its various initiatives. Here's a snapshot of the property developer's ESG journey so far.

Beacon of Workplace Safety and Health



Given the nature of its business, the property developer works very closely with its contractors not only to address their main risks but also ensure that the company's value chain has ample support and resources to manage these risks.

In 2021, Sime Darby Property established its "Workers' Quarters Hygiene Standard", which adheres to gov-

ernment requirements and further strengthened by best practises taken from global standards used in industries beyond property. So far, the Workers' Quarters Hygiene Standard has been implemented at more than 10 job sites with healthy ensured compliance rates.

That same year, the company launched its inaugural "Safety Day" initiative to instil a safety culture among staff members and raise awareness of the significance of having on-site safety standards, supervision, self-regulation, and fundamental safety compliance and reporting. The second instalment was organised in October 2022.



Inclusive Playground at City of Elmina, Shah Alam

Officially launched on
2 March 2022



Open daily from
7 a.m. to 10 p.m.

No entry fees

unicef
for every child

Fulfils United Nations' promise to **Leave No One Behind.**



37 integrated play structure components



For all children with and without disabilities



Contains swing seats, trampoline, climbing net, see-saws, sensory poles and balancing logs



Equipped with ramps and **wheelchair-friendly** walkways



Customised sculptures and structures



0.54-acre play space

Sime Darby Property Volunteers Programme

At Sime Darby Property, sustainability is about caring for its workforce and communities.

Recognising that its employees are its greatest and most valuable assets, the Company established the Sime Darby Property Volunteers Programme ("SDPVP") in response to the needs of human capital development through employee engagement and community outreach.

Since 2018, Sime Darby has conducted various volunteer projects across the nation, ranging from efforts to assist the community to promoting care for the environment. To-date, the Company has seen over 860 volunteers for its initiatives, and has engaged with approximately 17,000 beneficiaries.



Elmina Rainforest Knowledge Centre



Sime Darby Property works alongside the Tropical Rainforest Conservation & Research Centre ("TRCRC"), a local non-governmental organisation and expert in rainforest conservation and research to operate the Elmina Rainforest Knowledge Centre ("ERKC"). Since 2021, ERKC has impacted over 11,000 individuals via 145 programmes that include webinars, talks, biodiversity education, school outreach,

nursery volunteering, botany tours and workshops.

Serving a greater purpose, the ERKC and its adjacent Elmina Living Collection Nursery ("ELCN") allows the company to have a constant supply of forest trees for planting within its townships as well as for external parties for reforestation initiatives.

Today, TRCRC has successfully propagated a total of 208 species of plants at ELCN, including over 45,000 seeds sowed and more than 10,000 tree saplings stored in its holding area. With long-term support from YSD, TRCRC has also rehabilitated, restored and enriched around 45 hectares of degraded ecosystems across the country.