

SUSTAINABILITY STATEMENT

Selangor Dredging Berhad (SDB) acknowledges and recognises the importance of sustainability as a critical enabler for long term growth of SDB and its subsidiaries (the Group). Our focus on these sustainability related issues: growing our business, human capital development, building long term relationship with all stakeholders and protecting our environment – is embedded in our vision and core values. It is what drives our business initiatives. We have always strived to live and demonstrate our commitment to sustainability as guided by the United Nations Sustainability Development Goals (SDG) and will integrate more elements of SDG into our long-term journey here in SDB. This culture reflects the SDB Group's interactions with its employees, customers, stakeholders, and the society in which it operates in, all the while considering the economic, social, and environment factors. Thus, sustainability is a factor that has been formally incorporated into the Company's Risk Framework since 2019.

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For the financial year ended 31 March 2021, the Group acknowledges the importance of environmental protection and preservation in all its business operations and as such, supports efforts that promote a cleaner and healthier environment. The Group also understands the importance of engaging with its customers. As such SDB aims to continuously improve its customer service across all levels. The valuable relationship with the residents at all of SDB's developments is fostered through specific targeted community activities.

As we adopt a holistic approach to business management by upholding the Economic, Environmental and Social (EES) pillars of sustainability, we continue to work closely with our various stakeholders to identify and address sustainability matters that significantly influence their decision-making. To this end, we are committed to strengthening stakeholder engagement so that we can better manage emerging issues and drive change on the ground.

We are steadfast in adopting a multi-stakeholder approach by communicating and collaborating with regulators, investors, employees, customers and other relevant stakeholders to further strengthen our performance in the context of sustainability in the short, medium and long-term.

SUSTAINABILITY GOVERNANCE

Having established a Risk Management & Sustainability Committee ("RMSC") in 2019, the core responsibilities of the RMSC are:

- I. To implement the sustainability strategies within the parameters of the SDB Group's risk appetite and approved by the Board;
- II. Oversee stakeholder engagement, to ensure that all issues and suggestions raised are taken into consideration in managing sustainability;
- III. Identify material sustainability matters for the SDB Group, recommending strategies, setting policies, goals and targets;
- IV. Coordinate and monitor the implementation of sustainability initiatives; and
- V. Oversee the preparation of Sustainability Report and reporting it to SDB's Board for approval.

SDB's SUSTAINABILITY GOVERNANCE STRUCTURE



SDB's Interactive Engagement Process



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- All SDB developments incorporate landscape, sculptures and artwork - to provide a meaningful place for its residents



STAKEHOLDERS ENGAGEMENT

The table below shows how SDB engages with its stakeholders:

No.	Stakeholders	Engagement Channels	Areas of Interest / Material Sustainability Matters
1.	Shareholders / Investors	<ul style="list-style-type: none"> General Meetings Bursa Malaysia announcements Media releases Financial / Annual reports and announcements 	<ul style="list-style-type: none"> Financial Performance Return on Investment Governance and sustainability Risk Management
2.	Management	<ul style="list-style-type: none"> Meetings with the Board Business review Regular strategic / operational meetings 	<ul style="list-style-type: none"> Interest of various stakeholders Sustain business growth and operational continuity Financial results Corporate strategies and business risk
3.	Employees	<ul style="list-style-type: none"> Performance management Events, workshops and trainings Health and safety briefings and programmes. On-boarding and Internal communication channels such as email and group chat Employee survey and festive celebrations 	<ul style="list-style-type: none"> Remuneration Career development opportunities Talent and performance management Work place safety and health
4.	Customers / Tenants	<ul style="list-style-type: none"> Face to face interactions Digital and social media channels Corporate events and formal correspondence customer survey / feedback 	<ul style="list-style-type: none"> Timely and Quality delivery of products and services Customer service Safety and security Assurance and reliability
5.	Contractors / Consultants / Vendors	<ul style="list-style-type: none"> Pre-Qualification, tender and procurement process Face to face interactions and Meetings Corporate events and formal correspondence 	<ul style="list-style-type: none"> Transparent procurement practices Payment schedule Pricing of services Timely completion and delivery
6.	Community / NGOs / Industry Associations (Resident Associations, Management Corporations and/or Joint Management Bodies (JMB), Real Estate and Housing Developer's Association ("REHDA"), The International Real Estate Federation ("FIABCI")	<ul style="list-style-type: none"> Periodic meetings and face to face interactions Corporate events & digital platform Formal correspondence Corporate Social Responsibility ("CSR") activities 	<ul style="list-style-type: none"> Environmental impact Security and facilities management Infrastructure enhancement Social Issues

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No.	Stakeholders	Engagement Channels	Areas of Interest / Material Sustainability Matters
7.	Financiers / Banks	<ul style="list-style-type: none"> Corporate disclosure through Bursa Malaysia Media announcement Periodic meetings and formal correspondence 	<ul style="list-style-type: none"> Financial Performance Guarantees Payment schedules Project launches and sales
8.	Government / Regulators	<ul style="list-style-type: none"> Regular meetings and formal correspondence Involvement through representation of working groups Briefings and consultations Submission of information as and when requested Site inspection 	<ul style="list-style-type: none"> Compliance and adherence Security and safety issues Transparency and accountability Permits and licenses



► **At Level 5 Sky Terrace (Jui Residences),** an infinity lap pool provides seamless views extending into the Kallang River giving residents a sense of liberating space

ECONOMIC
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One of the underlying sustainability principles of the SDB Group's business philosophy is fair dealings in its business practices, which have seen the Group managing its business well since 1962. Ethical engagement with the marketplace is something the SDB Group takes very seriously. In this regard, the Group always strives to deliver products and services that meet the criteria of value, quality and satisfaction for its customers. In line with the SDB Group's philosophy of conducting its business dealings with integrity, a transparent procurement process is in place. The SDB Group practices an open tender system. All appointed business partners must also comply with all statutory regulations, standards and Code of Practices as per the contract terms and conditions. Environmental, safety and health factors are also included in the supply-chain contract.

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► **'The Bottle Assembly: Filling Voids and Voids Filling'** will adorn the walls of the Sky Terrace at Level 5, Jui Residences. Pastel colours of pink, blue and yellow are applied to the bottles following the Miami art deco style



ENVIRONMENTAL SUSTAINABILITY



The SDB Group believes that a business practice with a sustainable environment can boost its business, improve reputation and drive market opportunities. The SDB Group also acknowledges the importance of environmental protection and preservation in all its business operations and as such, supports efforts that promote a cleaner and healthier environment in its day-to-day activities and operations. The main mission of the SDB Group all this while is to design, develop and manage quality developments that contribute positively to the sustainability of the environment ecosystem. This is further demonstrated by the prestigious award won based on a set of high-quality standards but also in enhancing the environment. We are delighted to share that we were awarded the **BCA Green Mark Award (Gold)** for Jui Residences based on the Green Mark for New Residential Buildings (RB:2016) by the Building and Construction Authority Singapore. The Building and Construction Authority (BCA) champions the development and transformation of the built environment sector, in order to improve Singapore's living environment.

BCA oversees areas such as safety, quality, inclusiveness, sustainability and productivity, all of which, help to achieve our mission to transform the Built Environment sector and shape a liveable and smart built environment for Singapore. BCA is a strong advocate of sustainability in the built environment. Through initiatives like the BCA Green Mark scheme, BCA has been placed on the world green building map for its efforts in promoting green buildings, reducing carbon footprint and conserving resources, in local and overseas markets. Jui Residences was awarded the Gold Award due to its efforts in adopting sustainable construction practices that minimise the environmental impact of construction activities and implementing green features in its residences.

Conservation

The Group also understands the importance of preserving national heritage sites. Strategically located along Serangoon Road, Singapore next to Kallang River, Jui Residences comes with 117 contemporarily crafted units



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within an 18-storey tower. Located at the foreground of Jui Residences is the former National Aerated Water (NAW) building, where soft drinks like Sinalco, RC Cola and Kickapoo Joy Juice were bottled, and will become part of the unique heritage of the NAW building. The conserved 'L' shaped building is in line with our efforts to preserve one of Singapore's main landmarks so that future generations will be able to witness one of the last remnants of the Kallang River's industrial past. Urban Redevelopment Authority of Singapore (URA) is working closely with SDB to keep the building as part of Singapore's national history.

The NAW building is a noteworthy example of the Singapore Art Deco era from the 1950s. Jui Residences complements the conserved building, using similar design principles in a contemporary development with a distinctive local architectural language. Pedestrian access will be provided directly through the conservation building. This will register the historic reference upon arrival and allow residents and visitors alike to experience the history of the NAW building. Fronting Kallang River, a secondary pedestrian approach is provided, allowing an additional access point to the entrance lobby and an improved visual and physical connection to the riverside. The residential drop-off is provided within the podium.

The art deco element is also apparent through the vertical flutes on the façade, arched detailing on the balconies and wide inset curves at the podium in Jui Residences. Inside, brightly coloured artworks inspired by the history of this national heritage, named 'The Bottle Assembly: Filling Voids and Voids Filling' are specially crafted by sculptor Dr. Colin K. Okashimo, will adorn the walls of the Sky Terrace at Level 5. Pastel colours of pink, blue and yellow are applied to the bottles following the Miami art deco style.

Jui Residences is located in URA's earmarked growth districts of Bidadari and Kampong Bahru areas. Plans to rejuvenated the iconic Kallang River is already underway. By 2030, another 100,000 residential homes will be built in that area, transforming the Kallang River into a lifestyle hub, with waterways, greenery and seamless park connectors. Jui Residences being right next to the Kallang River will stand to benefit from this major facelift. According to URA, new developments within the precincts will be nestled in a park-like environment, with seamless pedestrian and cyclist connectivity to nearby amenities and communal spaces.



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► *One-Two-Boost is SDB's latest CSR Initiative featuring herbal products packed by young adults with disabilities*



SOCIETAL SUSTAINABILITY

Employment

The SDB Group maintains an employment workforce of over 200 people in the current challenging business environment. The SDB Group ensures that its Human Resources policies and guidelines are always in compliance with all relevant government legislations, to ensure that its workplace embraces diversity, inclusion, empowerment and equality. Key initiatives to further strengthen the organisation include providing a conducive working environment, workplace safety, employee's engagement in celebrations, job enrichment and succession planning, training and development.



Employees

The SDB Group continues to practice flexi working hours for employees, who are not involved in providing critical services. The Group is also in full compliance with

accepted standards of safety and health at the workplace. And with regards to the government's SOP on handling Covid-19, all employees are provided with 3-layer face mask and all office premises provide hand sanitisers and cleaned daily. Added measures include requiring all employees coming to work to have their temperature screened and recorded daily. Furthermore, management also encourages all employees to register for the National Vaccination Programme launched by the Malaysian government in early 2021.

Due to the Covid-19 pandemic and the Movement Control Order (MCO), staff from the head office work remotely from home. Hence, staff meet digitally via different online platforms, and meetings and discussions are also held online. We have also established the Anti-Bribery and Anti-Corruption Policy (ABAC) and 100% of employees have attended the e-learning course regarding the awareness of the ABAC Policy and adhering to its rules and regulations. Besides that, we also completed the Whistleblowing Policy with a comprehensive procedure.

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Customer



The SDB Group also recognises the importance of continuously engaging with its customers, to build lifelong relationships. As such the SDB Group is strengthening not only the quality of its products but, also its hospitality services across all levels. Feedbacks and grievances are collected and channeled to the respective teams involved at various property development levels to ensure that the products and services meet the highest level of standards to meet our customer's expectation and satisfaction. Which, eventually will ensure the SDB Group's loyal shareholders get a positive return on their investments. The SDB Group also communicates regularly with financial institutions, sales agencies and the media, in order to foster a closer relationship.

Community



The SDB Group develops its projects following sustainable policies that benefit the community and its residents. Our homes are built by incorporating passive design strategies that take advantage of the climate to maintain a cooling atmosphere and temperature range. We also ensure that all our developments are built with lush greenery with green building materials – and at the same time with great connectivity and accessibility to amenities. All these elements are incorporated into the development to ensure a sustainable development for all customers and the community at large.



Corporate Social Responsibility (CSR)

SDB's Corporate Social Responsibility (CSR) initiatives are driven by a strong purpose and revolves around offering support while creating opportunities for individuals with disabilities to acquire skills that will prepare them for a life on their own when they reach adulthood. Apart from offering them a channel for employment, the projects undertaken by SDB do not just provide temporary assistance but also enable them to learn and improve their work and social skills.

When the Covid-19 pandemic hit, the young adults with disabilities were struggling as they could not operate the Car Wash and Juice stall (One-Two-Wash & One-Two-Juice), hence the inception of One-Two-Boost created an avenue for them to contribute towards promoting one's overall immunity and well-being. One-Two-Boost was launched on 26 November 2020.

SDB collaborated with TCM (Traditional Chinese Medicine) practitioners Lin Cze-Pern and Go Pei Heng who are graduates from the Nanjing University of Chinese Medicine. Different series of herbal products are available, in drinks, soups and tea for immunity, nourishment, fat loss and targeting specific parts of the body like liver, spleen etc. Besides offering support and creating opportunities for individuals with disabilities – we offer them a channel for employment and to learn and improve their social skills where they can grow with the organisation and become long-time employees.

All products are single-handedly prepared and packed by young adults with disabilities under proper supervision by the Job Coach. Besides providing job opportunities, this also creates an avenue for young adults with disabilities to carry out packaging tasks and demonstrate their talents under proper supervision and in adherence to the Covid-19 Standard Operating Procedure (SOP). This initiative also helps in creating awareness and informing the public on employment issues faced by young adults with disabilities. Through this initiative, young adult with disabilities will have the opportunity to become visible and gain self-importance in the society particularly on their need for independence when they reach adulthood.

Because of the positive response from the public in purchasing the herbal products, SDB launched the One-Two-Boost website (www.12boost.com.my) where purchasers can directly purchase their products from the website.