

sustainability

STATEMENT

SqWhere, The hydrotherapy pool is filled with salt water as it is gentler on the eye and skin



UNA, Shared areas and facilities are carefully designed to create a conducive environment that promotes social interactions



INTRODUCTION

Selangor Dredging Berhad (“SDB”) acknowledges and recognises the importance of sustainability as a critical enabler for the long-term growth of SDB and its subsidiaries (“the Group”). We strive to live and demonstrate our commitment to sustainability as guided by the United Nations Sustainable Development Goals (“UNSDG”). At the time of writing, the Group has adopted five Sustainable Development Goals (“SDGs”) that are most relevant to our business. Going forward, we strive to integrate more of these Global Goals into our long-term sustainability journey here at SDB.

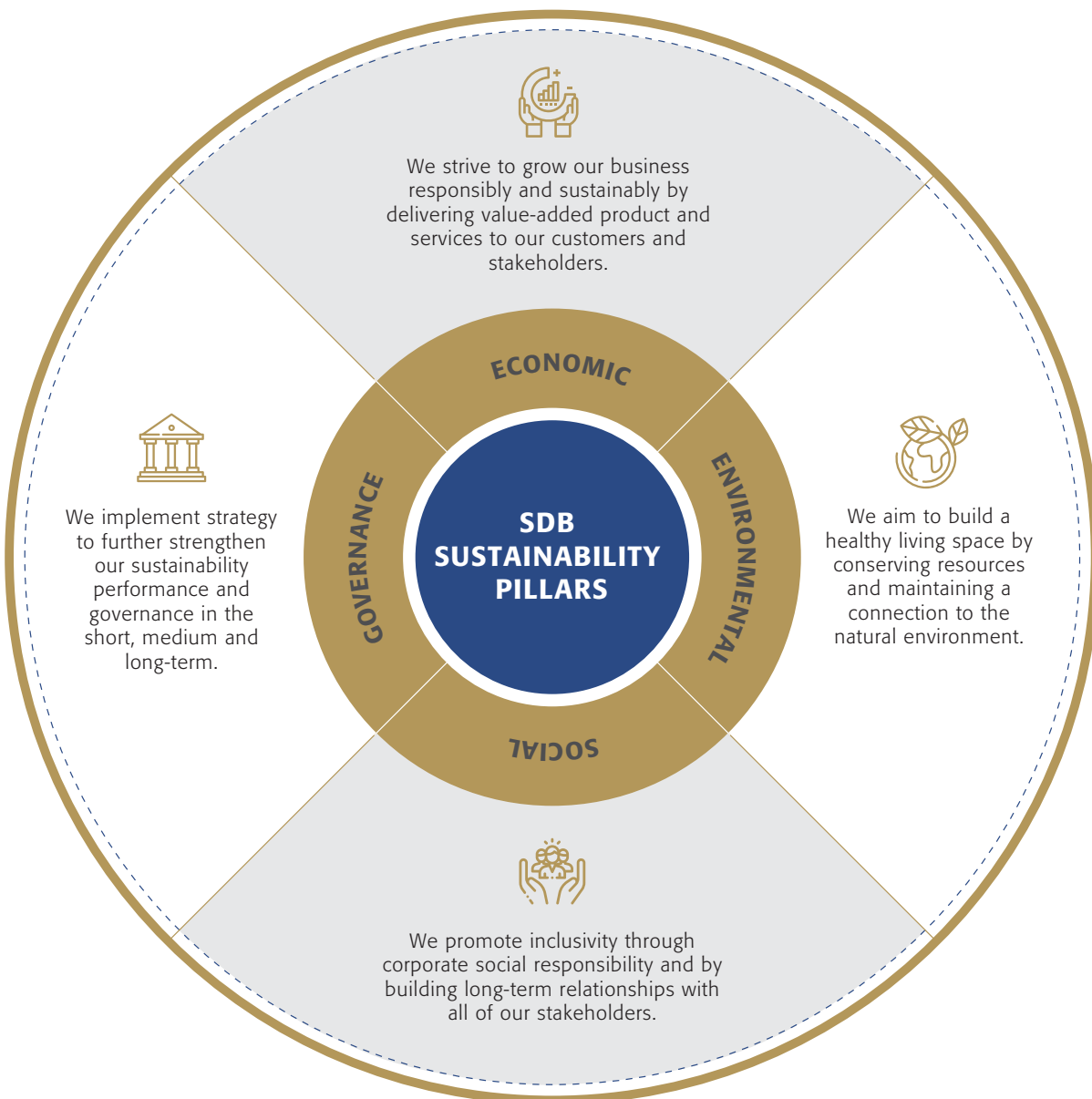
Our sustainability tenets and commitments are aligned with our Brand Promise of **“Driving Excellence, Building Lifelong Relationships”**. As we continue to keep the interest of our homebuyers, tenants and stakeholders in mind, we strive to deliver to them the utmost living experience from our developments by looking at three broad areas, namely through our design approach; using innovative and green technologies and investing in the environment; as well as through strategic partnerships.

Throughout our operations, we take into consideration the economic, environmental, social as well as the governance aspects of our business operations, which have been formally incorporated into the Group’s Enterprise Risk Management Framework since 2019. Our drive towards sustainability is also driven by the Group’s Core Values; which are **Passionate, Innovative, Results Oriented** and **Caring & Respectful**. These values form the foundation of our Group-wide culture which propels us towards becoming a forefront boutique property developer.

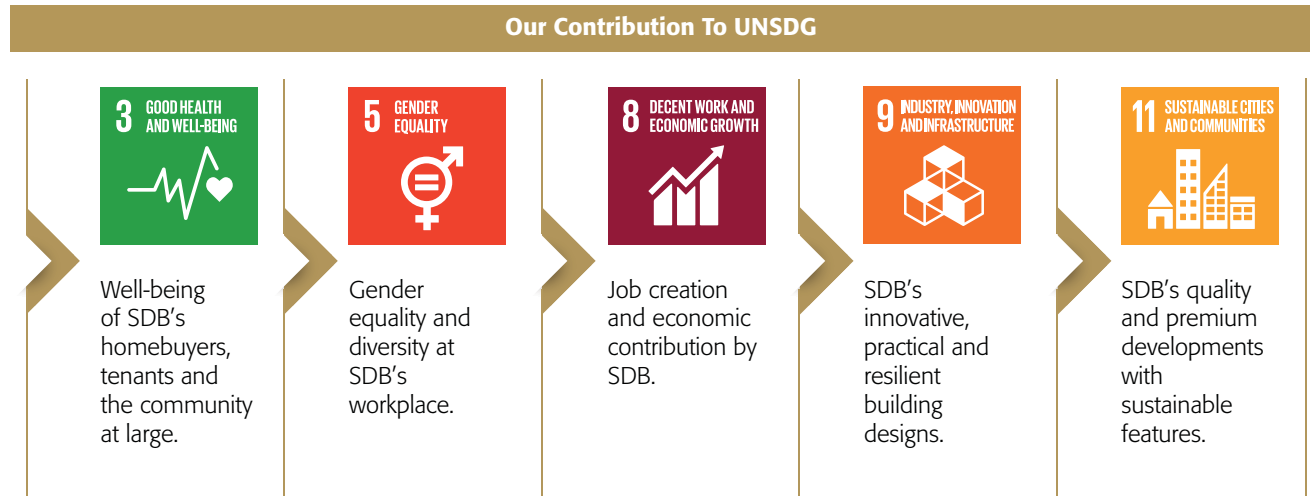
SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY PILLARS & FOCUS AREAS

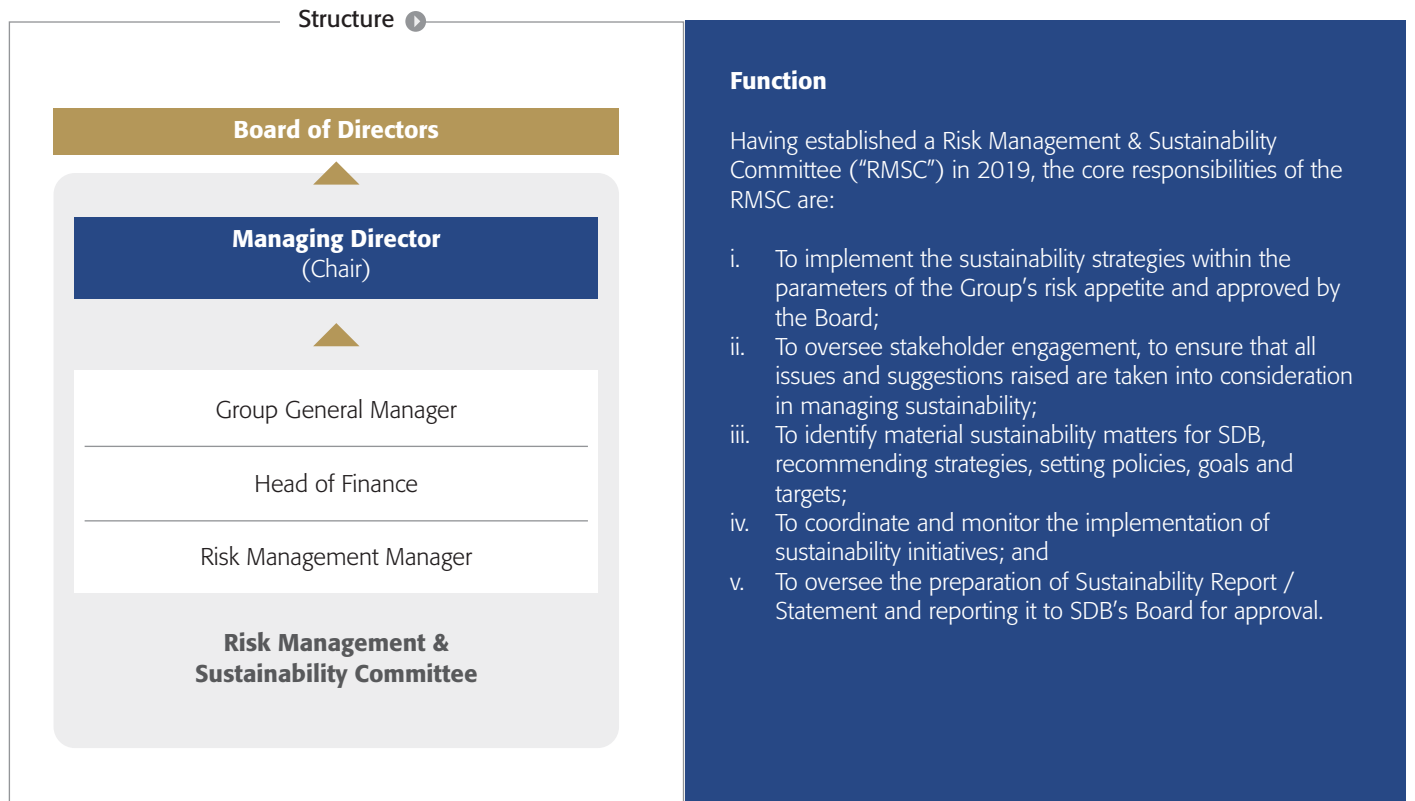
The Group adopts a holistic approach to business management by upholding the Economic, Environmental and Social (“EES”) pillars of sustainability. At the same time, we also enhance our Sustainability Governance to help the Group to implement strategy, manage goal-setting and reporting, ensure accountability as well as strengthen relationships with our stakeholders.



As part of our contribution to the UNSDG, we adopted the following five goals that are most relevant to our business.



OUR SUSTAINABILITY GOVERNANCE



SUSTAINABILITY STATEMENT

OUR STAKEHOLDERS

SDB has identified the following stakeholders, illustrating our accountability in communicating the Group's value creation. Our stakeholders' engagement process entails identifying and prioritising these stakeholders' expectations, through effective engagement channels while developing responses to address the various sustainability-related issues.



Stakeholders & Engagement Channels

No.	Stakeholders	Importance	Engagement Channels
1	Shareholders / Investors	Our shareholders and investors provide us with steady financial capital input.	<ul style="list-style-type: none"> • General Meetings • Bursa Malaysia Announcements • Media Statements • Annual Reports
2	Management	Our management set the overall strategy and business direction that guide the Group.	<ul style="list-style-type: none"> • Board Meetings • Business Review Meetings • Strategic & Operational Meetings
3	Employees	Our employees are SDB's most valuable assets that will directly contribute to the Group's business sustainability and success.	<ul style="list-style-type: none"> • Performance Management • Employee Events / Workshops / Training / Surveys • Emails / Group Chats
4	Customers / Tenants / Resident Associations	Our business viability and growth depend on our customers who support our products and services.	<ul style="list-style-type: none"> • Digital / Social Media • Customer Events • Surveys / Feedback
5	Contractors / Consultants / Vendors	Our contractors and vendors provide critical inputs and supports for our business to function.	<ul style="list-style-type: none"> • Pre-Qualification / Tender & Procurement Process • Face To Face Meetings • Formal Correspondence
6	Industry Organisations & Associations	The network and the community in the environment in which we operate provide a sense of social belonging and support to ensure the Group's long-term success.	<ul style="list-style-type: none"> • Events • Digital / Social Media • Corporate Social Responsibility Activities
7	Community		
8	Financiers / Banks	Financial institutions provide the Group with access to capital.	<ul style="list-style-type: none"> • Annual Reports • Media Statements • Meetings
9	Governments / Regulators	Regulators provide an enabling environment and framework which is paramount to SDB's business.	<ul style="list-style-type: none"> • Meetings • Briefings & Consultations • Site Inspections
10	Media	The media serves as an intermediary between the Group and the general public.	<ul style="list-style-type: none"> • Media Statements • Press Conference • Events

OUR MATERIAL SUSTAINABILITY MATTERS

Material sustainability matters are matters concerning different stakeholder groups, that affect SDB's ability to create value over time. The Group has identified, reviewed and analysed the following material sustainability matters, including the areas of interest under the EES (Economic, Environmental, Social) plus Governance sustainability dimensions that affect the Group's operations.

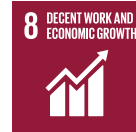
No	Material Sustainability Matters	Areas of Interest	Linkage to Stakeholders
M1	Financial Performance & Results	Return of Investment	<ul style="list-style-type: none"> Shareholders / Investors Management Financiers / Banks
M2	Governance & Operations	Corporate Governance, Corporate Strategy, Transparency & Accountability	<ul style="list-style-type: none"> Shareholders / Investors Management Government / Regulators
M3	Business Strategy & Risk Management	Value Creation for Shareholders & Stakeholders, Managing Risks and Capturing Opportunities	<ul style="list-style-type: none"> Management
M4	Employee Management & Remuneration	Career Development Opportunities, Talent & Performance Management	<ul style="list-style-type: none"> Employees
M5	Safety, Health & Security	Workplace Safety & Health, Home & Office Security, Infrastructure and Facilities Safety & Security	<ul style="list-style-type: none"> Employees Customers / Tenants / Resident Associations
M6	Service Delivery & Quality	Timely and Quality Delivery of Products, Customer Service, Assurance & Reliability	<ul style="list-style-type: none"> Customers / Tenants / Resident Associations
M7	Compliance & Adherence	Procurement Practices, Payment Schedule, Timely Completion & Delivery of Products, Permits & Licenses	<ul style="list-style-type: none"> Government / Regulators Customers / Tenants / Resident Associations Contractors / Consultants / Vendors
M8	Environmental Impacts	Natural Landscape, Green Innovations, Environmental Sustainability, Environmental Protection & Rehabilitation	<ul style="list-style-type: none"> Community Customers / Tenants / Resident Associations Industry Organisations & Associations Governments / Regulators
M9	Social & Community Impacts	Inclusivity, Equal Opportunity, Gender Diversity	<ul style="list-style-type: none"> Community Employees

**SUSTAINABILITY
STATEMENT**

At SDB, We are committed to delivering sustainable economic values, through our products, services, and relationships with our customers.



Economic
SUSTAINABILITY



An underlying principle of SDB’s business philosophy is the practice of fair dealings in all of the Group’s business transactions, which has contributed to SDB’s long-term business viability and sustainability since 1962. The practice of ethical engagement within the marketplace is something that the Group takes very seriously in its day-to-day operations. In line with that, the Group has established a transparent procurement process, which has enabled us to conduct our business dealings with integrity.

Through our open tender system, all of our appointed business partners including our contractors, consultants and vendors must comply with all statutory regulations, standards and code of practices as per outlined in the contract terms and conditions. We remain committed to giving our homebuyers and tenants the assurance that they have made the right economical choice by delivering to them products and services that meet the criteria of value, quality and satisfaction.

We engage with local contractors and consultants, as well as utilise locally-sourced materials in our developments, which is subject to practicability, as part of our effort to support the local construction industry and to deliver indirect economic impact.

Additionally, the Group has a zero-tolerance policy towards bribery and corruption, a stance which was championed by SDB’s Board of Directors and Senior Management team. Towards this end, a third-party assessment of all the Group’s policies was conducted in 2020 to ensure that there are adequate control measures in place to address and manage our anti-bribery and anti-corruption stance. At the operational level, all employees are made aware of the Anti-Bribery and Anti-Corruption Policy (“ABAC”) and have attended an e-learning course to familiarise themselves with the policy. In addition, we have also established a comprehensive Whistleblowing Policy and a whistleblowing channel for employees to report on any misconduct or grievances that may arise.

In achieving economic sustainability, we also empathise with the needs of our customers and have always gone beyond the minimal requirements each time in all of our deliverables. For example, in terms of managing and maintaining property purchases, we developed life-long relationships with our customers and remain committed to serving their needs by providing services that will add economical value to them in the long run. Through these privileges, we consistently delivered value-added savings to our customers.

Case study



Hotel Maya. The newly refurbished Heritage Rooms' bed headboards are adorned with unique Batik artistry

Sustaining Our Cultural Heritage

Heritage, in both its tangible and intangible forms has been gradually recognised for its potential contributions to SDB's efforts in meeting its sustainability goals. We are committed to preserving and conserving important cultural heritage and knowledge in the community in which we operate, in line with our sustainability tenets and SDG 11 (Sustainable Cities and Communities).

At Hotel Maya Kuala Lumpur ("Hotel Maya"), we engaged and partnered with Gahara Galore Sdn Bhd ("Gahara"), a Malaysian artisanal Batik textile producer to refurbish the hotel's newly designed "Heritage Rooms". Gahara is also a social impact-driven organisation that champions the preservation and development of local arts and crafts. Through the collaboration, 155 hotel rooms were uniquely styled with custom-designed Batik artistry. Each piece of these Batik imprints, which can be found on the bed headboards as well as inside the guests' elevators was meticulously made through a series of processes, starting from sketching, to block making, to wax stamping and lastly colouring.

The Batik artistry also leveraged on Gahara's two unique production methods; by using block motifs and colouring techniques that set it apart from other producers. The block motif composition

combined various elements of wood carvings normally found in traditional architectural structures in Southeast Asia. After wax stamping, the fabric undergoes layers of colouring using the shibori or tie-dye method. To minimise the impact of Batik production on the environment, Gahara also organised various workshops that focus on using natural dyes and efforts to reduce water pollution, which is in line with SDG 9 (Industry, Innovation & Infrastructure). The final Batik product is a result of communal work, as it involved the collective efforts of many artisans in the different production steps.

SDB's partnership with Gahara represents our commitment to raise awareness and create more economic opportunities for the artisanal community. By helping to expand the reach of these local artists through greater engagement and exposure to their heritage-inspired crafts, we are contributing toward their long-term well-being and economic sustainability as per SDG 3 (Good Health & Well-Being) and SDG 8 (Decent Work & Economic Growth).

For the community at large, our local and international hotel guests are now able to experience the nostalgic charm of the Malaysian traditional culture during their stay at Hotel Maya.



SUSTAINABILITY STATEMENT



Environmental SUSTAINABILITY



The Group acknowledges the importance of the environment as an enabler to support its business operations. One of the key sustainability features at SDB is our heavy emphasis on having lively green spaces and curated landscapes in our developments. The Group consistently deliver an exceptional living experience for our homebuyers that extend beyond the confines of their homes but also into the public and shared spaces as well.

Biophilic Approach

Integrating the natural and built environment, we consistently employed the Biophilic approach within our developments. The concept increases our homebuyers' and tenants' connectivity to the natural environment which helps to enhance their physical, psychological and social well-being. For many of our curated landscapes, the trees, shrubs and other plants are specially selected to form different tiers of greenery – to mimic a rainforest's structure. Additionally, some of these selected plants have desirable properties to repel harmful insects such as mosquitoes; and plants with natural soothing and air purifying effects which enhances the surrounding air quality.

Windows On The Park, Over 40 percent of the 8.9 acres site is set aside for a park that is large enough to serve the needs of the entire community



Green Innovations

Adopting green solutions has been one of our key sustainability strategies to promote a healthier living environment and to transition toward a low-carbon economy. In our developments, we employed a myriad of novel and passive designs such as larger windows and balconies and used custom-designed ventilation block panels for aesthetic and practical purposes. By properly orienting the buildings and through rectilinear spatial planning, we also maximise the use of natural ventilation and lighting. By maintaining an ideal atmosphere and temperature range within the living space, we helped homeowners and tenants to lessen the use of artificial cooling and lighting, thus minimising their carbon footprint by reducing the buildings' energy usage, and contributing to the effort to lessen the impacts of climate change.

Conservation Effort

The Group understands the importance of preserving significant historical sites, as demonstrated at Jui Residences, Singapore. Strategically located next to the Kallang River, Jui Residences houses a conserved National Aerated Water Company ("NAWC") building within its premise. By preserving one of Singapore's main historical landmarks, the NAWC serves as an educational place for residents and tenants of Jui Residences and the community at large. Jui Residences has been awarded with the BCA Green Mark Award (Gold) based on the Green Mark for New Residential Buildings (RB:2016) by Singapore's Building and Construction Authority ("BCA"). The award recognises SDB's efforts in adopting sustainable construction practices that minimise the environmental impact of construction activities and implementing green features in its residences.

Environmental Rehabilitation

In ensuring sustainability in the environment in which it operates, the Group is committed to rehabilitating and protecting the natural environment. Doing our part as a responsible developer, SDB helped to transform a 200-metre stretch river at its By the Sea development in Penang into an environmentally and ecologically sustainable ecosystem. The project's main objective is to enhance the ecological sustainability and economic value of the river, by safeguarding the area against floods and erosion and providing a cleaner and healthier living space for the community.

Jui Residences, The conserved NAWC building once bottled iconic soft drinks like Sinalco and Kickapoo Joy Juice



SUSTAINABILITY STATEMENT



One-Two-Boost, its wellness products comprise soup, tea and drink packs as well as balm to boost the body's immunity



Employees

The Group maintains an employment workforce of over 200 people in the current challenging business environment. We continuously embrace workplace diversity, inclusion, empowerment and equality at the workplace by providing a conducive working environment and workplace safety, conducting employee engagement activities as well as providing a continuous learning environment.

Adapting to the New Normal

In response to the new norm, we practised a flexible working hour for employees who are not involved in providing critical services. The Group is in full compliance with established safety and health standards at its workplace. For the year under review, all of our employees are provided with Covid-19 testing kits weekly, while employees from SDB's head office worked remotely from home on every Friday. We also utilise digital platforms to conduct meetings and discussions as much as possible.



One-Two-Boost,
Creates employment
opportunity for young
adults with special
needs, helping them
to learn new skills
and improve their
social skills

One-Two-Boost,
Collaborates with
Traditional Chinese
Medicine physicians
to produce the
specially prescribed
herbal-based Muscle
Pain Relief Balm



Customers

We strive to build a life-long relationship with our customers and all our stakeholders through strategic engagements. Feedback and grievances are collected and channelled to the respective teams to ensure that our products and services constantly meet our customer's expectations and satisfaction. Our developments are built in strategic locations to ensure greater connectivity and accessibility to amenities, thus lessening the need for our homeowners and tenants to travel long distances.

Corporate Social Responsibility

SDB's Corporate Social Responsibility ("CSR") initiatives are driven by a strong purpose of inclusivity and revolve around offering support and creating opportunities for individuals with special needs and disabilities. Since 2011, the Group has embarked on several initiatives, including One-Two-Juice (a fresh juice kiosk), One-Two-Wash (a car wash service) and One-Two-Gift to help underprivileged individuals to acquire life-long skills that will prepare them for an independent life on their own.

In line with SDB's sustainability commitment to embrace social diversity, inclusion, empowerment and equality, the Group's CSR supports and provides opportunities for people with special needs and disabilities to learn new skills and enhance their social readiness to contribute positively to society.

Since the advent of the Covid-19 pandemic in 2020, SDB has collaborated with Traditional Chinese Medicine ("TCM") physicians, Dr Lin Cze-Pern and Dr Go Pei Heng from the Nanjing University of Chinese Medicine to create specially prescribed herbal soups, nourishing tea and drink packs to boost a person's immunity and well-being. These traditional herbal formulations are packed by a group of special needs young adults, with proper guidance and supervision from the appointed job coaches.

One-Two-Boost was launched on 26 November 2020 to enable a group of dedicated and hardworking special needs young adults to continue working during the movement restriction periods. The initiative was very timely because it contributed to societal well-being through boosted immunity especially during the pandemic. The young adults are able to learn many technical skills, such as mixing herbs and improve their social interaction skills through teamwork. Most importantly, the initiative helps to create public awareness of the various challenges, especially in employment that these young adults are facing.

SDB launched the One-Two-Boost website at (www.12boost.com.my), and the public can directly purchase its wellness products from the site.