ESG Integration to Corporate Governance and Culture: Lessons Learned from Sinarmas Land

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INTO THE UNKNOWN:

CHARTING THE FUTURE AGENDA







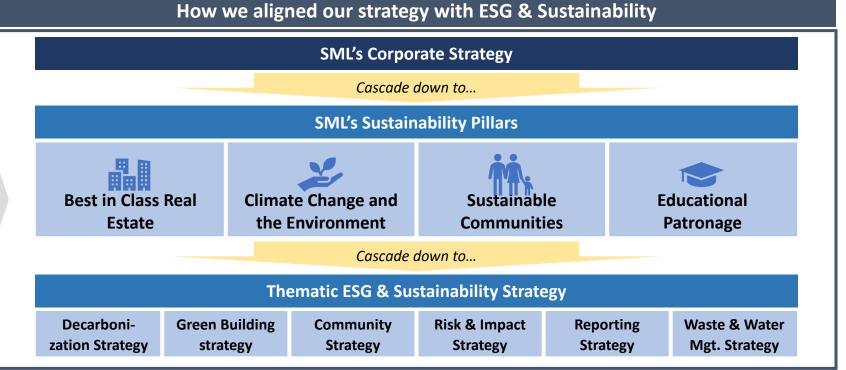




As a company, we have recognized that ESG and sustainability are now key drivers of our strategy and culture

Integration of ESG and Sustainability to Corporate Strategy and Corporate Culture

Our key ESG Drivers Change in Global Focus, including SDGs Company's Vision Mandate Stakeholder Expectation Regulation and Compliance Risks and Opportunities



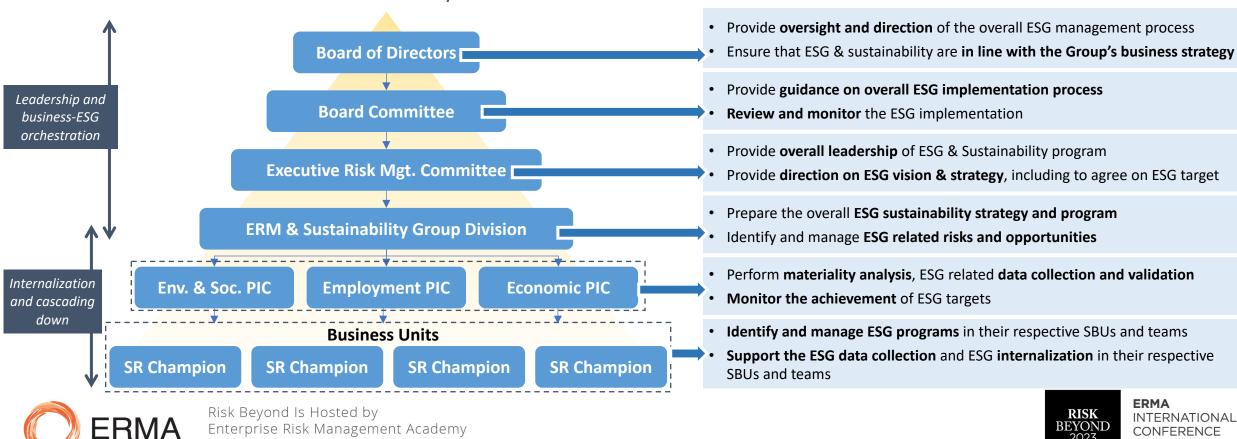




We established SML Sustainability Governance and Networks to integrate ESG & sustainability to our corporate governance...

Overview of Sinarmas Land Sustainability Governance

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2023



...while our overall ESG and sustainability building blocks promote positive change in both processes and behaviors

ESG and Sustainability Change Management

Maintain ESG – Business Directions

Maintain

Integration

to Regular

Activities

SML Sustainability Pillars and Materiality

SML ESG Corporate KPIs

SML Sustainability Policies

SML Sustainability
Governance
Structure

SML Sustainability Programs

ESG Program Targets

ESG Data Management & Quarterly Reporting Cycle

SML SR Champion Networks

SML Sustainability Pillars and Corporate KPIs

Act as directions, driver of change and build motives to internalize ESG & Sustainability principles

Policies, Governance and Programs

Act as guiding principles and operating model on how we operationalize ESG

ESG Program Targets and Data Management

Act as driver to make sure and trace the continuity of ESG & sustainability agenda

Champion Networks

Act as a change agent and championing sustainable practices, mindset and culture

Embedding ESG & Sustainability

ERM Committee Meetings

Conducted twice a year, it streamlines our shared ESG agenda and debottlenecking ESG process

ESG Materiality Validation

This process will educate and encourage functions and BUs to reflect the ESG risks exposed to them

ESG Awareness and Briefing

Champion Networks briefing and general awareness sessions to our employee to communicate about ESG & Sustainability

Green Habits Program

Our green behavior campaign to encourage our employees and tenants to conserve energy, water and manage waste better



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Our approach to ESG and sustainability enhances decision-making, streamlines processes, and empowers communities and industries

Benefits of an effective Sustainability Governance

ESG & Sustainability Tools



ESG & Sustainability Pillars



ESG & Sustainability Governance Structure



ESG & Sustainability Programs and Policies



ESG & Sustainability Data Management System



ESG & Sustainability Integration to Culture

Better-informed Decision and Optimize Process

Decision Making

- Collaborative decision-making process through ERMC meeting
- More robust decision-making approach as we considered ESG risk

Process Optimization

- Our decarbonization, water and waste mgt. programs promote innovation
- Better prioritization through data driven optimization

Data and Information

- Centralized data and information in the system
- Identify anomaly in our operations and support better-informed decision making

Empowering Communities and Industries

Communities

- **Better engagement** with surrounding communities
- Minimizing social risk and improving social license to operate

UMKM

- Promote local economies and commercial ecosystem in our development area
- Increase partnered UMKM productivity

Supply Chain

- Bring a better business case for green materials and products
- Provide solutions for the market to decarbonize through low-emission office buildings



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However, we also recognize there are some barriers to overcome in ESG & **Sustainability implementation**

Challenges in ESG & Sustainability Implementation



- Determining the **ESG key focuses and prioritization** so we are clear about the impact we would like to create
- Adapting with the external dynamics in ESG development, such as new regulations and standards
- Lacking market readiness for green products and solutions

organization

- To get buy-in from internal stakeholders and make them understand about the value of ESG
- Internalizing the ESG into corporate business process, KPIs and job description

On execution

- To secure **sufficient capital allocation** to support the ESG implementation
- **Setting the right target** for ESG programs
- Measuring and managing ESG data and monitoring
- Availability **feasible sustainable solutions** (e.g. material, technology) to support decarbonization







Further, we believe ESG and Sustainability integration to our business and operations would benefit our company and society in general

