



Section 4:

OUR VALUE CREATION STORY

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OUR VALUE CREATION MODEL

At Pavilion REIT, its value creation model is driven by a business model that's on its six (6) capitals and converted by key enablers into value creation for its stakeholders.

CAPITALS

KEY ENABLER FOR VALUE CREATION

Financial Capital

Pavilion REIT's available pool of fund to support business and operations generated from rental income, investing and financing activities.

- Total Borrowings: RM3,936.5 million (FY2024: RM3,392.7 million)
- Total Assets: RM9,828.6 million (FY2024: RM9,130.9 million)
- Unitholders' funds: RM5,491.4 million (FY2024: RM5,018.5 million)
- Cash and cash equivalents: RM565.3 million (FY2024: RM473.9 million)

Manufactured Capital

Pavilion REIT' portfolio assets, which consists of five (5) retail malls, one (1) office tower and (2) hotels.

- Retail: Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil
- Office: Pavilion Tower
- Hotel: Pavilion Hotel Kuala Lumpur and Banyan Tree Kuala Lumpur

Natural Capital

The Manager's effort and commitment in efficiently managing the energy, GHG emission, water and waste to minimize the environmental impacts.

- Energy-efficiency installations
- Encouraging the use of renewable energy, water efficiency fittings.
- Implement waste management initiatives to minimize waste

Intellectual Capital

The Manager's specialized asset management & acquisition and capital management knowledge and Pavilion REIT's brand value.

- Management of distribution, gearing and revaluation policies
- SOPs and due diligence on investment and capital management
- Brand values and good reputation

Social and Relationship Capital

Our stakeholder relationship includes the government, vendors & service providers, tenants, shoppers, local community, NGOs and media

- Effective, timely and transparent communication & disclosure
- Regular stakeholder engagement
- Total number of CSR programme: 31

Human Capital

All the employees under the Manager, including outsourced service providers, and their skills and experiences which enable the smooth daily operation and development of the Pavilion REIT properties.

- Number of employees under the Manager: 25
- No. of new hires: 1
- RM 23,439 invested in employee training
- Strong leadership and governance
- Succession and business continuity planning
- Training and upskilling opportunities to develop employees



Vision

To be the leading and most sought after REIT in Malaysia



Mission

To provide unitholders with regular and stable distribution to achieve long term growth in net asset value per unit and maintaining an appropriate capital structure, whilst balancing stakeholder needs.



Purpose

Create Pavilions that brings communities together.



Core Values

- Excellence
- Integrity & Compliance
- Respect & Responsibility
- Health & Safety
- Equity & Inclusion



Governance

Supported by effective governance and leadership of the Board



Our Business Strategy

- Pursuing acquisition opportunities
- Efficient capital management
- Sustainability and governance
- Proactive asset management and enhancement



Our Operating Landscape



Our Stakeholders



Our Risk & Opportunities



Our Materiality Matters

Read more on Section 4: Our Value Creation Story

OUR VALUE CREATION MODEL

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VALUE TO STAKEHOLDERS



TRADE-OFFS

	Outputs	Outcome	
I	<p>Investing Strategically</p> <ul style="list-style-type: none"> ▶ Gross Revenue: RM901 million (FY2024: RM846 million) ▶ Net Property Income: RM568 million (FY2024: RM523 million) ▶ Distribution per unit: 10.00 sen (FY2024: 9.34 sen) ▶ Distributable income: RM380 million (FY2024: RM342 million) <p><i>Read more on Section 5 – I: Investing Strategically</i></p>	<ul style="list-style-type: none"> • Ranked 4th in the MREIT industry by Market Capitalisation: RM7.1 billion • Property value: RM9.1 billion 	<p>Financial Capital is applied to enable Pavilion REIT to execute its growth strategy and in mitigating risks to sustain performance typically with positive impact on Manufactured, Intellectual and Social and Relationship Capitals. This, however, may impact Pavilion REIT's Manufactured Capital with reduced financial allocation towards capital expenditure.</p>
M	<p>Maintaining Good Governance</p> <ul style="list-style-type: none"> ▶ Zero cases of non-compliance on anti-bribery and corruption ("ABC") since FY2020 <p><i>Read more on Section 5 – M: Maintaining Good Governance</i></p> <ul style="list-style-type: none"> ▶ Retail: 4.1 million sq.ft. NLA ▶ Office: 162,992 sq.ft. NLA ▶ Hotels: 380 rooms 	<ul style="list-style-type: none"> • 2 new assets were acquired i.e. Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur and are on master lease <p>Occupancy Rate</p> <p>Retail</p> <ul style="list-style-type: none"> • Pavilion Kuala Lumpur Mall: 96.8% • Intermark Mall: 95.7% • DA MEN Mall: 100.0% • Elite Pavilion Mall: 97.4% • Pavilion Bukit Jalil: 92.3% <p>Office</p> <ul style="list-style-type: none"> • Pavilion Tower: 78.4% 	<p>Investing in asset enhancement initiatives and reducing the environmental footprint will benefit Natural, Intellectual, Social and Relationship Capitals, but it comes with a cost to Financial Capital and positively impacted Manufactured Capital in the mid-term through improvements in valuation and brand equity in the long term.</p>
P	<p>Practicing Responsible Environment Stewardship</p> <ul style="list-style-type: none"> ▶ Energy Intensity (kWh/m²/year): 307 ▶ Water Intensity (m³/m²/year): 2.7 ▶ 33% of landlord electricity generated from renewable energy sources ▶ Waste diverted from disposal: 649.6 tonnes ▶ Diverted 7.0% of landfill waste <p><i>Read more on Section 5 – P: Practicing Responsible Environment Stewardship</i></p>	<ul style="list-style-type: none"> • Lowered carbon footprint and efficient resource management • Progressively achieving the goal of Net Zero Carbon Emissions by 2050 	<p>Investment in renewable energy and to minimise carbon footprint will impact Financial Capital at the outset but will certainly benefit Pavilion REIT's Natural, Social & Relationship and Manufactured Capitals over the mid and long term.</p>
A	<p>Acclaiming Trusted Brand Reputation</p> <ul style="list-style-type: none"> ▶ Properly governed and balanced investment decision-making process ▶ Incorporated investment checklist into the screening of investment opportunities ▶ Optimise of debt/financing <p><i>Read more on- Section 5 – A: Acclaiming Trusted Brand Reputation</i></p>	<ul style="list-style-type: none"> • Achieved 64 accolades from both local and international councils or associations for Pavilion Kuala Lumpur Mall • Strong governance structure 	<p>Investments in Intellectual Capital may reduce Pavilion REIT's Financial Capital over the short term; however, it is also likely to increase the value of Human, Financial and Social & Relationship Capitals over the mid and long term. This growth will stem from the benefits of improved wider coverage and recognition.</p>
C	<p>Caring for Local Community</p> <ul style="list-style-type: none"> ▶ Total amount invested into communities: RM0.7 million ▶ Strong long-term relationships with business partners and stakeholders with integrity and fairness <p><i>Read more on Section 5 – C: Caring for Local Community</i></p>	<ul style="list-style-type: none"> • Number of unitholders: 21,648 • Community enhancement and wellbeing 	<p>Cultivating strong relationships with its stakeholders while strictly adhering to corporate governance requirements will serve to improve all Capitals. Contributions and support programmes that require Financial Capital will also serve to improve its Social & Relationship, Manufactured, Human and Intellectual Capitals over the longer term.</p>
T	<p>Transforming Talent Management</p> <ul style="list-style-type: none"> ▶ Employee retention rate: 100% ▶ Total Training Hours: 460 ▶ 18.4 average training hours per employees ▶ Zero cases of fatalities in 2025 ▶ 91% employee engagement score <p><i>Read more on Section 5 – T: Transforming Talent Management</i></p>	<ul style="list-style-type: none"> • High talent attraction and retention • Increased capability of employees • Optimum shopper satisfaction achieved through excellence customer service delivered by skilled workforce • Shopper Satisfaction 81% • Tenant satisfaction 80% 	<p>Investing Financial Capital in upskilling of its people broadens career prospects and empowers them with greater capabilities. Over the long term, this provides immense benefits to Human Capital and Intellectual Capital.</p>

OUR OPERATING LANDSCAPE

The operating environment in FY2025 continued to be shaped by evolving macroeconomic conditions, shifting consumer behaviour, heightened sustainability expectations and accelerating digital transformation, both globally and within Malaysia. These external developments have influenced cost structures, asset resilience, regulatory compliance requirements and stakeholder expectations across the real estate and retail sectors.

In response, Pavilion REIT closely monitored emerging sustainability-related risks and opportunities that may reasonably be expected to affect its financial performance, operational continuity and long-term value creation. The following key trends highlight the material external developments observed during the year, their implications for Pavilion REIT's business and operations, the actions undertaken by the Manager to mitigate risks and capture opportunities, as well as the forward-looking outlook into FY2026.

Key Trend 1: Macroeconomy

What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Malaysia's economy expanded strongly in FY2025, with GDP growth of 5.2% in 3Q2025, supported by resilient domestic demand underpinned by robust household spending, favourable labour market conditions and continued government social assistance programmes such as Sumbangan Tunai Rahmah and Sumbangan Asas Rahmah. Export performance also contributed positively to overall growth momentum.</p> <p>Inflationary pressures remained well contained. Headline inflation averaged 1.3% in 3Q2025, while core inflation increased moderately to 2.0% due to firm domestic demand. This was largely offset by lower administered prices, particularly electricity and diesel, which declined by 0.7%, reflecting a stable cost environment.</p> <p>In terms of monetary policy, BNM maintained the OPR at 3.00% during the first half of FY2025 before reducing it by 25 basis points to 2.75% on 9 July 2025, where it remained through year-end. This accommodative stance supported financing conditions amid stable inflation.</p> <p>From a policy perspective, the operating environment for the property sector underwent notable changes. Effective 1 July 2025, an 8% sales and service tax (SST) was imposed on leasing and rental of commercial property, to which a rebate of 2% was given from 1 January 2026, representing a structural regulatory shift. In addition, uncertainty remains over the expiry of the 10% withholding tax concession on REIT distributions on 31 December 2025. Further, effective 1 January 2025, a new 2% tax on dividend income above RM100,000 per annum was introduced for individual investors, adding another layer of tax consideration for yield-generating investments.</p>	<p>Against this macroeconomic backdrop, strong consumer spending and stable inflation supported tenant sales growth, high occupancy levels and rental sustainability across Pavilion REIT's prime retail portfolio, reinforcing the resilience of its retail-focused business model.</p> <p>The lower interest rate environment reduced financing costs, supporting distributable income and balance sheet strength. At the same time, stable energy prices helped moderate property operating expenses, contributing positively to net property income.</p> <p>However, the introduction of SST on leasing represents a structural increase in occupancy costs for tenants, potentially placing pressure on margins for cost-sensitive retailers. In parallel, uncertainty surrounding the REIT withholding tax concession and the introduction of the 2% dividend tax may affect investor demand and capital market attractiveness, particularly among foreign investors.</p> <p>On the demand side, increased tourist footfall supported retail sales performance, particularly at flagship malls, enhancing tenant performance and income sustainability.</p>	<p>In response, the Manager continues to prioritise a high-quality, consumption-resilient and experiential tenant mix to sustain footfall and tenant sales. Ongoing monitoring of consumer trends ensures portfolio relevance amid evolving spending patterns.</p> <p>To manage cost pressures, the Manager is accelerating energy efficiency initiatives, including LED retrofits, to structurally reduce energy intensity and mitigate exposure to future tariff adjustments. These initiatives also enhance long-term asset resilience.</p> <p>From a capital management perspective, the Manager maintains a prudent approach by optimising debt maturity profiles, managing exposure to interest rate volatility through appropriate hedging strategies, and preserving balance sheet flexibility.</p>	<p>Looking ahead, Malaysia's economic growth is projected to remain within the 4.0%–4.8% range, supported by resilient domestic demand, stable employment conditions and continued investment activity under national development plans, including the Thirteenth Malaysia Plan (RMK13) and Budget 2026 initiatives.</p> <p>Inflation is expected to remain moderate and manageable, with inflation of 1.4% in 2025 and 1.3%–2.0% in 2026, based on MOF's Economic Outlook 2026. Monetary policy is expected to remain accommodative, with the OPR projected to stay at 2.75% throughout 2026, providing a stable financing environment.</p> <p>While regulatory and tax-related uncertainties, including SST, self-stamping, and withholding tax on distribution, may continue to weigh on the sector, Pavilion REIT's strong asset quality, disciplined capital management and sustainability-led operational strategies position it well to navigate these challenges.</p>

OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Meanwhile, Malaysia’s tourism sector strengthened meaningfully, with tourist arrivals exceeding 28 million as at August 2025, supported by strong regional travel and retail-led tourism. The outlook is further supported by visa exemptions for China and India and upcoming infrastructure improvements, including the Johor–Singapore Rapid Transit System (RTS), expected to be operational by December 2026.</p>		<p>In addressing regulatory changes, lease structures and cost pass-through mechanisms are being reviewed where appropriate, while operational efficiencies and digitalisation initiatives are pursued to offset SST-related cost pressures. Transparent and proactive investor communications are maintained to address evolving tax considerations and reinforce Pavilion REIT’s long-term income stability and value proposition.</p> <p>The Manager also continues to strengthen destination-led retail positioning and collaborates with tourism stakeholders to capture transit-oriented and cross-border retail demand.</p>	<p>Tourism activity is expected to continue expanding under Visit Malaysia Year 2026, supported by improved connectivity such as introduction of new direct flight routes, visa exemptions and promotional efforts, providing continued tailwinds for footfall, tenant performance and income sustainability.</p>

Key Trend 2: Consumer Spending and Shopping Preferences

What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Malaysia’s retail industry experienced stronger-than-expected growth, with 3Q2025 retail sales up 4.9% YoY, exceeding the projected 2.6%, according to the latest Malaysia Retail Industry Report by the Retail Group Malaysia.</p> <p>This performance was supported by resilient domestic demand, robust household spending, favourable labour market conditions and government stimulus measures including electricity tariff adjustments, SST expansion, RM100 SARA cash credit and petrol subsidies (RON95 at RM1.99/litre).</p>	<p>These developments led to higher footfall and tenant sales, positively impacting occupancy, rental collection, and overall mall performance.</p> <p>Shifts toward experiential and lifestyle retail required a reassessment of tenant mix, mall activations and service offerings.</p> <p>Growing consumer focus on sustainability encouraged tenants to adopt sustainability-aligned products and services, strengthening Pavilion REIT’s brand value.</p> <p>The revised SST policy impacted discretionary spending in premium retail segments, requiring monitoring to manage potential effects on tenant sales.</p>	<p>The Manager actively curated tenant mix to include lifestyle, entertainment, and dining options aligned with consumer preferences.</p> <p>Pop-up events, experiential programs and marketing campaigns were deployed to enhance shopper engagement.</p> <p>Sustainability initiatives were implemented across properties, including EV charging stations, food waste recycling, LED lighting replacements and ReBag Stations.</p> <p>The Manager also invest in technology and digital marketing to communicate effectively with shoppers.</p>	<p>Malaysia’s consumer sector is expected to remain resilient heading into FY2026, supported by steady household spending, easing cost pressures and a strengthening ringgit, according to research houses. Consumer demand is expected to remain supported by targeted fiscal measures and a gradually improving cost environment.</p> <p>With these conditions in place, Pavilion REIT will continue to strengthen experiential and lifestyle-focused retail offerings to ensure its malls remain attractive destinations for shoppers. Digital engagement initiatives will be further enhanced to improve convenience, customer loyalty and tenant sales performance.</p>

OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>The positive momentum was further reinforced by broad-based retail activity. Based on the Department of Statistics Malaysia (DOSM) October 2025 report, retail trade sales grew by 6.8% YoY compared to October 2024, led by non-specialised retail stores (9.1%), non-store retail channels (8.6%), automotive fuel retail (7.2%), and specialised food, beverage and tobacco retailers (6.9%). This performance highlights sustained consumer spending across both essential and discretionary categories, as well as the increasing importance of convenience and omnichannel retail.</p> <p>During the year, consumers increasingly sought experiential retail, lifestyle-oriented offerings, and digital convenience, while sustainability became one of the priorities, with shoppers willing to pay more for responsibly produced goods.</p> <p>From a policy perspective, the government confirmed that the proposed High-Value Goods Tax (HVGT) would not proceed, applying instead a 5%-10% SST on luxury and discretionary goods, effective 1 July 2025.</p>		<p>Tenants were engaged through briefings and market insights to adapt to changing consumer behaviour and government policy updates.</p>	<p>The Manager will continue to closely monitor consumer spending patterns, discretionary demand and sustainability preferences, while working with tenants to adapt to changing shopper expectations. Premium and discretionary retail segments will be carefully managed in light of SST changes, alongside ongoing efforts to enhance shopper experience, dwell time and sustainability adoption.</p> <p>Pavilion REIT will also continue to engage shoppers through festive and thematic campaigns, international collaborations, first-in-Malaysia experiences, stronger tenant partnerships, celebrity appearances and reward-based programmes.</p>

Key Trend 3: Sustainability and Environmental Concerns

What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Sustainability is defined as “meeting present needs without compromising future generations’ ability to meet theirs”.</p> <p>Sustainability risks intensified in FY2025 as climate change impacts became more pronounced globally and in Malaysia. Global warming reached an estimated 1.41°C above pre-industrial levels in November 2025, according to the Copernicus Climate Change Service. If current trends persist, the 1.5°C Paris Agreement threshold could be reached as early as 2029, significantly increasing risks from extreme heat, flooding, sea-level rise and infrastructure stress.</p>	<p>In FY2025, rising climate-related risks increased Pavilion REIT’s exposure to physical impacts such as heat stress, intense rainfall and flooding, which could affect asset operations, tenant experience, energy demand, and maintenance costs. Higher temperatures also drive increased electricity consumption, particularly for cooling in large retail assets.</p> <p>At the regulatory level, the eventual enactment of RUUPIN may introduce clearer obligations on climate governance, emissions management and disclosures for property owners and managers. Strengthened climate commitments under Malaysia’s NDC 3.0 also may raise expectations for the REIT sector to demonstrate emissions reduction and energy efficiency improvements. Potential carbon pricing could further increase operating costs, including higher electricity tariffs and indirect cost pass-throughs.</p>	<p>Pavilion REIT continued to implement energy optimisation and preventive maintenance programmes to manage cooling demand, system reliability and weather-related risks. Climate considerations were integrated into ongoing asset management practices.</p> <p>Pavilion REIT has subscribed to TNB’s Green Tariff Scheme for Pavilion Kuala Lumpur Mall and Intermark Mall, reinforcing its commitment to renewable energy. Scope 3 carbon emissions were also monitored in FY2025, providing a more comprehensive view of its environmental impact.</p>	<p>Globally, climate change remains a critical challenge. Forecasts indicate that the average global temperature in 2026 is likely to remain around 1.4°C–1.5°C above pre-industrial levels, continuing the upward trend observed over the past decades. Physical climate risks, including heatwaves, droughts and extreme rainfall events, are expected to intensify, posing increased operational and supply chain risks for businesses worldwide. The growing urgency of these risks is driving higher investments in climate adaptation, resilience measures and advanced monitoring technologies.</p>

OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Malaysia experienced more severe and less predictable weather patterns, including heatwaves exceeding 40°C, repeated flooding in Johor, Sabah and Sarawak, and rare tornado-like events in Sekinchan, Selangor. Rising average temperatures and increasingly erratic rainfall underscore growing physical climate risks to communities and built environments.</p> <p>On the policy front, progress on The National Climate Change Bill or Rang Undang-Undang Perubahan Iklim Negara (Ruupin) was delayed as announced during October 2025 to allow further stakeholder engagement. The bill aims to establish a legal framework for addressing climate change issues in the country.</p> <p>Malaysia submitted its third Nationally Determined Contribution (NDC 3.0) which is an emissions reduction target, to the United Nations Framework Convention on Climate Change Secretariat in late October 2025. For context, countries that are party to the Paris Agreement are supposed to submit an updated or enhanced NDC every five years from 2020 onwards.</p> <p>In this NDC 3.0, the government says current projections indicate that national greenhouse gas emissions are expected to peak between 2029 and 2034. The country aims to peak its emissions by 2030, subject to the availability of support and enabling conditions. Based on this trajectory, Malaysia aims to achieve an absolute reduction of 15 to 30 MtCO₂eq by 2035 from the peak level, comprising an unconditional reduction of up to 20 MtCO₂eq and a further 10 MtCO₂eq reduction, conditional upon the provision of climate finance, technology transfer and capacity-building support from international sources. This is a step up from NDC 2.0, where Malaysia aimed to reduce 45% of emissions intensity (against GDP) in 2030, compared with 2005 levels.</p>	<p>To meet these expectations, Pavilion REIT must effectively measure, monitor and report on its sustainability initiatives. Developing robust frameworks for data collection, analysis and reporting will support compliance with emerging regulations, including the NSRF and build stakeholder trust. Enhanced disclosure practices will also strengthen transparency and focus on long-term value creation through sustainability initiatives.</p> <p>Transitioning to sustainable operations may require adjustments to tenant operations, upfront investments in technology and infrastructure and operational changes. While these investments can be significant, they often or may result in long-term cost savings by reducing energy and resource consumption.</p> <p>While Pavilion REIT's properties are not located in flood-prone areas, extreme weather events still pose a broader risk. As climate-related risks increase, Pavilion REIT must adapt its risk management strategies and consider investments in climate-resilient infrastructure to ensure long-term sustainability.</p> <p>Pavilion REIT must also stay proactive in meeting climate and sustainability targets, leveraging available incentives and avoiding penalties for non-compliance.</p>	<p>To further reduce its carbon footprint, Pavilion REIT offers EV charging ports at its properties and has set targets to reduce water and energy consumption. Water-saving measures, such as rainwater harvesting and air-handling unit condensate recycling, support these goals. Energy efficiency initiatives and proactive monitoring of policy developments help mitigate potential future cost impacts.</p> <p>The Manager monitored policy developments and focused on energy efficiency initiatives to mitigate potential future cost impacts.</p> <p>Complementing these efforts, the Food Compost Initiative converts daily collected food waste into fertiliser, which is made available to shoppers at designated points in the malls. Green Lease clauses were introduced to encourage tenants to adopt sustainable practices, implement energy-saving measures, incorporate eco-friendly fit-outs and collaborate on data sharing, target setting and environmental certifications.</p>	<p>In Malaysia, climate-related risks continue to have tangible impacts. Intensified monsoon rainfall, heat stress and localized flooding are putting pressure on infrastructure, urban planning and operational continuity. Strengthened climate policies under NDC 3.0 and rising public awareness are placing higher expectations on the real estate sector to adopt sustainable practices, improve energy efficiency and demonstrate measurable emissions reductions. Urban and commercial developments, particularly in major cities such as Kuala Lumpur, are increasingly expected to integrate climate resilience into design and operations.</p> <p>For the REIT and real estate sector, including Pavilion REIT, 2026 presents both risks and opportunities. Physical risks such as extreme weather events will continue to affect building operations, maintenance costs, energy demand and tenant experience. Transition risks, including potential carbon pricing and stricter sustainability regulations, are likely to increase operational and compliance requirements. At the same time, REITs that proactively implement energy optimisation, renewable energy adoption, green building certifications, and climate-resilient infrastructure can enhance long-term value, attract ESG-conscious tenants and investors, and mitigate financial and reputational risks.</p>

OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Malaysia will introduce a carbon tax in 2026, targeting the iron, steel, and energy sectors to accelerate the transition to a low-carbon economy. To date, the government had yet to determine the rate for Malaysia's proposed carbon tax despite media reports suggesting an initial rate of RM15 per tonne of emissions. The government's immediate priority is the tabling of RUUPIN, which will establish the legal and methodological framework for future carbon pricing mechanisms. This includes the development of a robust national emissions baseline under the Ministry of Natural Resources and Environmental Sustainability (NRES), which is a prerequisite before any carbon pricing scheme can be implemented.</p> <p>Sustainability reporting requirements also strengthened. Bursa Malaysia and Securities Commission Malaysia expanded mandatory climate and sustainability disclosures under the National Sustainability Reporting Framework (NSRF), aligned with IFRS S1 and S2, effective from 2025 for large Main Market issuers. Scope 3 emissions reporting will become mandatory by 2027, increasing transparency across value chains.</p>		<p>Pavilion REIT's sustainability efforts are validated by its inclusion in the FTSE4GOOD Bursa Malaysia Index, as well as LEED Gold Certification for Pavilion Kuala Lumpur Mall and Pavilion Tower from the U.S. Green Building Council. Through events and initiatives promoting sustainability awareness, Pavilion REIT fosters positive community engagement and attracts environmentally conscious consumers.</p>	<p>The outlook also underscores the growing importance of robust sustainability reporting and governance. Regulators and investors increasingly demand transparent, consistent and auditable disclosure of climate and ESG performance, including Scope 3 emissions. REITs that strengthen reporting frameworks, align sustainability initiatives with business strategy, and engage tenants and stakeholders collaboratively will be better positioned to navigate evolving regulatory requirements and deliver long-term, sustainable growth.</p>

Key Trend 4: Technology and Digital Transformation

What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>In FY2025, Malaysia experienced a significant increase in cyber incidents, with 5,735 cases reported nationwide as of September 2025, reflecting growing digital security threats amid rapid digitalisation. This represented an increase of more than 1,000 cases year-on-year, highlighting heightened exposure to fraud, data breaches, malicious code attacks, and unauthorised system intrusions, according to data from the Cyber Security Incident Response Centre (Cyber999) under the CyberSecurity Malaysia.</p>	<p>The rise in cyber incidents heightened Pavilion REIT's vulnerability to fraud, ransomware attacks, and phishing schemes, posing significant operational risks.</p> <p>Such breaches could lead to financial losses, legal liabilities and damage to Pavilion REIT's reputation, impacting investor confidence and stakeholder trust.</p> <p>Furthermore, a cyberattack targeting tenant management systems or financial platforms could disrupt daily operations, causing delays and inefficiencies.</p> <p>To address these risks, the Manager had to ensure alignment with evolving regulatory requirements, including the Cybersecurity Act 2024 and revised SC guidelines.</p>	<p>Pavilion REIT ensure compliance with relevant policies and acts by strengthening internal controls and safeguarding critical infrastructure. To effectively address cybersecurity risks, the Manager established incident response plans designed to detect, contain, and mitigate cyber threats promptly.</p> <p>Proactive measures included phishing email assessment campaign, periodic vulnerability assessments, cybersecurity audits, and penetration testing to identify and resolve weaknesses efficiently.</p>	<p>Looking ahead to FY2026, cybersecurity risks are expected to remain elevated as digital adoption, data-driven operations and online engagement continue to expand across Malaysia's economy. According to PwC's 2026 Global Digital Trust Insights (Malaysia), a majority of Malaysian business leaders have identified cybersecurity and digital trust as a top strategic priority, with increased investment planned in response to escalating threat sophistication and regulatory expectations. This trend underscores the growing recognition of cyber risk as a business-critical issue rather than a purely technical concern.</p>

OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>The rising incidence of cyberattacks underscored systemic vulnerabilities across organisations, particularly where cybersecurity controls and incident response capabilities were insufficient. As cyber risks increasingly carry financial, operational and reputational implications, cybersecurity has become a critical governance issue and an important indicator of management effectiveness.</p> <p>From a regulatory perspective, Malaysia continued to strengthen its cybersecurity framework. The Cyber Security Act 2024 (CSA), which became fully operational in 2025, introduced mandatory cybersecurity standards, risk assessments and incident reporting requirements for designated National Critical Information Infrastructure (NCII) sectors. While REITs are not classified as NCII sector, the Act signals heightened regulatory expectations for structured cybersecurity governance and preparedness across all sectors.</p> <p>In addition, amendments to the Personal Data Protection Act (PDPA) took effect on 1 June 2025, introducing mandatory data breach notification requirements, whereby organisations must report data breaches that are likely to cause significant harm within 72 hours. This development increases compliance obligations for entities handling customer, tenant and employee data, including property owners and managers.</p> <p>Capital market regulators also strengthened technology risk oversight. The Securities Commission Malaysia's revised Guidelines on Technology Risk Management, issued in August 2024 and applicable through FY2025, require capital market entities to assess and implement cybersecurity measures aligned with their operational and technology risk exposures. These developments reinforce expectations for robust cyber risk management, incident response planning, and governance oversight among listed entities, including REITs.</p>	<p>Addressing cybersecurity vulnerabilities required significant investment in technology upgrades, personnel training, and external consultancy services.</p> <p>At the same time, digital technologies presented opportunities for Pavilion REIT to enhance customer engagement by personalising experience through targeted offers, recommendations and loyalty programs.</p> <p>Additionally, Pavilion REIT leverages the growing digital commerce market to attract shoppers beyond its physical locations, utilizing tools such as mobile apps and social media marketing to extend its reach and drive growth.</p>	<p>Additionally, regular cybersecurity awareness programs and training sessions were implemented to equip employees with the knowledge and skills needed to recognize and respond to potential threats.</p> <p>To further protect its digital assets and customer data, Pavilion REIT invested in cybersecurity measures, including authentication protocols, antivirus software, firewalls, encryption tools, and monitoring systems to prevent unauthorised access and data breaches.</p> <p>In parallel, Pavilion REIT advanced digitalization efforts through its member mobile application, enabling mall patrons to stay updated with the latest news, access exclusive offers, and engage with the mall's services seamlessly.</p>	<p>From a regulatory perspective, FY2026 is expected to focus on stronger enforcement and operational maturity of existing requirements rather than the introduction of new legislation. Amendments to the Personal Data Protection Act (PDPA), which came into effect in June 2025, mandate data breach notifications within 72 hours and are expected to drive greater scrutiny on incident detection, escalation, and governance accountability. In parallel, the Cyber Security Act 2024 continues to shape expectations around structured cybersecurity governance, while the Securities Commission Malaysia's Guidelines on Technology Risk Management reinforce the need for listed entities to maintain cyber controls proportionate to their operational and technology risk exposures.</p> <p>Industry forecasts also warn that 2026 could mark the full industrialisation of cybercrime, as attackers harness AI and automation to scale campaigns at unprecedented speed and complexity.</p>

OUR OPERATING LANDSCAPE

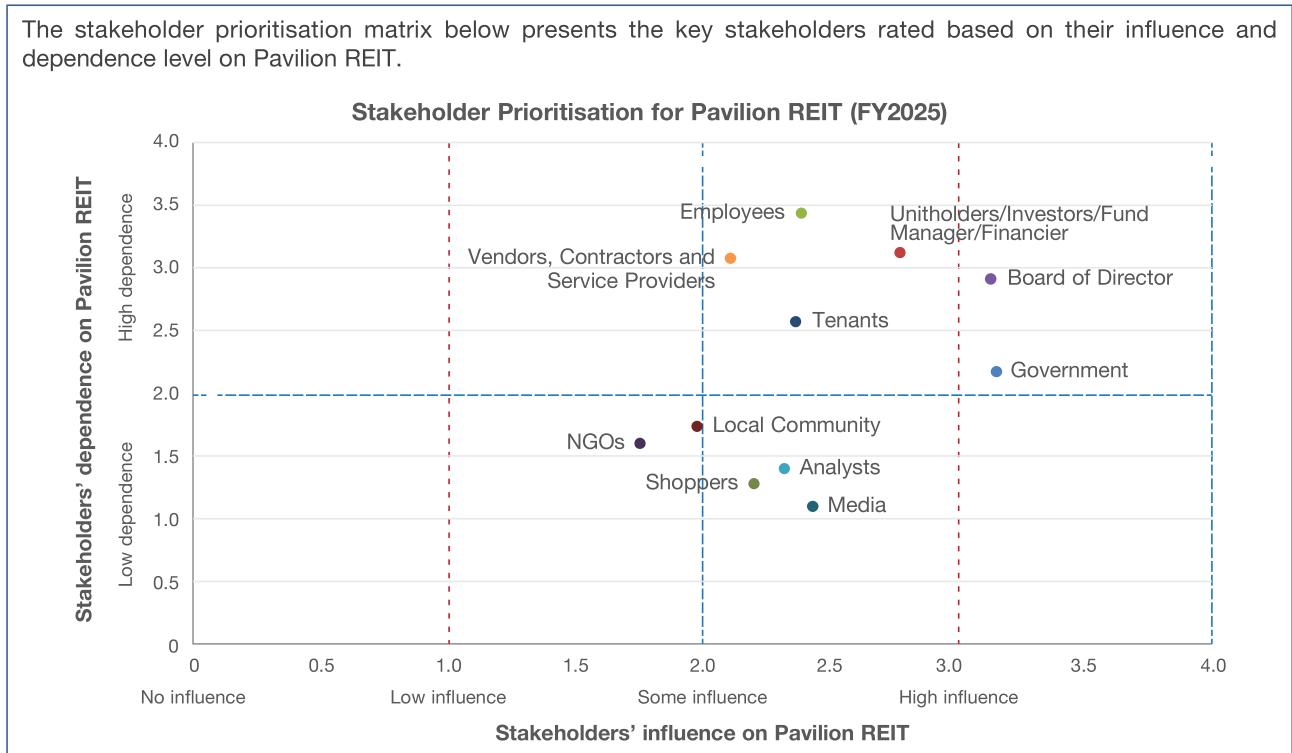
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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Overall, FY2025 marked a shift towards more stringent cybersecurity governance, clearer accountability and mandatory breach reporting, elevating cyber risk from an operational concern to a material governance and compliance priority for organisations operating in Malaysia's increasingly digital environment.</p>			<p>For Pavilion REIT, cybersecurity will remain a material operational and governance priority in FY2026 as digital platforms, tenant systems, and customer engagement channels become more integrated into daily operations. Continued emphasis will be required on proactive monitoring, regular testing of incident response plans, employee awareness programmes, and alignment with evolving regulatory expectations. At the same time, digitalisation presents opportunities to enhance customer experience, operational efficiency, and data-driven decision-making, provided these initiatives are supported by robust cybersecurity and data protection controls.</p> <p>Overall, FY2026 is expected to see cybersecurity further embedded into enterprise risk management and sustainability frameworks. Organisations that balance digital innovation with resilient governance, strong internal controls, and transparent reporting will be better positioned to manage emerging cyber risks while sustaining stakeholder confidence and long-term value creation.</p>

OUR STAKEHOLDERS

The Manager recognizes the importance of a stakeholder-inclusive approach in creating sustainable value. Hence stakeholders’ perspectives are integrated into Pavilion REIT’s business operations. In 2025, Pavilion REIT has conducted a stakeholder prioritisation exercise in which Pavilion REIT’s stakeholders were identified and prioritised with consideration of their influence and dependence on Pavilion REIT.

The stakeholder prioritisation matrix below presents the key stakeholders rated based on their influence and dependence level on Pavilion REIT.



The Manager has also conducted a stakeholder engagement survey to understand stakeholders’ views on the importance of these sustainability matters to Pavilion REIT and their expectations on the Manager’s sustainability management process. The key feedback from internal and external stakeholder groups were analysed and presented in the table below.

Pavilion REIT engages its internal stakeholders through structured and ongoing mechanisms to support effective governance, operational excellence and long-term sustainable value creation.

Internal Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder’s Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Board of Directors	Provides oversight of business direction and makes key decisions on Pavilion REIT’s strategy, governance and long-term value creation	<ul style="list-style-type: none"> Annual General Meeting Quarterly Board meetings 	<ul style="list-style-type: none"> Annually Quarterly 	<ul style="list-style-type: none"> Strategic direction and performance Integration of sustainability into business strategy Adoption of green building standards 	<ul style="list-style-type: none"> Work closely with the Manager’s CEO and senior management in formulating and reviewing Pavilion REIT’s strategy Evaluate sustainability initiatives and opportunities, including green building certifications 	<ul style="list-style-type: none"> Economic Performance; Asset Acquisition and Management; Macroeconomic Issues; Climate Change; Business Ethics and Compliance; Data Privacy and Cybersecurity

OUR STAKEHOLDERS

Cont'd

Internal Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
					<ul style="list-style-type: none"> Pavilion Kuala Lumpur Mall and Pavilion Tower achieved LEED Gold Certification from the U.S. Green Building Council 	
Employees	<ul style="list-style-type: none"> Involves in day-to-day operations Possesses knowledge and insights into other stakeholder groups through daily operations 	<ul style="list-style-type: none"> Training programmes Dialogue with senior management Performance appraisals Townhall by C-suite executives Employees Engagement Survey 	<ul style="list-style-type: none"> Ongoing As needed Annual As needed Every 3 years 	<ul style="list-style-type: none"> Fair and competitive remuneration Learning and career development opportunities Mental health, safety and well-being Diversity, equity and inclusion Employee retention and work-life integration 	<ul style="list-style-type: none"> Facilitate continuous learning through training programmes and seminars Provide equal opportunity without discrimination Maintain a safe, healthy and inclusive working environment Fair and transparent appraisals Review remuneration and benefits periodically Implement human rights and grievance mechanisms 	<ul style="list-style-type: none"> Talent Attraction and Retention; Training and Development; Health and Safety; Human Rights Management; Diversity and Equal Opportunity; Business Ethics and Compliance

Pavilion REIT engages its external stakeholders through structured and ongoing channels to support regulatory compliance, operational excellence, value creation and positive social and environmental outcomes.

External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Government	Sets regulatory requirements and policies governing the industry	<ul style="list-style-type: none"> Direct dialogue Policy briefings Consultation sessions and conferences 	<ul style="list-style-type: none"> As needed As needed As needed 	<ul style="list-style-type: none"> Compliance with laws and regulations Timely awareness of policy and regulatory changes Contribution to broader community development 	<ul style="list-style-type: none"> Monitor EESG-related policies and regulatory developments through regular attestations, compliance monitoring programme and reporting Engage professional advisors and subject-matter experts Participate in community and stakeholder engagement initiatives 	<ul style="list-style-type: none"> Business Ethics and Compliance; Climate Change; Energy Management; Waste Management; Water Management; Health and Safety

OUR STAKEHOLDERS

Cont'd

External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Unitholders/ Investors/ Fund Managers/ Financiers	<ul style="list-style-type: none"> Provides capital and financing to support Pavilion REIT's growth and long-term performance Plays an essential role in ensuring the success of Pavilion REIT 	<ul style="list-style-type: none"> Announcements Annual General Meetings Investor roadshows Electronic communications Integrated Annual Report 	<ul style="list-style-type: none"> As needed Annually As needed As needed Annually 	<ul style="list-style-type: none"> Stable and sustainable returns Business strategies implementation and progress 	<ul style="list-style-type: none"> Focus on providing unitholders with stable and sustainable income streams Provide timely, transparent and consistent disclosures on financial and sustainability performance Enhance Pavilion REIT's brand value and investor confidence 	<ul style="list-style-type: none"> Economic Performance; Asset Acquisition and Management; Macroeconomic Issues; Climate Change; Data Privacy and Cybersecurity
Analysts	Influences investor sentiment through market and company analysis	<ul style="list-style-type: none"> Announcements Analyst briefings Electronic communications Integrated Annual Report 	<ul style="list-style-type: none"> As needed Twice a year As needed Annually 	<ul style="list-style-type: none"> Asset performance and portfolio quality Safety and operational standards Timely and transparent reporting 	<ul style="list-style-type: none"> Ensure timely release of announcements, financial results and material information 	<ul style="list-style-type: none"> Economic Performance; Asset Acquisition and Management; Climate Change; Energy Management
Vendors, Contractors and Service Providers	Provides supplies and services to support Pavilion REIT's operations	<ul style="list-style-type: none"> Meetings Safety briefings and workshops 	<ul style="list-style-type: none"> As needed Ongoing 	<ul style="list-style-type: none"> Fair and transparent procurement process and vendor selection Compliance with rules and regulations Energy efficiency and environmental performance 	<ul style="list-style-type: none"> Build strong relationships with the vendors, contractors and service providers through fair treatment in all dealings Ensure compliance through routine assessments with internally prescribed standards and applicable laws and regulations ABC policy and procedure including whistleblowing portal in place Encourage energy efficiency and emissions reduction where feasible 	<ul style="list-style-type: none"> Procurement and Supply Chain; Business Ethics and Compliance; Health and Safety; Energy Management

OUR STAKEHOLDERS

Cont'd

External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Shoppers	<ul style="list-style-type: none"> Contributes to the traffic of Pavilion REIT malls End consumers of the value chain 	<ul style="list-style-type: none"> Festive performances and activities Promotional events Customer satisfaction surveys Concierge services 	<ul style="list-style-type: none"> Seasonal Ad hoc Every 3 years As needed 	<ul style="list-style-type: none"> Safe and conducive mall environment with good accessibility Good and diverse retail mix Promotional campaigns to enhance attraction Good connectivity to public transport and convenience in transportation 	<ul style="list-style-type: none"> Respond to feedback from customers Identifying avenues for improving the shopping experience Improve access to neighbouring amenities and transportation 	<ul style="list-style-type: none"> Brand Value and Recognition; Health and Safety; Community and Stakeholder Engagement
Tenants	Provide rental income and contribute to portfolio performance	<ul style="list-style-type: none"> Update on property activities Tenant meetings 24 hours hotline help desk Tenant satisfaction surveys 	<ul style="list-style-type: none"> Annually As needed As needed Every 3 years 	<ul style="list-style-type: none"> Good property maintenance High shopper traffic Competitive rental rates Promotional events to drive traffic Tenant engagement and support Conducive operating environment 	<ul style="list-style-type: none"> Ensure any property maintenance or repairs are dealt with expeditiously Provide a comfortable and safe environment with exciting retail mix to maintain high shopper traffic Collaborate with tenants on promotional campaigns and sustainability initiatives 	<ul style="list-style-type: none"> Brand Value and Recognition; Energy Management; Waste Management; Health and Safety; Community and Stakeholder Engagement
NGOs	Support community development and sustainability initiatives through partnerships	<ul style="list-style-type: none"> Corporate Social Responsibility initiatives Events Meetings 	<ul style="list-style-type: none"> As needed As needed As needed 	<ul style="list-style-type: none"> Corporate social responsibilities Giving back to local communities Waste reduction and recycling 	<ul style="list-style-type: none"> Increase collaboration with NGOs' for charity events or activities Partner with non-government organisation to give back to the local communities Support initiatives promoting waste reduction, recycling and social inclusion 	<ul style="list-style-type: none"> Community and Stakeholder Engagement; Waste Management; Human Rights Management
Local Community	Create long-term positive social impact in communities surrounding Pavilion REIT's properties	<ul style="list-style-type: none"> Corporate Social Responsibility initiatives Relevant authorities to improve mobility and traffic congestion 	<ul style="list-style-type: none"> As needed As needed 	<ul style="list-style-type: none"> Community development Corporate responsibility to give back to the community and create a positive impact Strengthen community ties 	<ul style="list-style-type: none"> Continuously seek to contribute to the communities where the properties are located 	<ul style="list-style-type: none"> Community and Stakeholder Engagement; Health and Safety; Waste Management

OUR STAKEHOLDERS

Cont'd

External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Media	Generates impact through news coverage on Pavilion REIT	<ul style="list-style-type: none"> • Media launches • Media interviews • Media releases 	<ul style="list-style-type: none"> • As needed • As needed • As needed 	<ul style="list-style-type: none"> • Timely and transparent communication • Industry and business performance outlook 	<ul style="list-style-type: none"> • Communicate consistently on developments of interest and business performance in order to propagate Pavilion REIT's brand value and ensure transparency in the eyes of the public 	<ul style="list-style-type: none"> • Brand Value and Recognition; • Business Ethics and Compliance; • Community and Stakeholder Engagement

MEMBERSHIP IN ASSOCIATIONS

Pavilion REIT actively shapes the retail landscape by advocating for best practices and holding leadership position in key industry associations.

Association involved:

Organisation	Pavilion REIT's Representative
Malaysian REIT Managers Association	Dato' Philip Ho Yew Hong, Immediate Past Chairman
Malaysia Shopping Mall Association	Dato' Joyce Yap Soh Ching, Honourable Members of Advisory Board Andrew Teoh, Committee Members of Technical

SHOPPER ENGAGEMENT

Customer Satisfaction Survey

As shoppers are one of Pavilion REIT's key stakeholder groups, Pavilion REIT conducts customer satisfaction surveys on a periodic basis, typically once every three years, to assess shopper perceptions and expectations across its retail properties, identify emerging trends and gain insights into preferences for sustainable practices. The feedback serves as an important input for implementing improvements that enhance the shopping experience across Pavilion REIT's properties while supporting sustainability initiatives.

The most recent customer satisfaction survey was conducted in August 2024 and focused on key aspects of the shopping experience, including safety, cleanliness, tenant mix, accessibility and overall satisfaction. The findings continue to shape Pavilion REIT's sustainability priorities, operational improvements and customer engagement strategies in FY2025.

The survey results indicated positive customer sentiment overall, with strengths observed in mall environment and tenant offerings. Areas for improvement identified included wayfinding and parking experience. These insights provides operational enhancements and supported the continued prioritisation of "brand value and recognition" and "health and safety" as material sustainability matters.

OUR STAKEHOLDERS

Cont'd

In response to the feedback received, Pavilion REIT implemented operational enhancements, including improvements to signage and wayfinding, selected parking upgrades and strengthened customer service training across its retail assets.

In FY2025, while no new customer satisfaction survey was conducted, the Manager continued to monitor customer-related feedback through ongoing engagement channels, including tenant meetings, customer service touchpoints, complaint management systems and operational performance indicators. The relevance of previously identified customer-related material matters was reviewed as part of the annual materiality review and remained applicable during the reporting period.

The average customer satisfaction score across Pavilion REIT's malls was 81% based on the most recent survey. For a detailed list of accolades and achievements, please refer to the "Acclaiming Trusted Brand Reputation" under Section 5.4.

EMPLOYEES ENGAGEMENT

Employee Engagement Survey

Employees are one of Pavilion REIT's key stakeholder groups and the Manager actively engages employees to understand their needs and enhance workforce well-being, performance and retention. Pavilion REIT conducted its first Employee Engagement Survey in FY2024 to assess employee perceptions and engagement across key areas including work environment, leadership, professional development and company culture. The survey achieved a 77% response rate and a 91% overall satisfaction score.

While no new employee engagement survey was conducted during the year, the Manager focused on implementing initiatives arising from the FY2024 survey findings, including enhancements to employee development programmes, continued leadership engagement and efforts to strengthen workplace culture and employee well-being.

In FY2025, employee engagement and feedback continued to be monitored through ongoing channels such as regular management communications, performance reviews and employee feedback mechanisms. The relevance of employee-related material matters was reviewed as part of the annual materiality review and remained applicable during the reporting period.

Employee engagement surveys are conducted once every three years, supplemented by ongoing engagement and feedback mechanisms. For further details on Pavilion REIT's talent management strategies and initiatives, including how these survey findings will shape the Manager's approach, please refer to the "Transforming Talent Management" under Section 5.6.

COMMUNITY ENGAGEMENT

Pavilion Loves Sustainability Week

Pavilion Loves Sustainability Week, held from 7 to 13 July 2025, was the REIT-wide community engagement initiative designed to raise awareness of environmental and social sustainability while strengthening relationships with key stakeholders, including shoppers, employees, tenants and community partners.

A total of 117 employees and non-employees participated in the initiative, contributing 409.5 volunteer hours. Non-employees refer to staff of Kuala Lumpur Pavilion Sdn Bhd that are engaged permanently to manage the relevant Pavilion REIT properties. The programme engaged with approximately 5,000 shoppers through sustainability-focused activities conducted across Pavilion REIT's malls.

OUR STAKEHOLDERS

Cont'd

In collaboration with participating tenants such as Kiehl's, National Geographic, Royal Selangor, Jo's Cha and Florism De Art, Pavilion REIT implemented recycling, upcycling and education initiatives. Through the Kiehl's recycling programme, 2,104 empty containers, primarily plastic materials, were collected from shoppers for recycling.

Florism De Art conducted a DIY plant workshop using Pavilion REIT's in-house fertiliser, enabling participants to take home succulent plants in sustainable containers. In addition, Pavilion REIT distributed 10,000 packs of fertiliser produced from its food composting initiative during the week, supported by educational panel highlighting Pavilion REIT's food waste-to-compost process.

The initiative also featured external partners, including the Nicol David Organisation (NDO) and Persatuan Seni Jahitan Kuala Lumpur dan Selangor (PSJKM). PSJKM showcased handcrafted items made by single mothers and conducted upcycled textile workshops, supporting income generation and social inclusion. Pavilion Kuala Lumpur Mall served as the venue sponsor for the programme.

As part of the campaign, Pavilion REIT launched the Pavilion REIT Malls' ESG video and announced a partnership with the Nicol David Organisation to support sports community welfare and mental health, leading up to the Sports & Mental Health Summit at Pavilion Bukit Jalil. Overall, the initiative enhanced ESG awareness, showcased tenant-led sustainability practices and strengthened Pavilion REIT's community engagement and ESG profile.

WWF Tiger Month Collaboration

In conjunction with WWF Tiger Month, Pavilion KL Mall supported WWF Malaysia by sponsoring the activation venue, enabling on-ground conservation outreach focused on the Critically Endangered Malayan Tiger.

The campaign achieved a RM65,604 in funds raised, sufficient to support one full year of tiger conservation efforts. Within seven days, the activation generated 71 sign-ups, reached 12,425 shopper engagements, and facilitated over 710 meaningful conservation-related interactions, strengthening public awareness and community support for wildlife conservation.

For other community engagement initiatives, please refer to the "Caring for Local Community" under Section 5.5.

TENANT ENGAGEMENT

The Manager periodically engages tenants through health and safety programmes to enhance emergency preparedness, regulatory compliance, and risk awareness across Pavilion REIT's properties. These initiatives support the creation of a safe operating environment and reinforce tenants' roles as key stakeholders in maintaining health and safety standards within the malls.

In FY2025, several health and safety engagement sessions were organised for tenant representatives. These included a Fire Safety Talk held on 25 June 2025, attended by 102 participants, as well as Fire Drill Briefing sessions conducted on 12 and 13 August 2025, with a total attendance of 122 participants. In addition, a Briefing Session with the Ministry of Health on Non-Smoking Compliance and Signage Requirements was conducted on 4 November 2025, with 107 participants in attendance.

These engagement activities strengthened tenants' understanding of emergency response procedures, fire safety protocols and regulatory requirements, contributing to improved preparedness and compliance across Pavilion REIT's portfolio.

For further details on Pavilion REIT's health and safety initiatives, including training programmes conducted for employees and non-employees, please refer to Section 5.6: Transforming Talent Management under Health and Safety.

OUR STAKEHOLDERS

Cont'd

Tenant Satisfaction Survey

Understanding and responding to tenants' needs is a key driver of Pavilion REIT's long-term value creation. By fostering strong tenant relationships, the Manager enhances service quality, supports tenant attraction and retention, and strengthens portfolio resilience and cash flow stability.

Pavilion REIT conducts tenant satisfaction surveys once every three years as part of its structured stakeholder engagement approach. The survey assesses service quality and identifies opportunities for improvement across six key areas: mall and office tower facilities, design and fit-out services, leasing and tenancy administration, marketing services, credit control services, and operations and facilities management.

Key Findings

In FY2025, tenant satisfaction survey covered 100% of tenants, representing 835 tenants across Pavilion REIT's properties. The overall tenant satisfaction score improved to 80%, compared to 75% in FY2023, while the response rate increased from 54% to 67%, reflecting stronger engagement and participation.

Areas identified for further improvement included parking facilities, air-conditioning performance and wayfinding. Notwithstanding these areas, maintenance requests were addressed to tenant satisfaction at an average rate of 96%, demonstrating the Manager's responsiveness to operational matters.

Engagement on Sustainability Matters

In addition to service quality, the survey engaged tenants on sustainability-related initiatives implemented across Pavilion REIT's malls. Approximately 50% or more of tenants indicated awareness of key initiatives, including EV charging stations, food waste recycling programmes, LED lighting replacements and the ReBag Station (Drop a Bag, Take a Bag).

The Manager also assessed tenants' own ESG readiness. Of the 562 tenants surveyed, 31% (176 tenants) indicated that they currently have ESG programmes in place. A further 44% (245 tenants) are in the planning stage, while 10% (57 tenants) indicated they are not ready to implement ESG initiatives at this time. The remaining tenants expressed intentions to introduce ESG initiatives within the next 12, 24 or 36 months.

Tenant Perspectives on Pavilion REIT's Sustainability Strategy

Overall, tenant feedback reflected positive and supportive views towards Pavilion REIT's sustainability strategy. Many tenants view sustainability initiatives as a competitive advantage that enhances Pavilion REIT's brand positioning, aligns with tenants' ESG values, improves customer perception and may contribute to operational cost efficiencies, particularly in energy and waste management.

Some tenants expressed conditional support, highlighting that sustainability initiatives are most effective when they are practical, cost-effective and collaboratively implemented, without imposing undue operational burdens.

A smaller group of tenants expressed neutral or mixed views, noting that leasing considerations such as location, rental rates and asset quality remain primary decision factors, while sustainability initiatives add value when they are well-communicated and consumer-engaging.

OUR STAKEHOLDERS

Cont'd

Moving Forward

Pavilion REIT values the feedback received from its tenants and will leverage these insights to enhance property services and further advance its sustainability initiatives. The Manager has developed action plan to address the key areas for improvement identified through the tenant satisfaction survey.

Pavilion REIT remains committed to maintaining high levels of tenant satisfaction. By continuously improving service delivery and strengthening communication on Pavilion REIT's ESG initiatives, the Manager aims to encourage greater tenant participation and collaboration in creating a more sustainable environment across its properties.

VENDOR ENGAGEMENT

Safety and Health Briefing

Vendors are key stakeholders of Pavilion REIT and the Manager actively engages them to ensure alignment with our sustainability priorities. On 17 June 2025, Pavilion Kuala Lumpur Mall organized a Safety and Health Briefing for all contractors and service providers operating on its premises, with 107 participants in attendance.

The session, facilitated by DOSH – JKPP officers and coordinated by the EHS team, provided updates on the latest legal requirements under the Occupational Safety and Health Act 1994 [Act 514] and the Occupational Safety and Health (Construction Work) (Design and Management) Regulations 2024.

The briefing covered safe working practices, regulatory compliance and contractor responsibilities, reinforcing the role of vendors as integral partners in Pavilion REIT's operations. Following the session, participants were encouraged to apply the learnings in their operations, and Pavilion REIT continues to monitor compliance through regular audits and follow-up engagements.

Through initiatives like this, Pavilion REIT demonstrates its commitment to occupational health and safety, vendor engagement and responsible supply chain management, supporting the broader ESG objective of maintaining a safe, compliant and collaborative working environment.

OUR MATERIAL MATTERS

In FY2025, the Manager conducted a full-scale materiality assessment to identify and prioritise sustainability matters that are most relevant to Pavilion REIT's business, long-term value creation and stakeholder expectations. The assessment enabled the Manager to identify sustainability-related risks and opportunities (SROs) that could reasonably be expected to affect Pavilion REIT's enterprise value, including its financial performance, financial position and future prospects.

The materiality assessment was aligned with Pavilion REIT's ERM framework and guided by Bursa Malaysia's Sustainability Reporting Guide and the Bursa Malaysia Toolkit: Materiality Assessment (3rd Edition).

In performing the assessment, the Manager considered both internal and external factors affecting the REIT industry, including relevant global megatrends, regulatory developments, climate-related risks and opportunities, and sector-specific risks and opportunities.

While the Manager aims to conduct a comprehensive materiality assessment once every three years, the relevance of previously prioritised EESG impacts arising from day-to-day operations is reviewed annually to ensure continued alignment with Pavilion REIT's evolving risk profile, business strategy and stakeholder expectations.

Materiality Assessment Process

The Manager applied significant judgement in identifying SROs that could reasonably be expected to affect Pavilion REIT's prospects, as well as the material information related to those risks and opportunities that could influence the decisions of primary users of general-purpose financial reports, including investors, lenders and other creditors.



OUR MATERIAL MATTERS

Cont'd

Judgement was also applied in determining the applicability of metrics within the industry-based Sustainability Accounting Standards Board (SASB) Standards to Pavilion REIT's business and operating context.

IDENTIFICATION

STEP 1

- In identifying Pavilion REIT's sustainability matters, the Manager drew information from internal and external sources, including business strategy and focus areas, enterprise risk registers, evolving sustainability trends and macroeconomic context, as well as Bursa Malaysia's MMLR and Sustainability Reporting Guide, to ensure relevance to Pavilion REIT's business operations.

External sources included:

- Bursa Malaysia's Sustainability Reporting Guide
- Bursa Malaysia's Toolkit: Materiality Assessment (3rd Edition)
- GRI Standards
- SASB
- Peer benchmarking and disclosures
- ESG rating agencies' criteria

Internal sources included:

- Pavilion REIT's ERM framework
- Management data
- Stakeholder feedback

- The Manager identified SROs that could reasonably be expected to affect Pavilion REIT's prospects over the short, medium and long term and determined the corresponding disclosures required.
- The materiality approach considered both impact materiality (Pavilion REIT's impacts on the environment and society) and financial materiality, assessing how sustainability-related matters could affect Pavilion REIT's enterprise value, including future cash flows, asset valuations, operating costs, capital expenditure requirements and access to financing.
- Climate-related risks and opportunities, including physical risks (such as extreme weather and heat stress) and transition risks (such as energy regulation and carbon pricing), were explicitly identified in line with IFRS S2. Please refer to Section 5.3 P Practicing Responsible Environment Stewardship.
- Short, medium and long term were defined for risks and opportunities section as 0-12 months, 1 to 5 years and beyond 5 years respectively.

STAKEHOLDER ENGAGEMENT & PRIORITISATION

STEP 2

- The Manager prioritised stakeholders using the toolkit from Bursa Malaysia, identifying key stakeholder groups with high influence and dependence on Pavilion REIT.
- Next, the Manager engaged with 143 internal and external stakeholders to gauge their perception of the importance of the sustainability matters to Pavilion REIT. An online materiality assessment survey was held in August 2025, gathering perspectives from the Board of Directors, employees, government, unitholders/investors/fund managers/financiers, analysts, vendors, contractors and service providers, shoppers, tenants, NGOs, local community and media.
- The prioritisation of sustainability matters considered both stakeholder importance and their relevance to Pavilion REIT's business. Stakeholder feedback reflects the relevance and prioritisation of sustainability matters, while management assessed financial materiality based on potential financial impacts and likelihood of occurrence, leveraging Pavilion REIT's ERM assessment parameters.

IMPACT ASSESSMENT

STEP 3

- Leveraging on Pavilion REIT's existing ERM assessment parameters (financial and non-financial), the Manager conducted an impact assessment workshop to determine the potential degree of impact and likelihood of occurrence of identified sustainability matters. The workshop was attended by the CEO and key management representatives from retail, finance, IT, marketing, leasing, facilities management, operations, human resources, investment, legal and compliance.
- The impact assessment considered potential financial implications, including effects on operating costs, rental income, asset valuation, capital expenditure and financing costs.
- For climate-related matters, management considered different climate-related scenarios to assess the resilience of Pavilion REIT's assets and operations.
- The prioritised sustainability matters were validated against stakeholder expectations and their relevance to Pavilion REIT's financial performance and enterprise value.
- The outcome of the materiality assessment was presented graphically in a materiality matrix to illustrate the relative importance of each prioritised sustainability matter.

VALIDATION

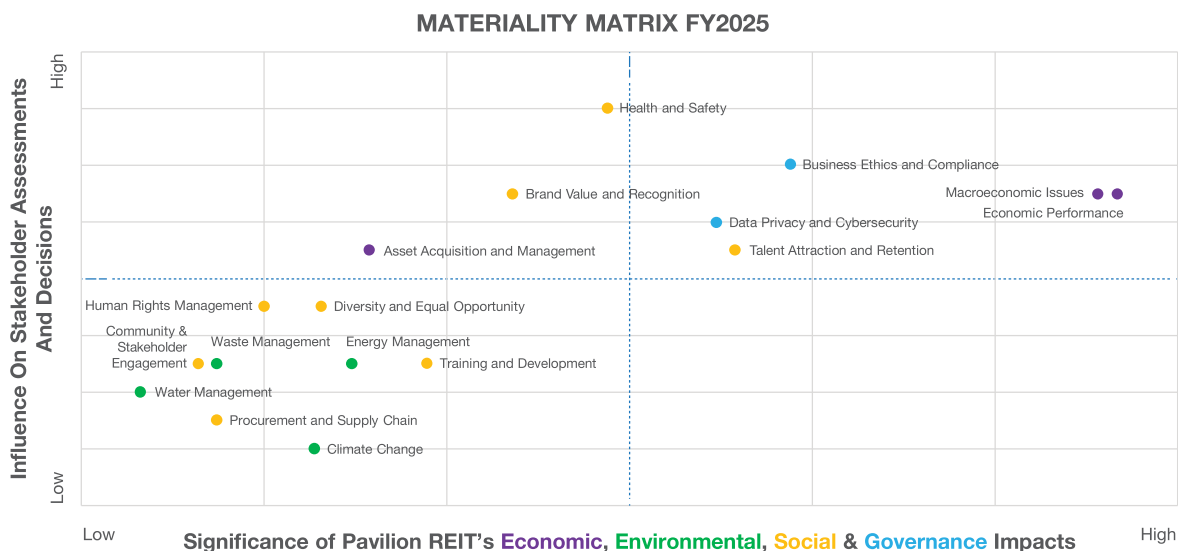
STEP 4

- The impact of material sustainability matters was reviewed, taking into account emerging trends, evolving stakeholder expectations and overall business performance.
- The Sustainability Working Committee reviewed the outcomes of the materiality assessment, which were subsequently deliberated and approved by the Board Sustainability Committee, providing oversight on sustainability-related risks and opportunities.
- Pavilion REIT finalised its materiality assessment, including the identification of SROs, as at the end of the 2025 reporting period. Events and changes during the period, such as master tenancy of DA MEN Mall to Easyhome and hotel acquisitions, were considered as part of the materiality determination process.
- Material sustainability matters are reviewed annually, with a full materiality assessment conducted every three years, and reassessed when significant events occur, including acquisitions, disposals, regulatory changes or shifts in market conditions.

OUR MATERIAL MATTERS

Cont'd

The materiality matrix below presents the current material sustainability matters for Pavilion REIT.



Based on the outcome of materiality assessment (as shown in the materiality matrix above), the top 10 material matters have been identified.

Top 10 material matters were selected based on their relative position in the high-impact, high-stakeholder-influence quadrant of the FY2025 Materiality Matrix.

Climate Change is identified as a material matter due to its potential impact on asset performance, operating costs, insurance coverage and long-term asset valuation. As a real estate investment trust, the Manager recognises that physical climate risks and transition risks may affect portfolio resilience. Pavilion REIT’s approach aligns with Bursa Malaysia’s Sustainability Reporting Guide and supports future readiness for climate-related disclosures.

No.	Top 10 Material Matter	ESG Pillar
1	Economic Performance	Economic
2	Macroeconomic Issues	Economic
3	Business Ethics and Compliance	Governance
4	Data Privacy and Cybersecurity	Governance
5	Talent Attraction and Retention	Social
6	Health and Safety	Social
7	Brand Value and Recognition	Economic / Social
8	Asset Acquisition and Management	Economic / Environmental
9	Climate Change	Environmental
10	Energy Management	Environmental

These key material matters are of high significance to Pavilion REIT’s stakeholders and business. The Manager is committed to manage these matters in a responsible way to create sustainable value for Pavilion REIT’s business and stakeholders.

More details of how these material matters are managed are demonstrated in different IMPACT pillars under *Section 5: Creating Sustainable Impact*. Through this comprehensive materiality assessment, we have identified one new sustainability matter i.e. Macroeconomic Issues. Macroeconomic Issues were identified as a material sustainability matter due to their growing relevance and potential impact on Pavilion REIT’s financial resilience, operational stability, long-term asset value and ability to deliver sustainable returns to unitholders. The table below outlines the key sustainability matters identified by Pavilion REIT.

OUR MATERIAL MATTERS

Cont'd

No.	EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Key Risks	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
1	Economic	Economic Performance	Ensures stable financial returns, supports business continuity and strengthens confidence among tenants, unitholders and stakeholders. Focuses on internal performance and operational efficiency.	<ul style="list-style-type: none"> • US Tariff Implication on Operational Cost • Single Tenant Dependency Risk • Acquisition and Investment Risk • Valuation Risk • Collection, Credit and Liquidity Risk • Financing Risk • Interest Rate Risk • Business Continuity Risk 	SDG 8	Please refer to Section 5; I: Investing Strategically sub-section for further details on management approach.
2	Economic	Asset Acquisition and Management	Drives sustainable value creation by ensuring that property acquisitions and management decisions contribute to long-term income, portfolio diversification, and resilience, benefiting both the REIT and its stakeholders.	<ul style="list-style-type: none"> • Acquisition and Investment Risk • Valuation Risk • Collection, Credit and Liquidity Risk • Financing Risk • Interest Rate Risk • Business Continuity Risk 	SDG 8	
3	Economic	Macroeconomic Issues	External economic trends and disruptions can affect tenant sales, consumer spending, property valuations, and investment returns. Proactively addressing these issues helps safeguard long-term value and ensures market sustainability for stakeholders.	<ul style="list-style-type: none"> • US Tariff Implication on Operational Cost • Interest Rate Risk 	SDG 8	
4	Economic/ Social	Procurement and Supply Chain	Supporting local procurement and ensuring alignment of values during the vendor evaluation process, taking into consideration EESG factors	<ul style="list-style-type: none"> • US Tariff Implication on Operational Cost • Business Continuity Risk • Legal and Regulatory Compliance Risk • Process and System Failure Risk 	SDG 12	
5	Governance	Business Ethics and Compliance	Zero-tolerance approach to bribery and corruption and strive to comply to regulatory requirements and standards, whilst maintaining business integrity and ethical conduct	<ul style="list-style-type: none"> • Brand Reputation Risk • Legal & Regulatory Compliance Risk • Community & Stakeholder Engagement Risk 	SDG 16	
6	Governance	Data Privacy and Cybersecurity	Developing information technology system to maintain data privacy and secure data of stakeholders	<ul style="list-style-type: none"> • Scam / Phishing (Cybersecurity Risk) • Business Continuity Risk • Legal and Regulatory Compliance Risk • Process and Systems Failure Risk 	SDG 8 SDG 9	

OUR MATERIAL MATTERS

Cont'd

No.	EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Key Risks	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
7	Environmental	Climate Change	Incorporating adequate climate change strategy and green practices in Pavilion REIT's properties to improve energy efficiency and reduce carbon emission in support of the national's climate change agenda	<ul style="list-style-type: none"> Climate Change Risk Business Continuity Risk Process and Systems Failure Risk Legal and Regulatory Compliance Risk 	SDG 13	Please refer to Section 5; P: Practicing Responsible Environment Stewardship sub-section for further details on management approach.
8	Environmental	Energy Management	Striving to reduce energy consumption through energy-efficient installations and equipment and renewable energy mix to minimise environmental impact	<ul style="list-style-type: none"> Process and Systems Failure Risk Legal and Regulatory Compliance Risk Climate Change Risk Business Continuity Risk 	SDG 7 SDG 13	
9	Environmental	Waste Management	Reducing waste generated whilst having sufficient internal control and waste management system to reduce adverse environmental impacts	<ul style="list-style-type: none"> Process and Systems Failure Risk Legal and Regulatory Compliance Risk Climate Change Risk Business Continuity Risk 	SDG 12	
10	Environmental	Water Management	Establishing effective internal control and monitoring mechanism to optimize water usage and minimize environmental impacts	<ul style="list-style-type: none"> Process and Systems Failure Risk Legal and Regulatory Compliance Risk Climate Change Risk Business Continuity Risk 	SDG 6	
11	Economic / Social	Brand Value and Recognition	Strategies to maintain brand value and recognition, increase trust and confidence amongst stakeholders	<ul style="list-style-type: none"> Brand Reputation (Reputation Risk) Single Tenant Dependency Risk Process and Systems Failure Risk Community & Stakeholder Engagement Risk 	SDG 8 SDG 16	Please refer to Section 5; A: Acclaiming Trusted Brand Reputation sub-section for further details on management approach.
12	Social	Community and Stakeholder Engagement	Initiatives to support and engage the local community through CSR programmes, raising awareness on social issues and promoting art and culture.	<ul style="list-style-type: none"> Brand Reputation (Reputation Risk) Community & Stakeholder Engagement Risk 	SDG 3 SDG 11	Please refer to Section 5; C: Caring for Local Community sub-section for further details on management approach.

OUR MATERIAL MATTERS

Cont'd

No.	EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Key Risks	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
13	Social	Talent Attraction and Retention	Enhancing efforts to attract, motivate and reduce employee turnover at work through providing a rewarding working environment	<ul style="list-style-type: none"> Talent Attraction and Retention Risk 	SDG 5 SDG 8 SDG 10	Please refer to Section 5; T: Transforming Talent Management sub-section for further details on management approach.
14	Social	Training and Development	Promoting high-performances work culture through continuous development and improvement of employees' skills and competencies	<ul style="list-style-type: none"> Talent Attraction and Retention Risk 	SDG 4 SDG 5 SDG 8	
15	Social	Human Rights Management	Improving human rights practices through conduct of social and human rights audit in the organization and across the value chain	<ul style="list-style-type: none"> Legal and Regulatory Compliance Risk Process and Systems Failure Risk 	SDG 8	
16	Social	Diversity and Equal Opportunity	Promoting diversity and equality at work through merit-based employment, regardless of age, gender, ethnicity and disability, religion or any other status	<ul style="list-style-type: none"> Talent Attraction and Retention Risk 	SDG 5 SDG 8 SDG 10	
17	Social	Health and Safety	Establishing a safe and healthy working environment by setting up processes and policies for the prevention, detection, risk assessment and reporting of health and safety matters	<ul style="list-style-type: none"> Physical Injury of Customers in Building (Health & Safety Risk) Business Continuity Risk Legal and Regulatory Compliance Risk 	SDG 3 SDG 8	

OUR RISK AND OPPORTUNITIES

The Manager adopts a structured Enterprise Risk Management (ERM) process to identify its business risks and lessen their impact on Pavilion REIT. The core element of the process involves identification, measurement, control, constant monitoring and communication of associated risks. This allows the Manager to address and mitigate potential risks and seize any opportunities that could create value for Pavilion REIT's stakeholders and bring Pavilion REIT to greater heights. To ensure accountability, the Board maintains oversight on the identification of principal risks and ensures the implementation of appropriate control to manage these risks.

Pavilion REIT's ERM framework has integrated sustainability and climate-related risks in addition to its corporate, financial and operational risks. The Manager ensure all identified risks stay within its risk appetite through revision and monitoring by designated risk owners and the Manager's CEO and further deliberation by the Board Risk Management and Sustainability Committee. For further details on the risk governance structure and risk management process, please refer to Section 6.6 Statement on Risk Management and Internal Control.

The table below is the details of the key risks associated with Pavilion REIT mapped against identified material sustainability matters. The details of the Manager's strategy, approach and performance data are available in Section 5 of the Report.

Guidance Notes:

Risk Appetite	Risk Level	Time Horizon	Risk Trend	Opportunity
The level of risk that Pavilion REIT is willing to accept in pursuit of its objectives.	The overall rating of a risk after assessing its likelihood and impact (e.g. Low, Medium, High, Significant).	The period over which a risk is expected to materialise or impact operations (short-, medium or long-term). Pavilion REIT defines short term as 0–12 months, medium term as 1 to 5 years, and long term as beyond 5 years.	The direction the risk is moving compared to the previous period (Increasing, Stable, Decreasing).	Potential positive outcomes or value creation that may arise from the same circumstances as a risk, where effectively managed.

Item No. 1

Risk Category	Cybersecurity Risk
Risk Name	Scam / Phishing
Risk Description	Frequent phishing and scam attempt via emails and messaging platforms aim to deceive users into clicking malicious links disguised as legitimate alerts (e.g., password expiry or account compromise), potentially leading to malware infection and system vulnerability.
Risk Appetite	Pavilion REIT has a low appetite for cybersecurity threats such as scams and phishing, prioritising strong preventive controls and user awareness to safeguard data and systems.
Risk Level	Medium
Time Horizon	Short
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Heads of Business Units IT Department
Opportunities	Enhance cybersecurity awareness, strengthen system resilience and build stakeholder trust through improved controls and staff training.

OUR RISK AND OPPORTUNITIES

Cont'd

Risk Category	Cybersecurity Risk
Risk Name	Scam / Phishing
Mitigation	<ul style="list-style-type: none"> Conducted ongoing user education and awareness campaigns on scams and phishing attempts through multiple communication channels (emails, chat, and social media). Regular reminders on the DOs and DON'Ts, and how to identify and avoid suspicious messages, are shared with all staff. Provided IT security training sessions, including hands-on classes on detecting, avoiding, and responding to phishing or scam attempts. Encouraged users to report suspicious emails or activities promptly to the IT Department for verification and action. Implemented an email alert banner for all incoming external messages to remind users not to click on unknown or suspicious links. Launched a phishing email simulation campaign to educate staff on various phishing techniques; employees who fail three times are required to attend refresher cybersecurity training. Maintained a cyber threat incident response protocol and disaster recovery plan, tested annually to ensure preparedness and system resilience. Standard Operating Procedures for Cyber Incident Management, System Development Life Cycle (SDLC), Patch Management, Technology Refresh, and Artificial Intelligence (AI) have been rolled out this year to ensure all employees adhere to consistent and secure IT practices. IT practices were reviewed and audited by internal auditors, at least once every 3 years.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Data Privacy and Cybersecurity

Item No. 2

Risk Category	Macroeconomic Risk
Risk Name	US Tariff Implication on Operational Costs
Risk Description	US-imposed tariffs may increase operational costs due to rising material and parts costs for the maintenance and servicing of existing properties' upkeep. Additionally, these tariffs could result in higher expenses for tenants, leading to reduced profit margins. As a consequence, landlords may face difficulties in negotiating higher rental increases, potentially impacting overall rental income.
Risk Appetite	Pavilion REIT has a moderate risk appetite for macroeconomic factors that are beyond its direct control but continues to mitigate exposure through cost management, tenant diversification and long-term financial/ procurement planning.
Risk Level	Medium
Time Horizon	Medium
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Heads of Business Units
Opportunities	Opportunity to collaborate with tenants to enhance operational resilience through shared initiatives and long-term partnerships. This includes increasing local sourcing of products and services and adopting automation to reduce dependency on imported materials and mitigate tariff-related cost pressures.
Mitigation	<ul style="list-style-type: none"> Regularly monitor macroeconomic and tariff developments to assess potential cost impacts. Implement tenant support initiatives, including enhanced promotional campaigns and joint marketing activities, to sustain mall footfall and tenant sales performance amid rising operational costs.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Economic Performance Macroeconomic Issues Procurement and Supply Chain

OUR RISK AND OPPORTUNITIES

Cont'd

Item No. 3

Risk Category	Reputation Risk
Risk Name	Brand Reputation
Risk Description	Negative impact on brand equity and value arising from bad publicity, poor public perception or loss of confidence among shoppers and stakeholders.
Risk Appetite	Pavilion REIT has a low appetite for reputational risks that could undermine stakeholder trust or diminish brand value. The organisation prioritises proactive communication, service quality and stakeholder engagement to safeguard its reputation.
Risk Level	Medium
Time Horizon	Short to Medium
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Marketing Department Heads of Business Units
Opportunities	Leverage strong brand recognition to enhance stakeholder confidence, attract premium tenants and promote Pavilion REIT's leadership in sustainability and shoppers experience.
Mitigation	<ul style="list-style-type: none"> Crisis management manual and SOPs are established, with regular training for PR, social media and customer service teams. A PR agency is on retainer to support crisis and media management. Daily monitoring of social media and proactive handling of complaints are in place, including verification of official accounts and surveillance for fake channels. Fake accounts are reported to MCMC and police, with public notices posted to warn users.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Brand Value and Recognition Community and Stakeholder Engagement Business Ethics and Compliance

Item No. 4

Risk Category	Health & Safety Risk
Risk Name	Physical Injury of Customers in Building
Risk Description	Physical injury caused by falls due to wet or slippery floors, tripping hazards from elevated platforms, event decorations or floor cable casings, and incidents involving fallen objects (e.g. shattered glass fragments, sharp objects, or exposed electrical cables), which may result in customer injuries, complaints, legal implications, or liability claims.
Risk Appetite	Pavilion REIT has a very low appetite for incidents that may cause physical harm to customers or result in reputational or legal exposure.
Risk Level	Medium
Time Horizon	Short
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Facilities Management Department Operations Department
Opportunities	Promote Pavilion REIT's commitment to safety and well-being, enhancing public trust and tenant satisfaction. Strong safety performance also supports potential reductions in insurance premiums and operational disruptions.

OUR RISK AND OPPORTUNITIES

Cont'd

Risk Category	Health & Safety Risk
Risk Name	Physical Injury of Customers in Building
Mitigation	<ul style="list-style-type: none"> Cleaning teams are deployed to promptly clean any spilled water or wet floors, with cleaners on maintenance rounds intensified during heavy rain. Prominent caution and warning tapes are displayed at potential hazard spots. Event decorations setups are reviewed by the EHS team, which also conducts periodic safety checks and observations. The Safety Committee reports unsafe or hazardous conditions for immediate action, while Operations teams continuously review and recommend improvements based on past incidents. Public Liability and Third-Party Bodily Injury insurance coverage is maintained to mitigate potential claims.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Health and Safety

Item No. 5

Risk Category	Tenant Concentration Risk
Risk Name	Single Tenant Dependency Risk (DA MEN Mall)
Risk Description	Overreliance on Easyhome (master tenant) as a single tenant exposes DA MEN Mall to potential revenue loss and reputational impact if the tenant underperforms, defaults or exits.
Risk Appetite	Pavilion REIT has a low appetite for revenue concentration risks that may arise from dependence on a single tenant. Management prioritises portfolio diversification and active monitoring of tenant performance
Risk Level	Medium
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Asset Managers Leasing Department Finance Department Facilities Management Department
Opportunities	Leverage on partnership with Easyhome to attract synergistic tenants and enhance mall positioning. Reconfiguration or re-leasing of space offers potential to improve tenant mix and rental yield in the long term.
Mitigation	<ul style="list-style-type: none"> Finance and Leasing teams regularly monitor the master tenant's financial and operational performance, supported by ongoing relationship management with the tenant's leadership team. Monthly mall visits are conducted to assess sub-tenancy take-up rates and tenant quality. Property manager has been engaged to provide oversight of facilities management to ensure compliance with regulatory requirements. Finance, Leasing and Facilities Management jointly review progress through regular site visits and engagement. Market trends and the master tenant's financial health are continuously monitored to identify early warning signals.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Economic Performance Brand Value and Recognition

OUR RISK AND OPPORTUNITIES

Cont'd

Item No. 6

Risk Category	Strategic Risk
Risk Name	Acquisition and Investment Risk
Risk Description	Risk that acquisitions or investments do not deliver accretive returns or strategic fit, resulting in adverse impacts on Pavilion REIT's financial performance, portfolio quality, sustainability objectives and unitholder value.
Risk Appetite	Pavilion REIT has a low tolerance for non-accretive or value-dilutive investments. All acquisitions and capital investments must be earnings-accretive, strategically aligned and meet clearly defined financial, operational, sustainability criteria, with risks mitigated to an acceptable level prior to approval.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Asset Managers
Opportunities	A prudent acquisition and investment strategy enables Pavilion REIT to enhance portfolio resilience, improve asset quality and sustainability performance as well as deliver stable long-term income growth, thereby strengthening investor confidence and long-term unitholder value.
Mitigation	<ul style="list-style-type: none"> Conduct comprehensive financial, operational, legal, tax and sustainability due diligence prior to any acquisition or investment. Assess acquisitions against clearly defined investment criteria, including yield accretion, risk-adjusted returns, strategic fit and sustainability performance. Subject all investments to board for approval Perform post-acquisition performance reviews to ensure investment objectives and assumptions are achieved.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Asset Acquisition and Management Economic Performance

Item No. 7

Risk Category	Strategic Risk
Risk Name	Valuation Risk
Risk Description	Risk that property valuations may not be sustainable due to changes in market conditions, asset performance or tenant quality, potentially affecting Pavilion REIT's asset value, profitability, gearing levels and investor confidence.
Risk Appetite	Pavilion REIT has a low risk appetite for valuation volatility and seeks to maintain stable and sustainable property valuations through proactive asset management, portfolio diversification and prudent capital management.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Asset Managers
Opportunities	Effective asset and tenant management enables Pavilion REIT to optimise tenant mix, maintain high occupancy rates, enhance net lettable area and rental potential, and strengthen the long-term attractiveness and valuation of its properties.

OUR RISK AND OPPORTUNITIES

Cont'd

Risk Category	Strategic Risk
Risk Name	Valuation Risk
Mitigation	<ul style="list-style-type: none"> Proactively curate and optimise tenant mix to drive quality and sustainable shopper traffic. Actively manage tenant performance and lease structures to support rental growth and occupancy stability. Implement ongoing AELs to improve asset quality, shopper experience and long-term valuation resilience. Monitor market conditions and valuation assumptions to ensure timely management actions.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Asset Acquisition and Management Economic Performance

Item No. 8

Risk Category	Financial Risk
Risk Name	Collection, Credit and Liquidity Risk
Risk Description	Risk that delayed or non-payment by tenants or counterparties may disrupt Pavilion REIT's liquidity, potentially resulting in impaired receivables, the need for temporary borrowings to support operational requirements and reductions in distributions to unitholders. Effective credit assessment, proactive tenant engagement, and timely collection management are essential to safeguard the REIT's financial stability and protect unitholder value.
Risk Appetite	Pavilion REIT has a low tolerance for cash flow disruptions and seeks to maintain sufficient liquidity through reliable tenant collections and prudent credit management.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Finance Department Leasing Department
Opportunities	Ensuring timely collections and managing credit risk enhances Pavilion REIT's liquidity, supports uninterrupted operations and safeguards stable distribution to unitholders. Strong tenant relationships also reinforce long-term occupancy and portfolio resilience.
Mitigation	<ul style="list-style-type: none"> Conduct thorough credit evaluation and due diligence on all new tenants or counterparties before entering agreements. Maintain continuous engagement with existing tenants to strengthen relationships and anticipate potential payment issues. Apply stringent collection policies and actively follow up on outstanding receivables. Offer temporary support measures (e.g., rebates, deferred base rent increases) where appropriate to assist tenants in meeting obligations. Escalate to legal action if settlement negotiations fail and receivables remain unpaid. Monitor liquidity regularly and maintain contingency funding plans to ensure operational continuity.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Asset Acquisition and Management Economic Performance

OUR RISK AND OPPORTUNITIES

Cont'd

Item No. 9

Risk Category	Financial Risk
Risk Name	Financing Risk
Risk Description	Risk that Pavilion REIT may be unable to obtain or renew financing facilities on favourable terms, or that changes in interest rates could increase borrowing costs, reducing income before taxation and distributable income to unitholders.
Risk Appetite	Pavilion REIT maintains a low tolerance for financing and interest rate risks, seeking to ensure sufficient access to funding at reasonable cost while protecting income and distributions to unitholders.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Finance Department
Opportunities	Proactive financing and interest rate management can improve Pavilion REIT's financial flexibility, reduce funding risk and enhance predictability of income and distributions to unitholders. Strategic use of fixed-rate borrowings or hedging instruments can also optimise funding costs.
Mitigation	<ul style="list-style-type: none"> Engage lenders and debt capital market participants to secure favourable funding terms, including tenor, pricing, and covenants. Diversify funding sources to reduce reliance on a single institution or channel. Maintain adequate debt service capacity to ensure financial flexibility. Monitor interest rates and use fixed-rate borrowings or hedging instruments strategically to manage interest rate risk.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Asset Acquisition and Management Economic Performance

Item No. 10

Risk Category	Financial Risk
Risk Name	Interest Rate Risk
Risk Description	Risk of unfavourable movements in floating interest rates, which could increase borrowing costs and reduce Pavilion REIT's income before taxation and distributable income to unitholders. Despite Malaysia's OPR being 2.75% in 2025, effective interest rate management remains essential to protect income and distributions.
Risk Appetite	Pavilion REIT maintains a low tolerance for unexpected increases in borrowing costs and actively manages interest rate exposure to preserve stable income and distributions.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Finance Department
Opportunities	Proactive interest rate risk management enhances financial predictability, optimises borrowing costs and strengthens Pavilion REIT's ability to maintain stable distributions. Strategically using fixed-rate borrowings or hedging instruments can reduce vulnerability to interest rate fluctuations and improve investor confidence.
Mitigation	<ul style="list-style-type: none"> Hedge interest rate exposure using appropriate instruments. Monitor market rates and convert floating-rate debt to fixed-rate strategically when timing is favourable. Incorporate interest rate considerations into financial planning and debt structuring, ensuring that debt service remains manageable under various scenarios.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Asset Acquisition and Management Economic Performance Macroeconomic Issues

OUR RISK AND OPPORTUNITIES

Cont'd

Item No. 11

Risk Category	Operational / Financial / Strategic / Compliance Risk
Risk Name	Business Continuity Risk
Risk Description	Risk that Pavilion REIT's operations may be disrupted, preventing the business from operating at an optimal level. Effective business continuity planning is essential to safeguard staff, tenants, critical systems and unitholder value during unforeseen events.
Risk Appetite	Pavilion REIT maintains a low tolerance for operational disruptions and prioritises preparedness to ensure continuity of critical operations and services.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	Heads of Business Units Asset Managers
Opportunities	Enhancing business continuity capabilities improves operational resilience, protects tenant and stakeholder confidence and supports Pavilion REIT's reputation as a reliable and well-managed investment.
Mitigation	<p>IT & Systems</p> <ul style="list-style-type: none"> Conduct annual disaster recovery plan; cloud-based and on-premise systems validation to meet recovery time and recovery point objective. Periodic review of IT systems, user privileges and remote access capabilities to maintain system resilience. <p>EHS & Security</p> <ul style="list-style-type: none"> Regular emergency response team training for fire, hazard and earthquake scenarios, including EV fires and chemical storage incidents. Tenant fire safety briefings and evacuation drills to ensure life safety and effective assembly point management. Tabletop and full-scale BCP exercises, including coordination with Security, Fire, First Aid and external agencies (BOMBA, St. John Ambulance), validating evacuation, interagency communication and operational recovery. <p>Finance</p> <ul style="list-style-type: none"> Financial backups, disaster recovery, dual authorisation, segregation of duties and cross-training of staff to maintain financial operations during disruption. Cloud-based accounting system and remote access capabilities for operational continuity. <p>HR & Legal</p> <ul style="list-style-type: none"> Succession planning to reduce dependency on key individuals. Secure storage and accessibility of legal documents for operational continuity. <p>Marketing & Communication</p> <ul style="list-style-type: none"> Crisis management manual in place, including disaster recovery for CRM systems and online communication plans. <p>Governance & Monitoring</p> <ul style="list-style-type: none"> Regular risk reviews, mitigation updates and staff training to maintain readiness and resilience.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Economic Performance Data Privacy and Cybersecurity Health and Safety Climate Change Brand Value and Recognition Asset Acquisition and Management Procurement and Supply Chain

OUR RISK AND OPPORTUNITIES

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Item No. 12

Risk Category	Compliance Risk
Risk Name	Legal and Regulatory Compliance Risk
Risk Description	Risk of non-compliance with applicable laws, regulations and regulatory requirements, which may result in fines, penalties, enforcement actions or investigations by the authorities and could adversely affect Pavilion REIT's operations, financial performance, reputation and stakeholder confidence.
Risk Appetite	Pavilion REIT has a low tolerance for regulatory and legal non-compliance and is committed to full compliance with all applicable laws, regulations and governance requirements.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> • Legal and Compliance Department • Human Resource Department • Facilities Management Department
Opportunities	Strong legal and regulatory compliance enhances corporate governance, strengthens Pavilion REIT's reputation, promotes sound procurement and human rights practices, supports a strong safety culture and reinforces stakeholder and investor confidence.
Mitigation	<ul style="list-style-type: none"> • Identify and assess bribery and corruption risks on a quarterly basis. • Avoid business dealings with third parties suspected of improper or unethical practices. • Conduct due diligence on business partners, contractors and suppliers to assess compliance, integrity and bribery risks. • Provide regular, bilingual compliance training to ensure employees understand and adhere to Pavilion REIT's policies and procedures. • Ensure compliance with key regulatory requirements, including OSHA 1994, Fire Services Act 1988 and Electricity Supply Act 1990, Employment Act 1955, Industrial Relations Act 1967 and Minimum Wage Order. • Implement HIRARC across operations to identify, assess and control safety and operational risks. • Uphold human rights practices throughout operations and the supply chain. • Maintain strong organisational governance, corporate reporting and regulatory change monitoring to ensure timely response to evolving laws and regulations.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> • Business Ethics and Compliance • Energy Management • Water Management • Waste Management • Climate Change • Health and Safety • Data Privacy and Cybersecurity • Procurement and Supply Chain • Human Rights Management

OUR RISK AND OPPORTUNITIES

Cont'd

Item No. 13

Risk Category	Operational Risk
Risk Name	Process and Systems Failure Risk
Risk Description	Risk of financial or operational loss arising from inadequate or failed internal processes, people or systems, including control weaknesses, system outages or procedural gaps, which may disrupt operations, affect service delivery and impact business performance.
Risk Appetite	Pavilion REIT has a low tolerance for failures in critical processes and systems and seeks to maintain robust procedures, controls and system reliability to support uninterrupted operations.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Facilities Management Department Human Resource Department Legal and Compliance Department
Opportunities	Strengthening operational processes and system reliability enhances efficiency, reduces operational disruptions and costs, supports business continuity and improves resource efficiency in energy, water and waste management, contributing to sustainable operational performance.
Mitigation	<ul style="list-style-type: none"> Improve operational efficiency and cost effectiveness through documented procedures and regular reviews. Maintain strong internal controls over energy, water and waste management to prevent operational failures and inefficiencies. Conduct regular inspections, testing and calibration of electrical and critical building systems to ensure safe and reliable operation. Implement cybersecurity awareness programmes to reduce risks of system failure and data incidents. Require contractors to undergo pre-evaluation and KYC background checks to assess financial stability and ethical conduct. Conduct quarterly human rights audits at foreign workers' accommodation of security and cleaning service providers. Verify compliance with minimum wage and labour regulations among service providers. Provide flood mitigation and operational risk response training to relevant staff and service providers.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Energy Management Water Management Waste Management Climate Change Data Privacy and Cybersecurity Procurement and Supply Chain Human Rights Management

OUR RISK AND OPPORTUNITIES

Cont'd

Item No. 14

Risk Category	Environmental Risk
Risk Name	Climate Change Risk
Risk Description	Risk of physical loss, damage or operational disruption arising from acute and chronic climate-related events, including floods, extreme weather, heatwaves, haze and water stress, which may adversely affect Pavilion REIT's asset value, operating costs, tenant operations, business continuity and long-term financial performance.
Risk Appetite	Pavilion REIT has a low tolerance for climate-related physical risks and seeks to protect asset value, income stability and stakeholder safety through proactive adaptation, preparedness and response measures.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Facilities Management Department including EHS and Security Asset Managers
Opportunities	Strengthening climate resilience through proactive risk management enhances asset durability, reduces disruption and repair costs, protects tenant operations, supports long-term asset valuation and improves Pavilion REIT's attractiveness to investors, tenants and insurers.
Mitigation	<p>Physical Climate Risk Mitigation</p> <ul style="list-style-type: none"> Implement flood mitigation mechanisms and install flood defence equipment such as drainage pumps. Maintain property-level emergency response and crisis management teams across all assets. Conduct regular climate-related emergency drills and response training. <p>Water Stress & Heat</p> <ul style="list-style-type: none"> Appoint third-party water tanker suppliers during supply disruptions. Optimise chiller operations during water shortages and heatwaves. Monitor indoor environmental conditions to maintain occupant comfort and safety. <p>Extreme Weather & Wind Events</p> <ul style="list-style-type: none"> Monitor wind direction and strength using installed wind-socks. Enforce SOPs for suspension of outdoor activities and securing of facilities during extreme wind conditions. <p>Air Quality & Haze</p> <ul style="list-style-type: none"> Adjust ventilation to improve fresh air intake when required. Install and maintain air filtration systems. Provide personal protective equipment, rotate staff on duties or minimise access when poor air quality is identified. <p>Pandemic & Health Emergencies</p> <ul style="list-style-type: none"> Comply with government-issued health advisories. Implement split-team arrangements and alternate work locations under the Business Continuity Plan.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Energy Management Water Management Waste Management Climate Change

OUR RISK AND OPPORTUNITIES

Cont'd

Item No. 15

Risk Category	Human Resource Risk
Risk Name	Talent Attraction and Retention Risk
Risk Description	Risk of failing to attract, retain and develop capable staff, which may affect operational performance, succession planning and the long-term sustainability of Pavilion REIT's workforce.
Risk Appetite	Pavilion REIT has a low appetite for talent gaps and turnover and is committed to attracting, retaining and developing skilled and talented employees through competitive benefits, learning and development opportunities and an inclusive, high-performance culture to support sustainable operations and long-term business growth.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Human Resource Department
Opportunities	Effective talent development and upskilling programmes, competitive benefits and an inclusive and diverse work culture enhance attraction, retention and employee performance, while fostering high-quality decision-making.
Mitigation	<ul style="list-style-type: none"> Implement a merit-based, inclusive hiring process to attract high-quality candidates. Regularly review and enhance employee benefits and remuneration. Provide reskilling and upskilling learning and development programmes. Enforce a Whistleblowing Policy for reporting unethical practices, discrimination or harassment anonymously. Develop succession plans and talent pipelines for key roles. Enhance employee engagement and performance management to retain top talent.
Mapping to Pavilion REIT's Sustainability Matters	Talent Attraction and Retention Training and Development Diversity and Equal Opportunity

OUR RISK AND OPPORTUNITIES

Cont'd

Item No. 16

Risk Category	Strategic / Reputation Risk
Risk Name	Community & Stakeholder Engagement Risk
Risk Description	Risk of failing to effectively engage with the local community, tenants, shoppers and other stakeholders, which may result in diminished trust, reputational damage, reduced mall footfall, weakened tenant relationships and decreased investor confidence. Lack of engagement could also impact Pavilion REIT's ability to implement sustainability initiatives and achieve long-term strategic objectives.
Risk Appetite	Pavilion REIT has a low tolerance for ineffective stakeholder and community engagement and is committed to maintaining strong relationships with all stakeholders through transparent communication, proactive initiatives and meaningful involvement.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> Marketing Department Asset Managers
Opportunities	Effective community and stakeholder engagement enhances Pavilion REIT's brand reputation, strengthens trust with tenants, shoppers and investors, supports mall footfall and tenant satisfaction and creates long-term value through CSR initiatives and collaborative community programs.
Mitigation	<ul style="list-style-type: none"> Implement a structured stakeholder engagement program, including regular meetings, surveys and feedback sessions. Conduct CSR initiatives that support local communities, environmental programs and social development. Develop and maintain a public communication plan for transparency and timely dissemination of key information to stakeholders. Collaborate with tenants to organize joint community and promotional events, enhancing mall footfall and shopper experience. Monitor and track stakeholder concerns, complaints and suggestions, with timely responses and remediation. Periodically review and update engagement strategies to reflect changing stakeholder expectations and sustainability priorities.
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> Community and Stakeholder Engagement Brand Value and Recognition Business Ethics and Compliance

OUR INVESTMENT STRATEGY

As the Manager paves the way to achieving Pavilion REIT’s vision, which is to be the leading and most sought-after REIT in Malaysia, the Manager recognises the importance of integrating sustainability into Pavilion REIT’s business operations and embrace a top-down approach which focuses on the “Creation of Impact” to its stakeholders and the environment. With this in mind, the Manager has reviewed Pavilion REIT’s business strategies as follows:



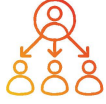


















Section 5: CREATING SUSTAINABLE IMPACT

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CREATING SUSTAINABLE IMPACT

2025 Sustainability Highlights

 <p>>99% of vendor and suppliers engaged were local</p>	 <p>Green Lease Clauses incorporated into Tenancy Agreement</p>	 <p>80% tenant satisfaction rate across all Pavilion REIT properties ⁽³⁾</p>	 <p>Sustainability Policy in place</p>
 <p>Pavilion Tower & Pavilion Kuala Lumpur Mall received LEED Gold Certification from the U.S. Green Building Council</p>	 <p>Achieved a 91% overall employee satisfaction score ⁽¹⁾</p>	 <p>Anti-corruption training has been provided to 100% of employees, including all board members</p>	
 <p>Zero work-related fatality reported in 2025</p>	 <p>Zero incidents recorded resulting from Vendor Code of Conduct</p>	 <p>Zero reported cases of bribery and corruption since FY2020</p>	 <p>Zero complaints concerning breaches of customer privacy and loss of customer data</p>
 <p>Expanded Scope 3 emissions reporting</p>	 <p>Achieved 33% renewable electricity usage</p>	 <p>81% shopper satisfaction rate across all Pavilion REIT malls ⁽²⁾</p>	
 <p>Participant member of GRESB</p>	 <p>Pavilion REIT has been included in the FTSE4GOOD Bursa Malaysia Index since 2024</p>	 <p>7% landfill diversion rate</p>	 <p>Collected 188.7 tonnes of food waste, resulting in 17.6 tonnes of compost</p>

(1) Based on the most recent employee engagement survey conducted in FY2024
 (2) Based on the most recent customer satisfaction survey conducted in FY2024
 (3) Based on the most recent tenant satisfaction survey conducted in FY2025

PAVILION REIT'S SUSTAINABILITY STATEMENT

REITs and the real estate industry are fundamental in building up the infrastructure of our nation. The Fund is well positioned to take a leadership role in strategic investment, good governance, environmental stewardship and responsible social practices within our society and nation. In today's business landscape, creating continuous sustainable value requires a comprehensive and integrated approach that serves all stakeholders, including investors, tenants, employees, and local communities. Businesses are required to address and manage the full range of sustainability risks and opportunities. With the rapid growing concern within REIT's stakeholders, it is vital for REITs and the real estate industry to accelerate their sustainability journey.

At Pavilion REIT, the Manager constantly seeks ways to create a sustainable impact to Pavilion REIT's business and stakeholders. In this section, we describe the efforts and performance in managing sustainability matters which are categorised into the sub-sections below.

I

INVESTING STRATEGICALLY

Grow Pavilion REIT's portfolio with long-term value creation and future-proofed solutions.

Describing efforts to manage economic-related sustainability matters – economic performance, asset acquisition and management, macroeconomic issues, procurement and supply chain.

M

MAINTAINING GOOD GOVERNANCE

Maintain strong corporate governance practices that uphold transparency and accountability.

Describing efforts to manage governance-related sustainability matters – business ethics and compliance, data privacy and cybersecurity.

P

PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Minimise environmental footprint through responsible resource management, carbon reduction, and biodiversity protection.

Describing efforts to manage environmental-related sustainability matters – climate change, energy, waste and water management.

A

ACCLAIMING TRUSTED BRAND REPUTATION

Cultivate a positive brand image through ethical sourcing, responsible supply chains, and community engagement.

Describing efforts to maintain Pavilion REIT's brand value and recognition.

C

CARING FOR LOCAL COMMUNITY

Actively contribute to the well-being of surrounding communities through social responsibility initiatives and employee volunteerism.

Describing efforts to manage community-related sustainability matters – community and stakeholder engagement.

T

TRANSFORMING TALENT MANAGEMENT

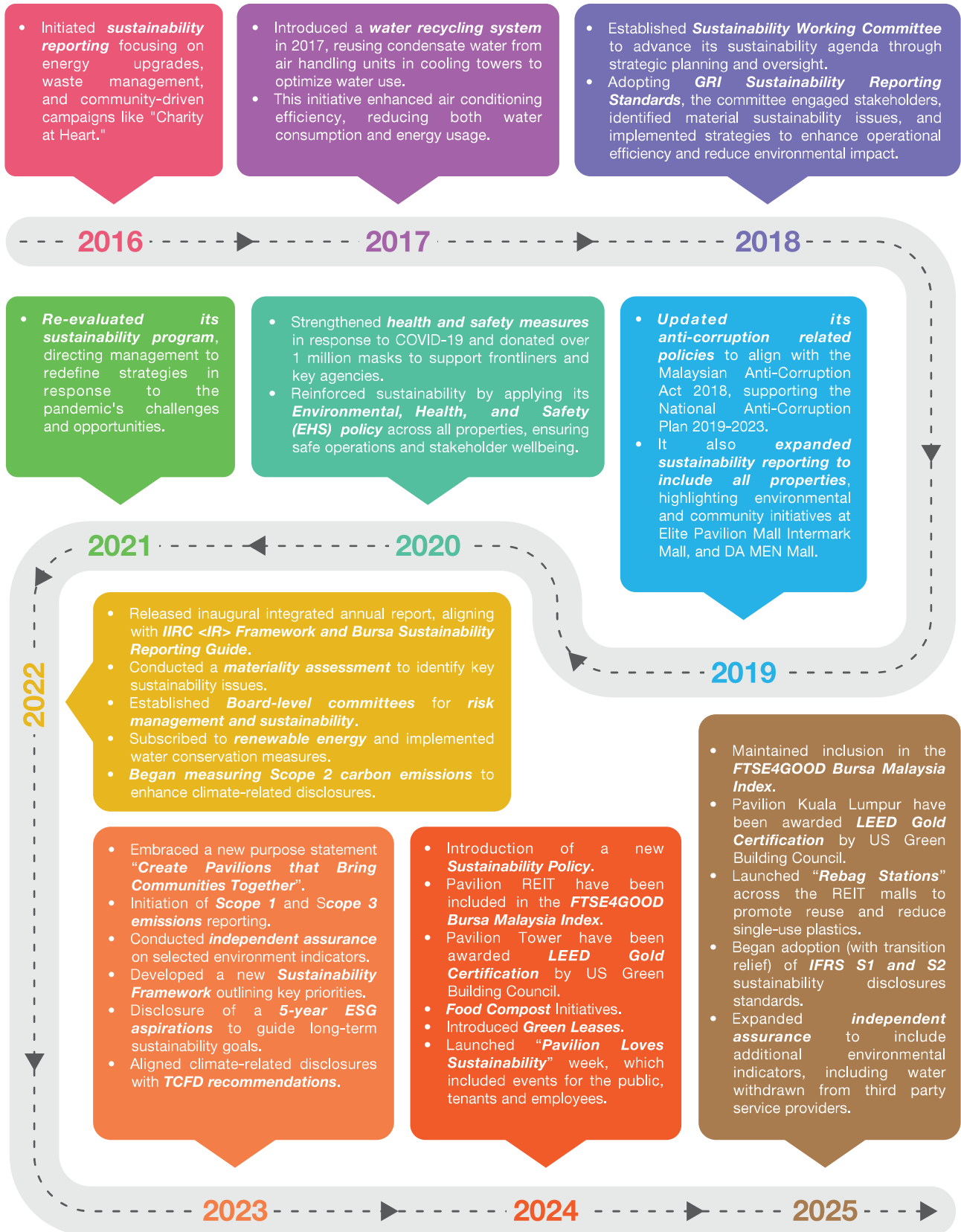
Invest in people, fostering a diverse and inclusive workplace that empowers personal and professional growth.

Describing efforts to manage talent-related sustainability matters – talent attraction and retention, training and development, human rights management, diversity and equal opportunity, health and safety.

PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Our Sustainability Journey



PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Framework

Pavilion REIT adheres to the principles of EESG and prioritises the integration of sustainable practices into all its operations. This Sustainability Framework defines the Manager's approach to EESG, outlining the established goals and objectives for achieving sustainable development. It serves as a key component of Pavilion REIT's overall sustainability strategy and is designed to facilitate Pavilion REIT's progress towards its long-term sustainability aspirations, thereby contributing to the creation of value for its stakeholders.

Vision
To be the leading and most sought-after REIT in Malaysia.

Mission
To provide unitholders with regular and stable distributions to achieve long term growth in net asset value per unit and maintaining an appropriate capital structure, whilst balancing stakeholders needs.

Purpose
Create Pavilions that brings communities together.

Core Values

EXCELLENCE	INTEGRITY & COMPLIANCE	RESPECT & RESPONSIBILITY	HEALTH & SAFETY	EQUITY & INCLUSION
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Sustainability Pillars

Investing Strategically	Maintaining Good Governance	Practicing Responsible Environment Stewardship	Acclaiming Trusted Brand Reputation	Caring for Local Community	Transforming Talent Management
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Sustainability Matters

<ul style="list-style-type: none"> Economic Performance Macroeconomic Issues Asset Acquisition & Management Procurement & Supply Chain 	<ul style="list-style-type: none"> Business Ethics & Compliance Data Privacy & Cybersecurity 	<ul style="list-style-type: none"> Climate Change Energy Management Water Management Waste Management 	<ul style="list-style-type: none"> Brand Value & Recognition 	<ul style="list-style-type: none"> Community & Stakeholder Engagement 	<ul style="list-style-type: none"> Health & Safety Training & Development Diversity & Equal Opportunity Human Rights Management Talent Attraction and Retention
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Note: Text in blue are the key matters (high significance to Pavilion REIT's stakeholders and business)

Stakeholder Groups

Board of Directors	Employees	Government	Unitholders/ Investors/ Fund Manager/ Financier	Analysts	Vendors, Contractors and Service Providers
Shoppers	Tenants	NGOs	Local Community	Media	

Our Commitments




Reporting Framework, Standards & Best Practices






PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Governance

Pavilion REIT's sustainability governance structure is seamlessly integrated into its corporate governance framework. To ensure comprehensive sustainability integration across all property aspects, the Board and its committees' responsibilities have been expanded to encompass sustainability elements, as reflected in their updated terms of reference.



Board of Directors

The Board of Directors ultimately steers Pavilion REIT's strategic direction on sustainability while being supported by dedicated Board Committees through delegated tasks. Pavilion REIT's Sustainability Working Committee (SWC) is helmed by the Manager's CEO and includes its management team, reporting directly to the Sustainability Committee (SC).

Sustainability Committee (SC)

The SC comprising six members, mainly independent directors, oversees and reviews Pavilion REIT's sustainability strategy at least twice in a year, including climate-related considerations, sustainability risks and opportunities, all relevant policies and the SWC's performance. The SC also plays a crucial role in advising the Board on the adequacy and effectiveness of the sustainability strategy and initiatives framework.

The CEO spearheads the development and implementation of the sustainability strategy, oversees its management, and reports progress, including key ESG advancements, to the SC for the Board's approval, covering ESG priorities and commitments. Additionally, the CEO communicates the Board's vision, strategy, policies and responsibilities to the SWC.

Sustainability Working Committee (SWC)

Comprising of representatives from every reporting unit in each operating property and asset, the SWC actively supports the ESG agenda across various functions. The SWC plays a key role in the day-to-day execution of the organization's sustainability strategies and plans.

Demonstrating a commitment to informed decision-making, the Board of Directors and Sustainability Committee actively participate in periodic capacity-building programs to stay equipped with the knowledge necessary for managing sustainability challenges and opportunities, with a specific focus on climate-related aspects.

PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Policy

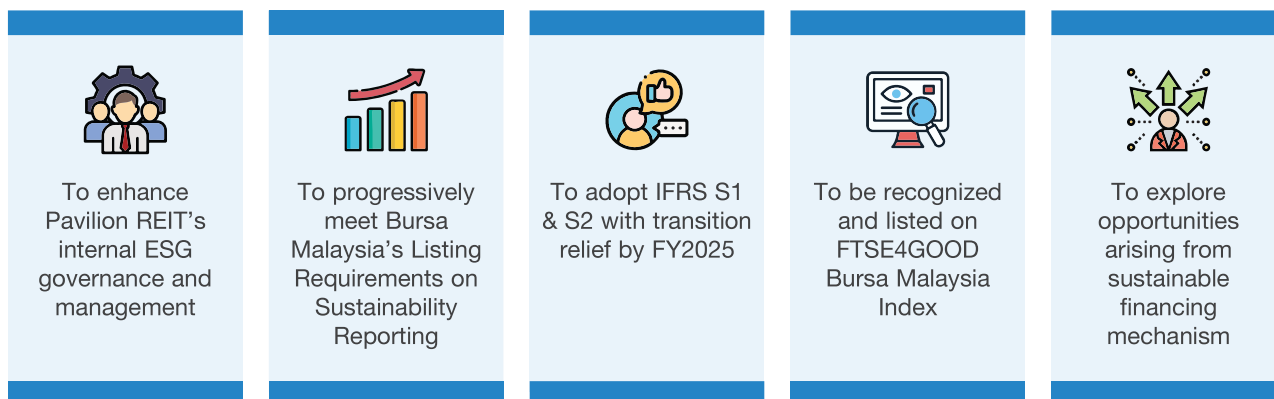
Aligned with Sustainability Framework, Pavilion REIT has established a Sustainability Policy, effective from 24 January 2024. This policy serves as a comprehensive guide for implementing responsible ESG practices, including climate-related considerations, to ensure long-term value creation for its stakeholders and the communities it serves. The roles and responsibilities of sustainability committees, senior management, and working-level teams are clearly defined within the policy, ensuring accountability and effective implementation across all levels. This policy acts as a roadmap for embedding sustainability principles into every facet of Pavilion REIT's business operations. It aims to:

- Provide clear guidance to employees and stakeholders on Pavilion REIT's commitment to sustainability and its strategic direction.
- Integrate sustainability principles seamlessly into all aspects of Pavilion REIT's operations.
- Foster vibrant and inclusive communities by creating Pavilions that serve as hubs for connection, engagement, and shared growth.

Through this policy, Pavilion REIT reaffirms its dedication to building a sustainable future for all.

Pavilion REIT's 5 Year ESG Aspiration

Pavilion REIT's 5-year ESG aspiration from FY2023 to FY2027:



Pavilion REIT is actively integrating sustainability into its business operations through five key focus areas—governance, strategy, integrated risk management, performance monitoring and business activities. Pavilion REIT's Sustainability Roadmap is structured across three key time horizons—short-term (0 to 12 months), medium-term (1 to 5 years), and long-term (beyond 5 years)—with defined goals and measurable progress stated under the pillars outlined in *Section 5: Creating Sustainable Impact*.

These pillars include Investing Strategically, Maintaining Good Governance, Practicing Responsible Environmental Stewardship, Acclaiming Trusted Brand Reputation, Caring for Local Community and Transforming Talent Management.

By aligning sustainability efforts with these pillars, Pavilion REIT remains dedicated to fostering environmental responsibility, promoting social well-being and upholding transparent governance. This structured approach supports the Manager's commitment to delivering sustainable growth, enhancing stakeholder value and ensuring long-term business resilience.

PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Performance Scorecard

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
I: INVESTING STRATEGICALLY	Procurement and Supply Chain	Zero incidents recorded resulting from Vendor Code of Conduct	In FY2025, there were zero (0) cases of non-compliance incidents recorded resulting from Vendor Code of Conduct
		To support local companies and establish good relations with the local business community through local procurement	In FY2025, more than 99% of its vendor services were procured locally, with the remaining spent on international service providers for information technology, marketing and promotional purposes.
M: MAINTAINING GOOD GOVERNANCE	Business Ethics and Compliance	To achieve 100% attendance to anti-corruption training	<ul style="list-style-type: none"> All Board members were given the training. 100% of employees participated in anti-corruption training.
		Zero reported cases of bribery and corruption	<p>In FY2025:</p> <ul style="list-style-type: none"> no corruption incident reports were submitted through the whistleblowing portal. no employees faced dismissal or disciplinary action for corruption-related offenses. no contracts with business partners were terminated or not renewed due to corruption violations. no public legal cases involving corruption were brought against Pavilion REIT or its employees.
	Data Privacy and Cybersecurity	Zero reports of complaints concerning breaches of customer privacy and loss of customer data	There were no complaints concerning breaches of customer privacy and losses of customer data in FY2025.
P: PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP	Climate Change	<ul style="list-style-type: none"> 20% Carbon Reduction by 2030: To reduce Pavilion REIT's Scope 2 carbon emissions by 20% compared to FY2019 levels by the year 2030. Net Zero Carbon by 2050 (Scope 1 & 2 Operational Emissions): Please refer to Section 5.3: <i>Practicing Responsible Environment Stewardship – Climate Change for more details on this target.</i> 20% Intensity Reduction (Scope 1 & 2): To achieve a 20% reduction in carbon intensity for Pavilion REIT's direct and indirect operations (scope 1 and 2) by 2030, compared to FY2019. 	<p>Pavilion REIT reports its owned or controlled generator sets usage as Scope 1 emission, contributing approximately 51.2 tCO₂e in FY2025.</p> <p>FY2019 is Pavilion REIT's base year for Scope 2 emissions, recalculated to include Pavilion Bukit Jalil, with FY2024 used as a proxy for this asset. The recalculated base year total is 125,585 tCO₂e. In FY2025, Scope 2 emissions were 72,194 tCO₂e, representing an approximate 42% reduction, driven by adoption of renewable electricity via Malaysia's GET program.</p> <p>In FY2025, Pavilion REIT achieved a GHG emission intensity of 0.19 tCO₂e/m², reflecting an improvement from 0.22 tCO₂e/m² in FY2019, which represents an 14% reduction in emission intensity. Excluding Scope 3 emissions, the GHG emission intensity decreases further to 0.10 tCO₂e/m², representing a 55% reduction.</p>

PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
	Energy Management	<ul style="list-style-type: none"> 3% reduction in landlord electricity consumption by 2030 vs FY2019 50% renewable electricity by 2040 by all Pavilion REIT assets under operational control 	<p>Overall landlord energy consumption across all properties showed a decrease of 14% compared to FY2019.</p> <p>Achieved 33% renewable electricity usage across REIT properties, driven by GET subscriptions at Pavilion Kuala Lumpur Mall and Intermark Mall.</p>
	Waste Management	<ul style="list-style-type: none"> FY2024: Target of diverting 5% of waste from landfills as compared to FY2019. FY2025 - FY2027: Accelerate progress, reaching a 10% landfill diversion rate. 	Pavilion REIT diverted 7% of waste from landfills in FY2025.
	Water Management	To achieve 2% reduction in landlord water consumption by 2030 compared to FY2019	Overall landlord water consumption across all properties showed a decrease of 16% as compared to FY2019.
A: ACCLAIMING TRUSTED BRAND REPUTATION	Brand Value and Recognition	To be a responsible corporate citizen, with the aim to increase brand value and recognition within the REIT industry via higher tenant satisfaction and unitholder investment.	<p>Pavilion Kuala Lumpur Mall, a testament to this commitment, has been awarded an impressive 64 accolades to date (up from 58 in 2024) by esteemed local and international councils and associations.</p> <p>A shopper satisfaction survey reaffirmed its commitment to providing a sustainable and enjoyable shopping experience. By gathering shopper feedback, the Manager can enhance mall operations and collaborate closely with tenants to create a more engaging retail environment. A better shopping experience ultimately strengthens tenant performance and adds value for unitholders. The shopper satisfaction score for Pavilion REIT malls stands at 81%.</p> <p>Tenant satisfaction survey was also conducted to assess service quality and identify opportunities for improvement with overall satisfaction score of 80%.</p>

PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
C: CARING FOR LOCAL COMMUNITY	Community & Stakeholder Engagement	Targets by FY2030 including: <ul style="list-style-type: none"> Reaching and supporting 1,000 beneficiaries in communities surrounding Pavilion REIT properties; Raising and contributing RM1 million (in cash and in kind) towards funding CSR activities; and Achieving 1,000 hours of employee volunteerism. 	In 2025, the Manager raised and contributed RM0.7 million in cash and in-kind donations, benefiting 6,483 individuals. During these community engagement events, employees and non-employees contributed a total of 10,004 volunteer hours. Additionally, the total number of people engaged throughout the year, including shoppers and the wider community, was approximately 18,002.
T: TRANSFORMING TALENT MANAGEMENT	Talent Attraction and Retention	To develop values that attract exceptional talents as well as to provide new benefits for the employees to ensure a fair working environment and a healthy work-life balance for all	In 2025, the Manager maintained a steady influx of new talent with a 3.6% new hire rate and employee retention climbed to 100%.
	Training and Development	To develop its employees' talents and maximise their potential by creating a work environment that informs, educates, and inspires employees to achieve their professional and personal goals and aspirations.	Recorded an increase of 10.3% in total training hours compared to the previous financial year
	Human Rights Management	Zero tolerance approach to abuse of human rights	Zero complaints concerning human rights violation since adoption of Human Rights Policy
	Diversity and Equal Opportunity	<ul style="list-style-type: none"> At least 30% female participation in leadership roles at management level At least 30% female participants at board level 	<ul style="list-style-type: none"> 36% of Board of Directors in 2025 were women, which is higher than 30% recommendation by the MCCG 67% of leadership roles are held by women at the management level in 2025 68% of the Manager's employees in 2025 were female
	Health and Safety	<ul style="list-style-type: none"> Zero fatality annually Maintain zero work-related injuries 	<ul style="list-style-type: none"> Zero fatality reported in 2025 2 injuries reported in 2025 due to oversight of the injured parties. Thorough investigations were conducted and prevention measures were defined to avoid recurrence.

I : INVESTING STRATEGICALLY

ECONOMIC PERFORMANCE

Why It Matters and Approach

Pavilion REIT remains committed to creating long-term financial value for all its stakeholders. As one of the largest real estate investment trusts in Malaysia, Pavilion REIT contributes to the Malaysian economy through our strategic investment strategy which involves a diversified portfolio of income-producing real estate assets across Malaysia.

The Manager oversees operating cash flows, financing arrangement, investment, and debt maturity profile to ensure the generation of economic value through its performance.

In addition, Pavilion REIT has observed various positive indirect socio-economic impacts derived from its operations which include the growth of small-medium enterprises within its properties which led to an increase in job opportunities for the surrounding neighbourhoods in the areas where it operates.

Separately, the Manager has also held various community development and enhancement programmes for the local community. These philanthropic programmes aim to support the underprivileged communities, which include youth and women, to improve their welfare. More information on how Pavilion REIT creates indirect economic value for its stakeholders can be found in the "Caring for the Community" section.

Progress

Creating Economical Values for Stakeholders

The Manager aims to develop strategic key initiatives to create economical values which can lead to better economic performance. The table below shows the key initiatives that was implemented by Pavilion REIT with the economical values created:

Key Initiatives	Value Created
Corporate rating to Medium Term Notes Programme Corporate rating by RAM Rating Services Berhad	Rating enable Pavilion REIT to target larger pool of debt capital market investors besides being able to negotiate more favourable financing terms of rates and tenure
Proactive lease management Through proactive lease management, new tenants are brought in	Pavilion REIT enhances properties occupancy and tenant mix
Marketing promotions and activities Formed partnerships for events or be a venue sponsor for events	Pavilion REIT brings in shoppers into the malls through marketing and promotional activities, thus increasing retail sales and car park income which will lead to higher revenue
Managing operating cost Efficiency in operational management with regular upkeep	Pavilion REIT ensures regular maintenance to mitigate downtime, reduce cost and reduce the probability of a major breakdown or equipment failure
Asset enhancement Space reconfiguration to convert under-utilized areas and tenant remix to align with current trend for malls. Properties' facilities being regularly managed or upgraded via installations of energy efficient equipment, water saving and harvesting fixtures and energy efficient LED lightings	Pavilion REIT utilizes asset enhancements to increase revenue and property value by upgrading or creating new spaces in the mall to lease out Upgrading the properties' facilities provide a comfortable atmosphere and improves the satisfaction of shoppers, tenants and other stakeholders.

I : INVESTING STRATEGICALLY

Cont'd

Direct economic value generated and distributed

Economic Performance	FY2023 (RM'000)	FY2024 (RM'000)	FY2025 (RM'000)
Direct Economic Value Generated			
• Revenue ⁽¹⁾	735,216	860,662	916,193
Economic Value Distributed			
• Operating Costs	275,035	333,516	346,965
• Employee Wages and Benefits ⁽²⁾	-	-	-
• Payments to Capital Providers ⁽³⁾	439,939	503,722	544,754
• Payments to Government	20,223	23,473	24,496
Total	735,197	860,711	916,215
Economic Value Retained/(Deficit)	19	(49)	(22)

Notes:

(1) Includes gross revenue and interest income.

(2) Not applicable, as all employees are under the Manager.

(3) Includes borrowing costs and income distribution. The proposed final income distribution is payable in the following financial year.

Deficit in economic value is due to current year distribution of the balance undistributed amount from the previous year.

MACROECONOMIC ISSUES

Why It Matters and Approach

Pavilion REIT operates within an environment that is highly influenced by global and domestic macroeconomic conditions. Factors such as interest rate movements, inflationary pressures, foreign exchange volatility, trade policies and shifts in consumer sentiment can have a direct and indirect impact on tenant performance, consumer spending patterns, operating costs, property valuations and overall investment returns.

For Pavilion REIT, external economic trends and disruptions may affect rental sustainability, tenant sales productivity, financing costs and long-term asset values. Proactively monitoring and responding to these macroeconomic developments is therefore essential to safeguard financial resilience, maintaining operational stability and ensuring the delivery of sustainable returns to unitholders.

Through Pavilion REIT's materiality assessment, macroeconomic issues were identified as a new material sustainability matter, reflecting their increasing relevance and potential impact on Pavilion REIT's long-term value creation. This matter is closely linked to its ability to manage financial risks, adapt to changing market conditions and remain competitive within the capital market.

The Manager's approach focuses on:

- Continuous monitoring of global and local economic developments;
- Integrating macroeconomic considerations into enterprise risk management, capital management and strategic planning; and
- Implementing mitigation strategies to manage potential adverse impacts on operations, cash flow and asset performance.

This sustainability matter is embedded within its overall risk governance and strategic decision-making framework, rather than managed as a standalone matter.

I : INVESTING STRATEGICALLY

Cont'd

Progress

Progress on managing macroeconomic issues is disclosed through the Manager's existing risk and strategic sections, as follows:

- **Section 4.2: Our Operating Landscape – Key Trend 1: Macroeconomy**

This section discusses significant macroeconomic developments during FY2025, their impacts on Pavilion REIT's operations and performance, as well as the actions taken to mitigate risks or capitalise on emerging opportunities. These include adaptive leasing strategies, active tenant engagement, disciplined cost management and ongoing review of financing structures.

- **Section 4.5: Our Risks and Opportunities**

This section outlines key macroeconomic-related risks identified during the year, including interest rate risk and the potential impact of U.S. tariff measures on operating costs. It also explains how these risks are assessed, monitored and mitigated through financial management strategies, cost controls and prudent capital allocation.

Together, these disclosures demonstrate how Pavilion REIT identifies, evaluates and responds to macroeconomic risks and opportunities, as well as how such considerations are integrated into Pavilion REIT's operational and strategic responses.

ASSET ACQUISITION AND MANAGEMENT

Why It Matters and Approach

Pavilion REIT's core activity is to invest in income-producing real estate assets, which are solely used predominantly for retail purposes in Malaysia and other countries within the Asia-Pacific region, with the objective of providing its unitholders with regular and stable distributions while achieving long-term growth in the net asset value based on an appropriate capital structure.

Achieving Investment Objective Through Various Strategies

The primary objective of Pavilion REIT is to provide unitholders with regular and stable distributions and achieve long-term growth in net asset value per unit and maintaining an appropriate capital structure, while balancing stakeholders needs.

The Manager intends to achieve the investment objective of Pavilion REIT through the following strategies:

- (i) **Actively pursuing acquisition opportunities in accordance with the authorised investments of Pavilion REIT**
 - acquire yield accretive income-producing properties
 - explore repositioning opportunities
- (ii) **Pursuing an efficient capital management strategy**
 - diversify sources of debt funding
 - maintaining a reasonable level of debt service capability
 - securing favourable terms of funding
 - managing financial obligations
 - managing the exposures arising from adverse market interest rates through appropriate hedging strategies.
 - actively managing the range of maturities to reduce refinancing risk and optimise the cost of capital
- (iii) **Proactively managing the properties and implementing asset enhancement strategies**
 - maximise quality shopper traffic, especially at Pavilion Malls
 - active management of tenant base in order to optimise tenant mix and maintain high occupancy rates
 - continued asset enhancement initiatives to increase net lettable area and rental potential
 - improving operational efficiency and cost effectiveness
 - commitment to sustainability to have positive impact on brand recognition, reputation and lessen environmental impact

I : INVESTING STRATEGICALLY

Cont'd

ESG Due Diligence for New Acquisitions

Pavilion REIT is committed to integrating sustainability considerations into its investment decision-making process. In line with this commitment, ESG due diligence is embedded into the asset acquisition framework to identify, assess and manage material ESG risks and opportunities associated with new acquisitions.

Standardised, asset-level environmental and social risk assessments are conducted for all prospective acquisitions. These assessments cover a comprehensive range of ESG factors, including but not limited to procurement and supply chain practices, business ethics and regulatory compliance, data privacy and cybersecurity, climate change risks and mitigation measures, energy management and efficiency, waste and water management, building safety, health and well-being, indoor environmental quality, biodiversity and habitat considerations, tenant management and community engagement.

Pavilion Bukit Jalil illustrates the application of this approach, where ESG due diligence was undertaken to evaluate both transitional and operational sustainability risks and opportunities prior to acquisition.

For the recently acquired hotel assets, ESG assessments were similarly conducted. From an environmental perspective, Pavilion Hotel Kuala Lumpur is equipped with rainwater harvesting system. As the hotels are acquired under operating lease arrangements and continue to be managed by Banyan Tree, the implementation of day-to-day ESG initiatives remains primarily driven by the operator. Post-acquisition, Pavilion REIT actively engages the hotels to participate in food waste recycling initiatives and to encourage alignment with the REIT's sustainability objectives and standards.

Post-acquisition, Pavilion REIT remains committed to the continuous improvement of sustainability performance across its portfolio. During the due diligence process, preference is given to assets with green building features and designs, including rainwater harvesting systems, energy-efficient LED lighting and, where feasible, the potential for renewable energy installations such as solar panels.

In addition, location-specific environmental and climate-related risks are evaluated as part of the acquisition assessment. These include accessibility to public transportation networks, exposure to physical climate risks such as flooding and potential environmental or safety hazards arising from adjacent properties or land use. The outcomes of these assessments inform acquisition decisions, risk mitigation strategies and capital planning to enhance long-term asset resilience and value creation.

Progress

In line with Pavilion REIT's mission of generating sustainable returns for unitholders through strategic asset acquisitions, Pavilion REIT completed the RM2.2 billion acquisition of Pavilion Bukit Jalil during FY2024. This iconic shopping mall, located in the prime Bukit Jalil district, expanded the REIT's footprint into the vibrant Bukit Jalil area and enhanced portfolio diversification.

Subsequent to FY2024, and building on the successful acquisition of Pavilion Bukit Jalil, Pavilion REIT announced on 5 December 2024 the proposed acquisition of two prestigious hospitality assets in Kuala Lumpur, namely Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, in a transaction valued at RM480 million. These hotel acquisitions which were completed on 20 June 2025 further enhances Pavilion REIT's portfolio diversification.

Sustainable Building Certifications & ESG Recognition

Pavilion REIT is committed to integrating sustainability considerations into the management and enhancement of its property portfolio, with a focus on improving environmental performance, operational efficiency and long-term asset resilience. Certifications, index inclusions and awards obtained in prior reporting periods that remain valid during the year continue to support Pavilion REIT's sustainability strategy and provide continuity and comparability in sustainability performance.

In this regard, Pavilion Tower achieved LEED Gold Certification from the U.S. Green Building Council on 31 October 2024, which remained in effect during the reporting period. Pavilion REIT was also included in the FTSE4Good Bursa Malaysia Index in FY2024 and continued to maintain its inclusion in FY2025, reflecting ongoing compliance with the index's ESG criteria.

I : INVESTING STRATEGICALLY

Cont'd

During the current reporting year, Pavilion Kuala Lumpur Mall was awarded the Green Energy Stewardship Gold Award at the National Energy Awards 2024, organised by the Malaysian Green Technology and Climate Change Corporation (MGTC), on 27 February 2025, recognising initiatives undertaken to improve energy efficiency and support lower-carbon operations. On 17 July 2025, Pavilion REIT received the ESG Leadership Award – Company of the Year (REIT) at the Sustainability & CSR Awards 2025.

Subsequently, Pavilion Kuala Lumpur Mall received Platinum recognition under Category C (Top Sustainability Practices) for the event of Pavilion Loves Sustainability 2025 at the Malaysia Shopping Mall Association Awards on 27 August 2025, and achieved LEED Gold Certification from the U.S. Green Building Council on 26 September 2025, reflecting continued efforts to enhance the environmental performance of the Group's retail assets.

Green Building Certification Overview

Metrics	Unit	FY2024	FY2025
Properties certified under a recognized green building standard	Number	1	2
Total properties in Pavilion REIT's portfolio	Number	6	8
Percentage of certified properties	%	17	25

By prioritising sustainability in its portfolio, Pavilion REIT is taking significant steps toward responsible property management and contributing to a greener built environment.

FTSE4GOOD Bursa Malaysia Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirmed in December 2024 that Pavilion REIT had been independently assessed against the FTSE4Good criteria and met the requirements for inclusion in the FTSE4Good Index Series. Pavilion REIT continued to maintain its constituent status in December 2025, reflecting ongoing compliance with the index's ESG requirements.

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

PROCUREMENT AND SUPPLY CHAIN

Why It Matters and Approach

At Pavilion REIT, the Manager understands the importance to ensure ethical and transparent behaviour and responsible dealings with vendors by promoting best practices. The Manager includes ESG consideration in its vendor evaluation process as part of the strategic plan to create sustainable impact. The approach applies to all business partners that contributes to Pavilion REIT's business and maintenance of its assets, including vendors who offer services such as property management, building maintenance, landscaping, security, marketing and promotions of products or services.

Pavilion REIT has established a Vendor Code of Conduct which outlines its expectation to ensure business integrity and ethics, human rights as well as responsibility towards the environment, health, safety and labour practices. Vendors are expected to maintain ethical and professional conduct in all business dealings with integrity, honesty, transparency and accountability for the services provided.

The Manager also strives to promote best practices and maintain a zero-tolerance approach against all forms of bribery and corruption. All Pavilion REIT vendors are required to comply with Pavilion REIT's ABC SOP and Policy by acknowledging "Declaration of Integrity". Vendors are also encouraged to report all misconduct through an independent platform operated by a third party.

Pavilion REIT also requires all its vendors to respect human rights and labor standards. The Manager has a robust human rights policy in place and conducts regular audits to ensure compliance.

I : INVESTING STRATEGICALLY

Cont'd

Progress

Pavilion REIT upholds the highest ethical standards in its business dealings and is committed to maintaining them. The Manager actively monitor its suppliers and take prompt action if they violate Pavilion REIT’s Vendor Code of Conduct. In FY2025, there were zero (0) cases of non-compliance incidents recorded resulting from Vendor Code of Conduct.

Non-compliance incidents recorded resulting from Vendor Code of Conduct	Number of cases		
	FY2023	FY2024	FY2025
	0	0	0

Vendor Screening and Assessment

To enhance transparency in vendor selection and promote a sustainable value chain, the Manager has integrated ESG factors into the assessment framework for both existing and new vendors. All vendors must undergo a pre-evaluation process and a ‘Know Your Customer’ (KYC) background check to verify financial stability and ensure ethical business practices. Due diligence is conducted based on the following key criteria:

Quality & Compliance	Price	Prompt Delivery	Service	Support	ESG Factors
Technical expertise, adherence to specifications and product certification.	Competitiveness pricing structures and resilience to potential cost variations.	Consistent reliability in meeting delivery timelines.	Alignment with requirements, suitability and a proven track record.	Capabilities in after-sales service and ongoing operational support.	Preference will be given to vendors who align with Pavilion REIT’s ESG expectations, including commitments to climate action, fair labor practices, data privacy, and community development.

Assessment of existing vendors’ will be conducted once every 2 years. Vendors who failed the evaluation (with a score of less than 50 marks) will either be suspended or removed from the approved vendor list. To proactively identify and address risks in the supply chain, Pavilion REIT conducts supplier sustainability assessments at the onset of vendor relationships. This ensures potential risks are mitigated early in the collaboration process, reinforcing Pavilion REIT’s commitment to sustainable supply chain management. For new vendors, completing the supplier sustainability assessment is mandatory prior to onboarding, with a minimum passing score of 50%. This process rolled out by Pavilion REIT in December 2024, will undergo periodic reviews to ensure continuous improvement. Based on assessments conducted during FY2024 and FY2025, the Manager did not identify any material negative environmental or social impacts within Pavilion REIT’s supply chain that required corrective action.

In instances of significant non-compliance with ESG criteria, vendors will be required to provide a clear explanation of the non-compliance issue as well as take corrective actions to address and resolve the identified concerns. This comprehensive approach reflects Pavilion REIT’s dedication to fostering long-term partnerships with vendors who share its commitment to sustainability, transparency, and ethical business practices.



I : INVESTING STRATEGICALLY

Cont'd

Progress

	FY2024	FY2025
% of new vendors that were screened using environmental criteria	100% ⁽¹⁾	100%
Number of existing vendors assessed for environmental impacts	216	216 ⁽²⁾
% of new vendors that were screened using social criteria	100% ⁽¹⁾	100%
Number of existing vendors assessed for social impacts	216	216 ⁽²⁾

Note:

- (1) The statistics in this analysis are based on data collected in December 2024, the month in which Pavilion REIT commenced the rollout of its new supplier sustainability assessment.
- (2) In line with Pavilion REIT's practice of conducting assessments of existing vendors on a biennial basis, the next assessment cycle is scheduled for FY2026. Accordingly, there was no change in the number of existing vendors assessed in FY2025.

Local Procurement

Pavilion REIT is committed to supporting local companies as part of its efforts to contribute to a stable local economy and establishing good relations with the local business community through local procurement. In FY2025, out of RM608 million spent on procurement, more than 99% of its vendor services are procured locally, with the remaining spent on international service providers for information technology, marketing and promotional purposes. The proportion of spending on local suppliers is similar to last year.

Progress

Total procurement from local suppliers

	FY2023	FY2024	FY2025
Proportion of spending on local suppliers	>99%	>99%	>99%

Integrated Sustainable Procurement and Green Leasing Approach

Pavilion REIT is committed to embedding sustainability across its operations through both responsible procurement practices and sustainable leasing agreements.

Pavilion REIT encourages suppliers and vendors to adopt responsible procurement practices that align with its sustainability values. This initiative serves as a communication tool to promote awareness and foster continuous improvement in environmental and social performance across the supply chain.

To further extend sustainability into property management, Green Lease clauses have been incorporated into tenancy agreements since 2024. These clauses set clear guides for tenants on what Pavilion REIT envision, covering areas such as energy efficiency, water conservation, waste reduction and sustainable operations within the leased spaces.

M : MAINTAINING GOOD GOVERNANCE

BUSINESS ETHICS AND COMPLIANCE

Why it Matters and Approach

The Manager recognises that upholding strong governance, ethics and integrity is essential to Pavilion REIT’s long-term success, which is founded on building and safeguarding the Trust that the unitholders and stakeholders have placed in Pavilion REIT. Whilst complying with the applicable laws and regulations, Pavilion REIT is committed to high standards of governance, ethics, and integrity, as well as adopt a zero-tolerance stance on bribery, corruption, and fraud. Hence, the Manager has developed and implemented relevant policies throughout Pavilion REIT’s operations.

As part of its commitments, the Manager prohibits all forms of bribery, corruption and facilitation payments to or from third parties. Communication is crucial in creating awareness of the policies amongst employees, third parties and business acquaintances.

Pavilion REIT periodically reviews and enhances its governance policies to ensure their continued relevance, effectiveness and alignment with regulatory requirements and industry best practices. These policies are overseen by the relevant Board Committees and approved by the Board.

The effectiveness and relevance of the policies are subject to periodic review, taking into account regulatory developments, stakeholder expectations and emerging sustainability and governance risks. During the review cycle, selected policies were revised with the Whistleblowing Policy being enhanced on 22 July 2025 to strengthen reporting mechanisms and governance safeguards.

All governance policies are publicly accessible and are communicated to relevant internal and external stakeholders, including employees and business partners. The policies are available on Pavilion REIT’s website at www.pavilion-reit.com.

	<p>ABC Policy</p> <ul style="list-style-type: none"> sets out relevant statements against bribery and corrupt practices which extends to the Board, employees, tenants, vendors, and suppliers. the policy shall be reviewed at least once every 3 years. a bribery and corruption risk assessment will be conducted at least twice annually.
	<p>AML/CFT/CPF Policy</p> <ul style="list-style-type: none"> aims to establish controls to manage and prevent the risks of Pavilion REIT being used as a conduit for money laundering and terrorism financing activities. the policy shall be reviewed no later than 2 years or as and when required. training sessions will be conducted annually
	<p>Whistleblowing Policy</p> <ul style="list-style-type: none"> provides a safe and transparent mechanism for stakeholders to raise concerns about improper conduct. the policy shall be reviewed at least once every 3 years. the Manager will ensure protection against retaliation or discrimination for those reporting in good faith. reports of suspected wrongdoing can be submitted via the dedicated website: https://bdoethics.com/v1/r/QxgwQn00Eyx5cz2z6DILFLAGx4xDL6x9
	<p>Vendor Code of Conduct</p> <ul style="list-style-type: none"> establishes clear guidelines on business integrity, ethical practices, and the Manager’s expectations for vendors. It defines compliance parameters and emphasises vendors’ responsibility towards environmental stewardship. this Code shall be reviewed once every 2 years to ensure it remains relevant and appropriate.
	<p>Code of Conduct & Ethics</p> <ul style="list-style-type: none"> serves as guidance for all parties when interacting with Pavilion REIT and promotes the adoption of ethical principles and objectives. a briefing session on the Code will be provided to all new joiners and existing employees as a refresher course.

Through these measures, Pavilion REIT reaffirms its dedication to maintaining good governance, fostering ethical business practices, and ensuring accountability at all levels of the organisation.

M : MAINTAINING GOOD GOVERNANCE

Cont'd

Reducing Our Exposure to Bribery and Corruption Risks

Every half yearly, the Manager will identify and assess its exposure to any emerging bribery and corruption risks. The outcome of this assessment will be documented in Pavilion REIT's enterprise risk register. Any occurrence of bribery or corruption will be documented with the corresponding corruption risk assessment, alongside the impacts, root causes, gaps and rectification measures to prevent a recurrence.

The Manager will not enter into any business dealings with parties which are suspected to be engaging in improper business practices. Prior to entering a business relationship with Pavilion REIT, due diligence is conducted to verify their identity / background and to assess their bribery and corruption risks.

To ensure that all employees and non-employees understand Pavilion REIT's policies and procedures, training materials and trainings were given in both English and Bahasa Malaysia. Non-employees refer to permanent staff that are engaged by Kuala Lumpur Pavilion Sdn Bhd to manage Pavilion REIT properties. The Manager also considers various means to communicate the ABC Policy to employees and non-employees through annual training:

- Communicating issues on bribery and corruption including any relevant laws and regulations;
- Publicizing "lessons learned" out of bribery and corruption cases prosecuted by the authorities;
- Sharing of information on the common bribery and corruption modus operandi (mode of operating)

Corruption-related training

Throughout the reporting year, the Manager demonstrated a strong commitment to anti-corruption initiatives. Anti-corruption training has been provided to 100% of the board members and 100% of employees and non-employees.

To further reinforce awareness and compliance, the Manager went above and beyond by conducting training sessions despite the trainings can be done at least once every 2 years, ensuring all employees remained informed about the anti-corruption policy and procedures. The anti-corruption training sessions were held on August and October 2025.

Moving forward, the Manager aims for 100% attendance at future anti-corruption training sessions. This dedication to ongoing education reflects the Manager's commitment to ethical conduct and compliance with the Malaysian Anti-Corruption Commission Act 2009. Additionally, the Manager will continue to regularly review and enhance the anti-corruption policy and procedures to ensure their effectiveness and alignment with evolving legal requirements.

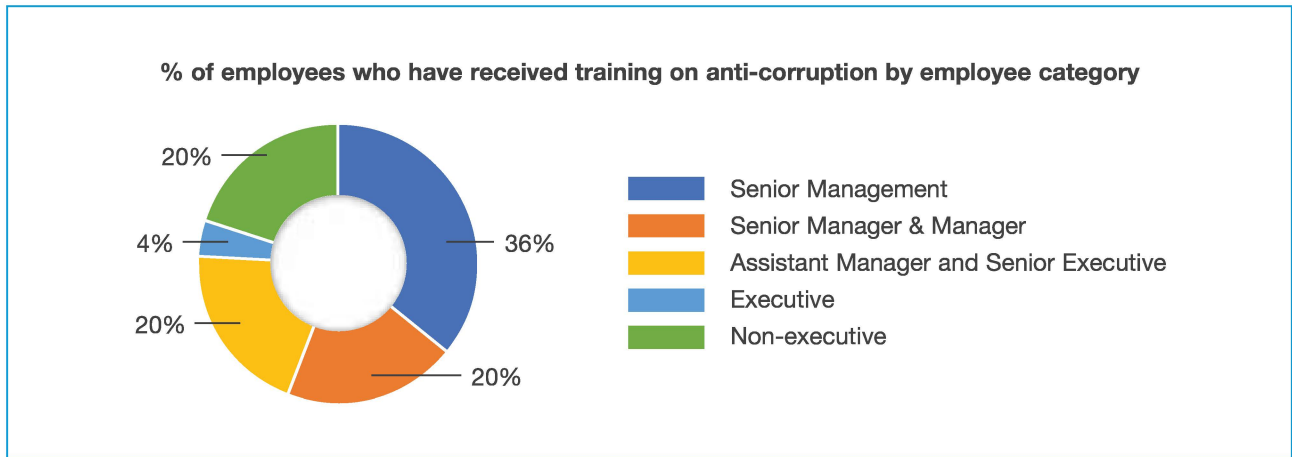
Target: Aim to achieve 100% attendance to anti-corruption training.

M : MAINTAINING GOOD GOVERNANCE

Cont'd

Progress

Communication and training about anti-corruption policy and procedure		2023	2024	2025
1. For the Board	Number of members	11	10	11
	%	100	100	100
2. For the employees	Number of trainings	1	1	1
	%	100	100	100



Corruption Risk Assessment

The Manager confirmed that there were no reports of corruptions within the Manager and the operations of Pavilion REIT’s properties.

Target: 100% of operations assessed for corruption risks.

Progress

	2023	2024	2025
% of operations that underwent corruption risk assessments	100%	100%	100%

Corruption incidents

As of 31 December 2025, the Manager recorded zero incidents of corruption across Pavilion REIT’s properties’ business operations.

Target: Zero cases of non-compliance on anti-bribery and corruption.

Progress

	2023	2024	2025
Number of confirmed corruption incidents	0	0	0

M : MAINTAINING GOOD GOVERNANCE

Cont'd

To further encourage the reporting of potential corruption concerns, the Manager has strategically positioned suggestion boxes at loading bays and pantries throughout the properties. Employees are strongly encouraged to utilize these channels, as well as the whistleblowing portal and Human Resources Department, to report any suspected instances of corruption.

In FY2025, the Manager also confirmed that:

- No corruption incident reports were submitted through the whistleblowing portal.
- No employees faced dismissal or disciplinary action for corruption-related offenses.
- No contracts with business partners were terminated or not renewed due to corruption violations.
- No public legal cases involving corruption were brought against Pavilion REIT or its employees.
- No any instances of non-compliance with laws and regulations.
- Pavilion REIT did not make any contributions to any political parties for any political reason during the year.

The Manager is committed to promoting a culture of transparency and accountability, as well as ensuring the effectiveness of the implemented reporting mechanisms.

Conflict of Interest Practices

In line with Pavilion REIT's Code of Conduct & Ethics, the Manager has implemented a Conflict of Interest (COI) Declaration practice to ensure ethical decision-making and uphold responsible governance. All employees are required to complete an annual declaration of any perceived, potential, or actual conflicts of interest through the COI Form.

If a conflict arises outside the annual declaration cycle—whether due to incidental or ad hoc circumstances—employees must declare it within three (3) working days. Declarations must include comprehensive details, such as:

- The nature of the conflict
- The individuals or entities involved
- The potential impact on the company

Failure to disclose a COI constitutes a breach of Pavilion REIT's Code of Conduct & Ethics and will result in disciplinary action in accordance with the company's established conduct and disciplinary procedures. These practices are integral to the Code of Conduct & Ethics and underscore the Manager's commitment to maintaining transparency and accountability across all levels of operation.

DATA PRIVACY AND CYBERSECURITY

Why it Matters and Approach

In today's digitally connected world, data privacy and cybersecurity are essential to maintaining business continuity and protecting stakeholder information. As reliance on digital technologies grows, the risk of cyber threats increases, making robust IT governance a strategic priority for Pavilion REIT.

To safeguard Pavilion REIT's business operations and stakeholder information from cyber-attacks, the Manager is actively working to strengthen in-house cybersecurity systems and procedures. This involves enhancing and developing procedures in key areas, including internet and e-mail usage and management, artificial intelligence, change management etc. Pavilion REIT's approach to cybersecurity is governed by its Technology Risk Management Framework and other relevance IT policies and procedures such as anti-virus management, disaster recovery, firewall management, backup and restore and network management.

M : MAINTAINING GOOD GOVERNANCE

Cont'd

The Manager recognizes that effective cybersecurity governance and a robust IT infrastructure are fundamental to ensuring data privacy. The IT infrastructure and information systems serve as the backbone of Pavilion REIT’s operations. The IT Department ensures that all IT equipment, systems, and data are well-managed and securely protected. Every employee is responsible for safeguarding Pavilion REIT against cybersecurity risks. Employees are strictly prohibited from sharing confidential information with unauthorized external parties. Additionally, any IT-related modifications or system adjustments must be carried out exclusively by certified and professional vendors, with prior authorisation from Pavilion REIT.

To enhance efficiency and sustainability, Pavilion REIT encourages the use of digital tools for document review, approvals and electronic signatures, helping streamline processes while reducing paper usage. A clear understanding of emerging technologies and IT tools enables the organization to streamline business processes and enhance productivity effectively.

Structured policies and SOPs cover areas such as Artificial Intelligence governance, Cyber Incident Management, System Development Life Cycle, Patch Management and Technology Refresh as well as Data Disposal and Sanitisation, providing clear guidance on secure system development, responsible technology use, timely vulnerability remediation and safe data handling throughout its lifecycle.

Progress and Key Initiatives

The Manager continuously enhances Pavilion REIT’s information security framework to safeguard data integrity, confidentiality and availability. Key initiatives include:

Review and Enhancement of IT Security Policies	Penetration Testing	Cybersecurity Awareness Training	System Security Measures	IT Disaster Recovery Technical Drill
Regular updates to IT security procedures, enhance security measures and end-point protection solutions are carried out to ensure alignment with evolving business requirements and regulatory expectations.	Periodic penetration testing exercises are conducted to identify system vulnerabilities and strengthen overall system resilience against cyber threats.	Annual cybersecurity awareness programs to equip employees with the skills to recognize and respond to cyber threats. In 2025, training sessions were conducted in July and October, attended by all employees.	Periodic reviews of system access privileges, implementation of security patches and use of Multi-Factor Authentication (MFA) and Two-Factor Authentication (2FA) ensure systems remain protected against unauthorized access and potential breaches.	An IT disaster recovery technical drill was conducted to assess the readiness of the disaster recovery infrastructure in meeting the targeted Recovery Time Objective (RTO), being the maximum acceptable system downtime, and Recovery Point Objective (RPO), being the maximum acceptable data loss.

To further enhance cybersecurity awareness, knowledge-sharing articles are disseminated regularly, keeping employees informed about emerging threats and trends in cybersecurity and information technology era. Phishing e-mails are also being sent out by IT on an ad-hoc basis to test the diligence of staff.

M : MAINTAINING GOOD GOVERNANCE

Cont'd

Protecting Our Shoppers' Privacy

Pavilion REIT demonstrates a strong commitment to data privacy and security, as evidenced by its consistent compliance with the Personal Data Protection Act (PDPA). Notably, in 2025, Pavilion REIT's properties achieved zero reported of substantiated complaints regarding breaches to shopper/customer privacy or data loss. This achievement reflects the effectiveness of Pavilion REIT's data security framework and its dedication to safeguarding shopper information.

Target: Zero reports of complaints concerning breaches of customer privacy and loss of customer data.

	2023	2024	2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

This external commitment to shopper privacy aligns with Pavilion REIT's internal focus on cybersecurity and data protection. The Manager's proactive measures to fortify IT infrastructure, train employees, and implement robust cybersecurity protocols ensure that both internal systems and external customer interactions remain secure. Together, these efforts create a comprehensive approach to data privacy and cybersecurity, reinforcing Pavilion REIT's reputation as a trusted and responsible organisation.

Future Initiatives and Long-Term Plans

Building upon Pavilion REIT's current commitment to data privacy and cybersecurity, the Manager is focused on continuing to strengthen both its internal infrastructure and external data protection efforts. The following long-term plans will ensure that Pavilion REIT remains resilient, efficient, and at the forefront of cybersecurity and data privacy best practices:

Expansion of E-Services	Continuous Improvement	Cloud Migration	Paperless Environment	Optimized IT Asset Ownership
Explore and plan for the implementation of additional e-services to improve productivity and operational efficiency.	Maintain ongoing enhancements in cybersecurity protocols to meet audit compliance standards.	Gradually migrate enterprise-based systems to cloud platforms for improved scalability and resilience.	Promote a paperless business model to drive efficiency and sustainability.	Strategically reduce Pavilion REIT's IT asset ownership to streamline resource allocation and management.

P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

CLIMATE CHANGE

Why it Matters and Approach

Malaysia's target of net-zero GHG emissions by 2050 and renewable energy milestones (31% by 2025, 40% by 2035) align with global efforts under the Paris Agreement. As part of Malaysia's NDC, the country's aim to reduce carbon intensity by 45% by 2030, reinforces the urgency of transitioning to sustainable operations. The Manager recognises that climate change is a pressing issue, impacting livelihoods across Malaysia through increasingly frequent and intense weather changes.

Pavilion REIT acknowledges that while its properties are not directly situated in flood-prone areas, the implications of climate change, ranging from extreme weather to resource scarcity, require a proactive and strategic approach. Energy consumption constitutes a significant portion of Pavilion REIT's environmental footprint, making energy efficiency and emissions reduction pivotal priorities.

To address these challenges, Pavilion REIT integrates sustainable practices across its operations, guided by a Board-level Sustainability Committee that oversees ESG initiatives biannually. Key focus areas include reducing energy and water consumption, minimizing waste and enhancing biodiversity wherever possible around its properties. Initiatives such as exploring renewable energy options, implementing smart energy systems, and encouraging recycling and water-saving measures contribute to operational efficiency and environmental stewardship. Regular climate risk assessments and adherence to green building standards further bolster resilience and align Pavilion REIT with global sustainability objectives.

By embedding sustainability into its operations, Pavilion REIT not only reduces costs, such as through lower energy consumption, but also strengthens its reputation as a responsible and forward-thinking organisation. These efforts support Malaysia's broader sustainability goals, ensuring long-term resilience and creating a positive impact on the environment, tenants, and surrounding communities. Through this balanced approach, Pavilion REIT safeguards its future while contributing meaningfully to the nation's climate ambitions.

Pavilion REIT's Commitment to Carbon Reduction and Net Zero (Scope 1 & 2)

Pavilion REIT is committed to reducing its carbon footprint and enhancing climate resilience across its operations.

Targets:

- **20% Carbon Reduction by 2030:** Pavilion REIT aims to achieve a 20% reduction in Scope 2 carbon emissions by 2030, using FY2019 as the baseline year.
- **50% Renewable Energy by 2040:** Pavilion REIT targets sourcing 50% of its total electricity consumption from renewable energy sources by 2040, supporting its long-term carbon reduction goals.
- **Net Zero Carbon ⁽¹⁾ by 2050 (Scope 1 & 2 Operational Emissions):**
 - o Pavilion REIT is committed to achieving net zero carbon emissions across Scope 1 (direct operational emissions) and Scope 2 (indirect emissions from purchased electricity) by 2050.

For Scope 2 emissions, FY2019 has been established as the baseline year for existing properties. Newly acquired properties will adopt the first full financial year of operations as their baseline, where applicable. Properties over which Pavilion REIT does not have operational control, such as the acquired hotels or any property under master lease or master tenancy, do not impact the baseline or progress measurement.

For Scope 1 emissions, Pavilion REIT is in the process of strengthening data completeness and measurement methodologies across its portfolio. Accordingly, a baseline year for Scope 1 has not yet been established and will be defined once a complete and reliable Scope 1 emissions inventory is available.

The Net Zero target currently covers Scope 1 and Scope 2 operational emissions only. Pavilion REIT intends to progressively expand the target to include Scope 3 value chain emissions as data availability and inventory maturity improve.

Note:

- (1) *Achieving net zero carbon emissions means that Pavilion REIT will balance the carbon it emits (Scope 1 & 2) with an equivalent amount of carbon removal or offsetting measures, ultimately resulting in no net increase of carbon dioxide in the atmosphere from its direct and indirect operations.*

P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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Sustainability targets are adjusted based on annual progress across indicators where applicable, reflecting Pavilion REIT's dynamic commitment to continuous improvement.

This commitment will be delivered primarily through:

- Continuous energy efficiency improvements and operational optimisation across all properties; and
- Increased procurement of renewable electricity where possible, including participation in Malaysia's Green Electricity Tariff ("GET") through "Tenaga Nasional Berhad ("TNB").

Where residual emissions remain that cannot be technically or economically eliminated, Pavilion REIT may consider the use of credible carbon offsets as a last resort, in line with prevailing standards and regulatory guidance.

Pavilion REIT will periodically review its decarbonisation pathway to reflect changes in technology, the electricity grid, regulations and best practice, ensuring its net zero ambition remains achievable and credible.

Biodiversity

The Manager is dedicated to preserving and promoting biodiversity across its properties and surrounding areas whenever possible. Pavilion REIT's properties are situated within urban environments, where the direct impact on natural ecosystems is minimal. As none of these properties are located within protected areas, no material biodiversity risks have been identified.

Nonetheless, the Manager remains committed to implementing sustainable practices that support urban biodiversity. This includes incorporating green spaces, adopting eco-friendly landscaping and collaborating with stakeholders to minimize ecological impacts wherever needed. The Manager continues to monitor environmental developments and explore initiatives that enhance biodiversity and contribute to a sustainable urban ecosystem.

Climate Transition Strategy

To navigate this path towards net zero carbon, the Manager has developed a comprehensive climate transition strategy. This strategy, alongside its policies such as Sustainability Policy and Environmental Policy, acts as a roadmap for Pavilion REIT's decarbonization efforts. It rests on three key pillars:

1. Managing Pavilion REIT's Emissions

- **Enhancing Energy Efficiency**
 - o Implementing measures like LED lighting and new / upgrade chiller system that are more energy efficient to reduce electricity consumption across its properties.
 - o Subscribing to TNB's GET scheme for cleaner energy sources.
 - o Conducting regular energy audits to identify and address energy waste.
- **Integrating Sustainable Practices**
 - o Encouraging responsible waste management and water conservation initiatives.
 - o Partnering with green suppliers and service providers.

2. Investing in Low Emissions and Green Technologies

- **Embracing Clean Technologies**
 - o Implementing smart building systems to optimize energy usage.
 - o Providing electric vehicle charging infrastructure to support clean transportation.
 - o Exploring innovative solutions for low-carbon technologies.
- **Prioritizing Green Buildings**
 - o Targeting green building certifications for its properties.
 - o Employing sustainable construction practices and materials in new renovations and asset enhancement exercises.

P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

3. Leveraging on Partnerships and Collaboration

- **Engaging Stakeholders:**
 - o Partnering with tenants, suppliers, and industry players to promote climate action.
- **Participating in Sustainability Initiatives:**
 - o Collaborating with relevant organizations and associations to advance sustainable practices.

Progress

Upholding Our Commitments Towards Climate Change

Pavilion REIT actively pursues its strategic pillars, placing a strong emphasis on driving real progress in emission reduction and contributing to a cleaner, more sustainable future. The Manager demonstrates this commitment through several initiatives implemented during the year:

- **Installed sensor-activated lighting systems throughout all staircases and carparks of Pavilion Kuala Lumpur Mall and Elite Pavilion Mall.** This not only reduces energy consumption but also enhances user convenience and safety.
- **Upgraded LED lighting within Pavilion Kuala Lumpur Mall and Elite Pavilion Mall.** This energy-efficient technology further minimizes greenhouse gas emissions while maintaining optimal lighting levels.
- **EV charging stations at Pavilion Kuala Lumpur Mall, Pavilion Bukit Jalil and DA MEN Mall.** This promotes sustainable transportation, attracting environmentally conscious shoppers and tenants.
- **Subscribed to TNB's GET scheme for Pavilion Kuala Lumpur Mall and Intermark Mall.** This proactive step signifies a pivotal shift towards green energy, diversifying Pavilion REIT's energy portfolio and aligning with Malaysia's renewable energy goals.

Recognizing the increased risk of flooding due to climate change, Pavilion REIT has implemented comprehensive SOPs for managing flash floods around its properties. These SOPs include:

- **Floodgate activation:** Identifying key car park ramp entrances (e.g., Pavilion Kuala Lumpur Mall, DA MEN Mall) and promptly activating floodgates to prevent water ingress.
- **Floodwater removal:** Utilizing vacuum and flushing systems to efficiently remove floodwater within properties.
- **Sandbagging:** Deploying sandbags at vulnerable property entrances for additional protection.
- **Patron evacuation:** Guiding patrons to the nearest exit if the situation worsens.

These measures demonstrate Pavilion REIT's proactive approach to climate resilience, ensuring the safety of its stakeholders and the continued operation of its properties. Initiatives will be progressively enhanced, balancing between target set, cost impact as well as the benefit and sustainability of implementation.

Supporting Clean Transportation

Pavilion REIT is committed to supporting sustainable transportation through the installation of EV charging stations across its properties. As of FY2025, a total of 26 EV charging stations are operational at Pavilion Kuala Lumpur Mall, Pavilion Bukit Jalil and DA MEN Mall. Among these, 16 are Tesla Superchargers, marking the first Tesla Supercharging stations in Malaysia.

In the preceding financial year (FY2024), the EV charging stations across Pavilion REIT's properties recorded 17,505 charging sessions. During FY2025, charging activity increased to 23,653 sessions, representing a year-on-year increase in utilisation, reflecting continued uptake and growing demand for EV charging facilities at its malls.

The provision of EV charging infrastructure forms part of Pavilion REIT's response to climate-related transition trends, regulatory development and evolving stakeholder expectations, supporting the continued attractiveness and functionality of its retail assets. While the availability of EV charging infrastructure may facilitate the adoption of lower-emission transportation options, Pavilion REIT does not currently quantify emissions reductions associated with EV charging usage, as such impacts depend on external factors including electricity generation mix and user behaviour.

This initiative aligns with Pavilion REIT's sustainability strategy and Malaysia's national aspiration to achieve net-zero greenhouse gas emissions by 2050, while enhancing on-site accessibility and convenience for EV users across its properties and meeting the needs of environmentally conscious employees, tenants and shoppers.

P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

Sustainable Connectivity: Free Shuttle Bus Services

For the convenience of stakeholders, Pavilion Bukit Jalil offers a daily free shuttle service connecting LRT Awan Besar to the mall. The shuttle bus services are available daily, with the designated pick-up and drop-off point at Pavilion Bukit Jalil located at the Park Entrance.

Building on its strong utilisation in the previous year, the free shuttle service continued to record robust patronage in FY2025. From January to December 2024, the service recorded an impressive 529,603 riders, reflecting its popularity and utility among mall patrons and employees. In FY2025, total ridership increased to 625,404 riders, representing an approximately 18% year-on-year increase, demonstrating sustained demand and a growing preference for shared transport options to access the mall.

This initiative not only enhances convenience but also contributes to reducing commuting-related emissions, by encouraging a shift away from private vehicle usage, supporting Pavilion REIT's broader sustainability objectives. By providing a reliable and accessible alternative to driving, the shuttle service improves accessibility for customers and employees who may have limited access to direct public transportation or personal vehicles.

Furthermore, the shuttle bus service helps alleviate traffic congestion in the surrounding area, contributing to improved urban mobility and a more pleasant visitor experience at Pavilion Bukit Jalil. This initiative aligns with Pavilion REIT's ongoing efforts to promote sustainable connectivity while delivering a seamless and customer-focused shopping experience.

Innovative Transit: Solar-Generating Bus Stop

Pavilion Bukit Jalil continues to champion sustainability and convenience by constructing solar-generating public bus stop. This innovative facility not only enhances access to the mall but also underscores Pavilion Bukit Jalil's commitment to environmentally friendly initiatives. Equipped with solar panels, the bus stop harnesses renewable energy to power lighting and other basic features, reflecting the mall's dedication to promoting clean energy solutions. The total investment for this project amounts to RM165,000.

This bus stop adds significant value for shoppers, tenants, and the surrounding community by improving connectivity to the mall and making commuting more convenient. The integration of solar technology aligns with Pavilion Bukit Jalil's broader sustainability goals, providing a tangible example of how small yet impactful changes can contribute to a greener future.

Additionally, RapidKL bus services commenced operations at this location since 2024, further enhancing accessibility for the public. These services provide a reliable and cost-effective transportation option, encouraging the use of public transit and reducing reliance on private vehicles. By facilitating sustainable and efficient transit options, Pavilion Bukit Jalil continues to support the community's mobility needs while addressing environmental concerns such as traffic congestion and carbon emissions.

Scope 1 Greenhouse Gas (GHG) Emissions

Pavilion REIT's Scope 1 GHG emissions represent direct greenhouse gas emissions from diesel generator (genset) operations at managed properties where Pavilion REIT has operational control. In FY2025, total Scope 1 emissions from gensets amounted to 51.2 tCO₂e.

FY2025 emissions were estimated based on diesel fuel consumption, calculated using genset technical specifications and standard operating hours for periodic testing. During the reporting period, there were no significant electricity supply interruptions and genset operations were therefore minimal and primarily limited to routine testing activities.

Emissions were calculated in accordance with the GHG Protocol Corporate Standard, applying the stationary combustion method for diesel fuel with an emission factor of 0.00295 tCO₂e per litre, as set out in the Simplified ESG Disclosure Guide (SEDG) Greenhouse Gas Emissions Calculator issued by Capital Markets Malaysia.

The emission factors and Global Warming Potentials (GWPs) applied in the SEDG calculator are aligned with the GHG Protocol Emission Factors from Cross-Sector Tools (Version 2.0, March 2024) and the IPCC Sixth Assessment Report (AR6). Where necessary, volume-to-weight conversions were made using average fuel densities from sources like the U.S. Environmental Protection Agency (EPA).

Pavilion REIT continues to evaluate opportunities to reduce direct emissions, including improving genset efficiency, reducing reliance on diesel generators through enhanced power reliability and exploring lower-carbon or renewable alternatives with the long-term objective of eliminating emissions from genset operations.

P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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Change in Scope 1 Emissions Methodology

In FY2025, Pavilion REIT refined its methodology for calculating Scope 1 emissions from diesel generator operations by transitioning from a fuel purchased-based approach to fuel consumption-based approach, reflecting improvements in data availability and measurement accuracy.

Scope 1 emissions for FY2023 and FY2024 were calculated based on diesel purchased, as historical data on actual fuel consumption was not available. These prior-year emissions have not been restated, as retrospective application of the revised methodology would require significant assumptions regarding fuel inventory levels and consumption patterns, which could adversely affect data reliability.

As a result, Scope 1 emissions for FY2025 are not directly comparable with those of prior years. The revised methodology will be applied consistently in future reporting periods.

Properties	Scope 1 GHG emissions (fuel consumption for genset) (tCO ₂ e)		
	FY2023 ⁽¹⁾	FY2024 ⁽¹⁾	FY2025 ⁽⁵⁾
Pavilion Kuala Lumpur Mall	8.9	0	8.9
Elite Pavilion Mall	4.6	0	6.7
Pavilion Tower	22.1	0	0.2
Intermark Mall	0	7.3	0.5
DA MEN Mall	Refer to Note ⁽³⁾		
Pavilion Bukit Jalil	0.1 ⁽²⁾	0 ⁽²⁾	34.9
Pavilion Hotel Kuala Lumpur			Refer to Note ⁽⁴⁾
Banyan Tree Kuala Lumpur			Refer to Note ⁽⁴⁾
Total	35.7	7.3	51.2⁽⁶⁾

Notes:

- (1) Emissions were calculated using an emission factor of 10.21kg CO₂ per gallon of diesel, based on US EPA Emission Factors for Greenhouse Gas Inventories (2023). The emission factor was applied due to the absence of locally published gallon-based emission factors and is considered conservative.
- (2) Pavilion Bukit Jalil measures genset usage in kWh and applies an emission factor of 0.758 tCO₂e/MWh, based on Malaysia Energy Commission (2021). Data availability for FY2023 covers the period from June to December 2023, following the acquisition on 1 June 2023.
- (3) The genset is owned and managed by DA MEN Management Corporation. Pavilion REIT does not have operational control over the genset and therefore emissions are excluded from Pavilion REIT's Scope 1 inventory boundary. From April 2025, Pavilion REIT leased DA MEN Mall to Easyhome International, with operations managed by the tenant; emissions arising from tenant activities fall outside Pavilion REIT's operational control.
- (4) Pavilion REIT acquired Pavilion Hotel Kuala Lumpur and Banyan Tree Kuala Lumpur on 20 June 2025 and leased both properties to Harmoni Perkasa Sdn Bhd. As operations are managed by the tenant, emissions arising from their activities fall outside Pavilion REIT's Scope 1 boundary.
- (5) FY2025 emissions are calculated using a refined methodology based on estimated fuel consumption and are not directly comparable with prior years.
- (6) The Scope 1 GHG emission data arising from fuel consumption for genset in FY2025 has been assured externally by KPMG.

Pavilion REIT has set a long-term target to achieve net zero carbon emissions for Scope 1 and Scope 2 by 2050. While Scope 2 emissions are tracked against a FY2019 baseline, Scope 1 emissions measurement is being progressively enhanced. Formal Scope 1 baselines and interim reduction targets will be established once emissions coverage, including additional direct emission sources such as fugitive emissions, is sufficiently complete to support meaningful target-setting.

The Manager remains committed to enhancing the transparency, consistency and comprehensiveness of Scope 1 emissions disclosures, reinforcing Pavilion REIT's dedication to environmental accountability.

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Scope 2 GHG Emissions

Scope and Boundary

Pavilion REIT's Scope 2 GHG emissions comprise purchased electricity consumed in landlord-controlled common areas, including Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall, Pavilion Bukit Jalil and Pavilion Tower.

Measurement Methodology and Emission Factors

Scope 2 GHG emissions are calculated using electricity consumption data and grid emission factors published by the Malaysia Energy Commission.

During the reporting period, Pavilion REIT enhanced its data collection processes and refined its Scope 2 calculation methodology to improve data completeness, accuracy and consistency across the portfolio. As part of this methodological improvement, a consistent grid emission factor approach has been applied using the 2022 grid emission factor of 0.774 tCO₂e/MWh.

Accordingly, Scope 2 emissions data for FY2023 and FY2024 have been restated to reflect these methodological enhancements and to ensure comparability across reporting periods,

Scope 2 GHG Emissions (Purchased Electricity)

Scope 2 GHG emission (tCO ₂ e) ⁽³⁾	FY2019 (Base Year) ⁽⁴⁾	FY2023 ⁽²⁾	FY2024 ⁽²⁾	FY2025
Market-based ⁽¹⁾	123,585	96,757	80,725	72,194 ⁽¹⁾
Location-based	123,585	116,950	116,469	107,693

Notes:

- (1) Scope 2 GHG emissions (market-based) data for FY2025 have been assured externally by KPMG PLT.
- (2) Scope 2 emissions data for FY2023 and FY2024 have been restated to reflect methodological enhancements and improved data quality.
- (3) Location-based Scope 2 emissions are disclosed in accordance with IFRS S2 and reflect average grid emission factors, while Pavilion REIT's emission reduction performance is assessed using the market-based method.
- (4) Base Year and Structural Change Adjustment

FY2019 has been selected as Pavilion REIT's base year for Scope 2 GHG emissions.

Pavilion Bukit Jalil was not part of the Pavilion REIT portfolio in FY2019 and was subsequently added to the portfolio. In accordance with the GHG Protocol requirements on structural changes, the base year has been recalculated to include Pavilion Bukit Jalil to enable meaningful like-for-like comparison across the enlarged portfolio.

As historical electricity consumption data for Pavilion Bukit Jalil prior to acquisition is not available, FY2024, being the first full financial year of operations, has been used as a proxy baseline for this asset. Scope 2 emissions for Pavilion Bukit Jalil in FY2024 amounted to 39,957 tCO₂e.

Accordingly, the recalculated base year Scope 2 emissions are:

- Original FY2019 base year emissions: 83,628 tCO₂e
- Adjustment for Pavilion Bukit Jalil: 39,957 tCO₂e
- Recalculated base year total: 123,585 tCO₂e

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Scope 2 Emissions and Renewable Electricity

Pavilion REIT applies the market-based method for Scope 2 emissions in accordance with the GHG Protocol Scope 2 Guidance and IFRS S2. Electricity procured under TNB's GET is treated as a contractual instrument and applied only to the relevant subscribed properties. GET certificates are tracked and retired in accordance with applicable programme requirements.

During FY2025, Pavilion REIT subscribed to GET for Pavilion Kuala Lumpur Mall and Intermark Mall, supporting the procurement of electricity from certified renewable sources. Across the portfolio, approximately 33% of landlord electricity consumption was sourced from renewable electricity under the GET program. Individually:

- Pavilion Kuala Lumpur Mall sourced 70% of its landlord electricity consumption under GET
- Intermark Mall sourced 34% of its landlord electricity consumption under GET

The renewable electricity procured under the GET program is supported by Malaysia Renewable Energy Certificates issued by TNB, which certify that the electricity supplied originates from renewable sources. This enables Pavilion REIT to reflect lower Scope 2 market-based emissions for electricity consumption associated with GET subscriptions.

In accordance with IFRS S2 requirements, Pavilion REIT also discloses Scope 2 location-based emissions, which are calculated using the average grid emission factor of the Malaysian electricity system. The Manager primarily monitors performance and progress against emission reduction targets using the market-based method, as it reflects renewable electricity procurement decisions.

Currently, Pavilion Kuala Lumpur Mall and Intermark Mall participate in the GET program. The Manager plans to expand renewable electricity adoption across other properties where feasible. These initiatives support Pavilion REIT's long-term renewable energy target of 50% by 2040 and demonstrate a transition toward cleaner energy consumption.

Performance Against Base Year

Based on market-based Scope 2 emissions, Pavilion REIT recorded emissions of 72,194 tCO₂e in FY2025. Compared against the recalculated base year emissions of 123,585 tCO₂e, this represents an approximate 42% reduction. The reduction was primarily driven by:

- Increased use of renewable electricity through Malaysia's Green Electricity Tariff (GET) via Pavilion Kuala Lumpur Mall and Intermark Mall; and
- Reduced landlord-controlled electricity consumption at DA MEN Mall, following the leasing of the whole mall to Easyhome International (M) Sdn Bhd from April 2025.

Targets and Outlook

The significant reduction in Scope 2 emissions demonstrates the effectiveness of Pavilion REIT's energy management initiatives and indicates that the target of a 20% reduction in carbon emissions has been exceeded.

The Manager will continue to monitor Scope 2 emissions, expand renewable electricity procurement where feasible, and implement further energy efficiency measures to sustain and enhance emissions reductions, in line with Pavilion REIT's long-term sustainability strategy and national climate objectives.

Scope 3 GHG Emissions

Scope 3 GHG emissions represent indirect emissions that occur across Pavilion REIT's value chain and are not included in Scope 1 or Scope 2. While these emissions are largely outside Pavilion REIT's direct operational control, they are influenced by the property's activities, procurement decisions and engagement with tenants, employees and service providers.

During the year, Pavilion REIT enhanced its Scope 3 GHG emissions reporting to broaden coverage and improve transparency in accordance with transition relief applied under IFRS S2 Climate-related Disclosures and NSRF. This reflects the Manager's ongoing commitment to strengthening sustainability reporting and providing stakeholders with a more comprehensive view of Pavilion REIT's indirect environmental impacts.

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For the current reporting period, Pavilion REIT has prioritised Scope 3 categories that are considered most relevant to its business model, where data is available and where emissions are expected to be material. These include emissions associated with energy use, tenant operations, employee activities and waste generated in the course of operations.

Recognising that Scope 3 emissions estimation involves a higher degree of uncertainty and reliance on assumptions compared to Scope 1 and Scope 2, the Manager has adopted a phased and pragmatic approach to Scope 3 reporting. Data quality and methodological robustness will continue to be enhanced over time, and additional Scope 3 categories will be assessed for inclusion in future reporting cycles as data availability improves.

- **Category 3: Fuel- and energy-related activities (not included in Scope 1 or 2)**, relating to purchased electricity that is sold to end users;
- **Category 5: Waste generated in operations;**
- **Category 6: Business travel;**
- **Category 7: Employee commuting;** and
- **Category 13: Downstream leased assets**, primarily relating to electricity consumption by tenants

Scope 3 – Category 3: Fuel- and Energy-Related Activities (*Not Included in Scope 1 or Scope 2*)

Scope 3 Category 3 emissions represent purchased electricity that is sold to end users that are not reported under Scope 1 or Scope 2. This includes electricity procured by Pavilion REIT and subsequently supplied to end users where Pavilion REIT remains the contractual electricity account holder.

In prior reporting periods, electricity consumption supplied to certain end users was disclosed under Scope 3 Category 13 (Downstream Leased Assets). During FY2025, Pavilion REIT conducted a review of contractual arrangements, operational responsibility and electricity procurement practices. As a result, and in alignment with the GHG Protocol Scope 3 Standard, these emissions have been reclassified to Scope 3 Category 3, as they relate to purchased electricity that is sold to end users rather than the downstream operation of leased assets.

Accordingly, electricity consumption supplied to Pavilion Hotel Kuala Lumpur and Pavilion Suites is reported under Scope 3 Category 3 where Pavilion REIT procures the electricity and recharges the consumption to the respective end users.

For Pavilion Hotel Kuala Lumpur, electricity consumption from January 2025 up to the day prior to the acquisition date of 20 June 2025 is classified under Scope 3 Category 3, as Pavilion REIT remained the electricity account holder during this period. Electricity consumption from the acquisition date is classified under Scope 3 Category 13 (Downstream Leased Assets), reflecting the change in ownership and operational arrangements.

For Pavilion Suites, electricity consumption was reported under Scope 3 Category 3 as its electricity was billed by Pavilion REIT. During FY2025, Pavilion Suites progressively transitioned to having its own electricity account with Tenaga Nasional Berhad. Thereafter, no electricity consumption was reported under Scope 3 Category 3 for Pavilion Suites in FY2025.

Electricity-related emissions were calculated using the Malaysia Grid Emission Factor of 0.774 tCO₂e/MWh, based on the latest available national grid emission factor published for Malaysia (2022). This represents an update from the previously applied emission factor of 0.758 tCO₂e/MWh. The revised emission factor has been applied to FY2023 to FY2025 to enhance accuracy, consistency and alignment with national and international reporting practices. Minor differences arising from the update in emission factors and rounding are not considered material. The table below summarises electricity consumption supplied to end users and reported under Scope 3 Category 3:

Electricity-Related Emissions (tCO ₂ e)	FY2023	FY2024	FY2025
Pavilion Hotel Kuala Lumpur	6,091	6,099	2,868
Pavilion Suites	3,745	2,162	-
Total	9,836	8,261	2,868

The reduction in Scope 3 Category 3 emissions reported in FY2025 reflects:

- the partial-year inclusion of Pavilion Hotel Kuala Lumpur up to 19 June 2025;
- the transition of Pavilion Suites to a separate electricity account by Tenaga Nasional Berhad.

Prior-year figures have been restated to reflect the reclassification and updated emission factor. These changes improve the accuracy, consistency, and comparability of Pavilion REIT's emissions reporting and do not affect total Scope 3 emissions. Pavilion REIT will continue to apply this methodology consistently in future reporting periods.

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Scope 3 – Category 5: Waste Generated in Operations

Scope 3 GHG emissions from waste generated in operations comprise indirect emissions arising from the treatment and disposal of waste generated across Pavilion REIT’s properties. This includes waste generated from landlord-controlled common areas and tenant-occupied spaces, where waste streams are operationally comingled and managed collectively at the property level. These emissions are classified as Scope 3 as waste treatment activities are undertaken by third-party service providers and are outside the Manager’s direct operational control.

FY2025 represents the first year that Pavilion REIT has disclosed Scope 3 GHG emissions for waste generated in operations. The reported figures are based on the best available data and reasonable assumptions at this stage and may be subject to refinement in future reporting periods as data coverage, data quality and estimation methodologies continue to improve.

For FY2025, Scope 3 emissions from waste generated in operations amounted to 4,489 tCO₂e, primarily attributable to waste disposed of at landfill, which remains the main contributor due to its higher carbon intensity. Emissions associated with recycling and food waste composting were comparatively low.

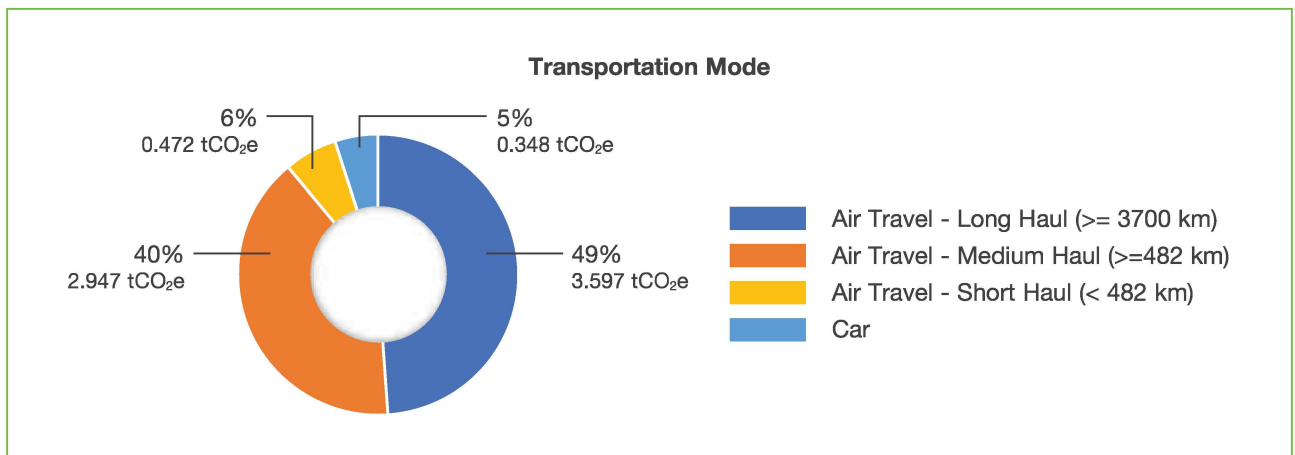
Emissions were estimated based on waste quantities by treatment method, using emission factors from the UK Department for Environment, Food & Rural Affairs (DEFRA) 2023, in the absence of locally available emission factors.

The Manager continues to work with the property manager and waste contractors to enhance waste segregation practices, increase recycling rates and explore opportunities to divert waste from landfill, with the aim of reducing Scope 3 emissions over time.

Waste Treatment Method	Scope 3 Emission (tCO ₂ e) FY2025
Landfill	4,477
Food Waste Composting	2
Recycling (Metal, Plastic, Paper)	10
Total	4,489

Scope 3 – Category 6: Business Travel

Business Travel Emissions by Transportation Mode



tCO ₂ e	FY2024	FY2025
Total Emissions	19.70	7.36

Please note that minor percentage differences may occur due to rounding in calculations. These differences are not material and do not affect the overall accuracy of the reported data.

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Pavilion REIT identifies Scope 3 Category 6 (Business Travel) as a relevant source of GHG emissions, arising from employee travel undertaken for business purposes. These emissions fall outside the Manager's direct operational control but are monitored to provide a comprehensive view of Pavilion REIT's climate-related impacts.

The reporting boundary for business travel emissions includes all the Manager's employee business travel undertaken during the financial year and excludes travel by tenants, contractors, or third parties. Emissions are categorised by transportation mode, including air travel (short-, medium- and long-haul), car travel, motorcycles and public transport such as bus and LRT/MRT where applicable.

Business travel emissions are calculated using activity-based data obtained from employee travel claim forms, supported by invoices and receipts for verification. Travel distances and modes are mapped against updated emission factors from the US EPA GHG Emission Factors Hub (2025), ensuring alignment with globally recognised methodologies and enhancing the accuracy and consistency of reported data. Minor rounding differences may occur but are not considered material to the overall emissions profile.

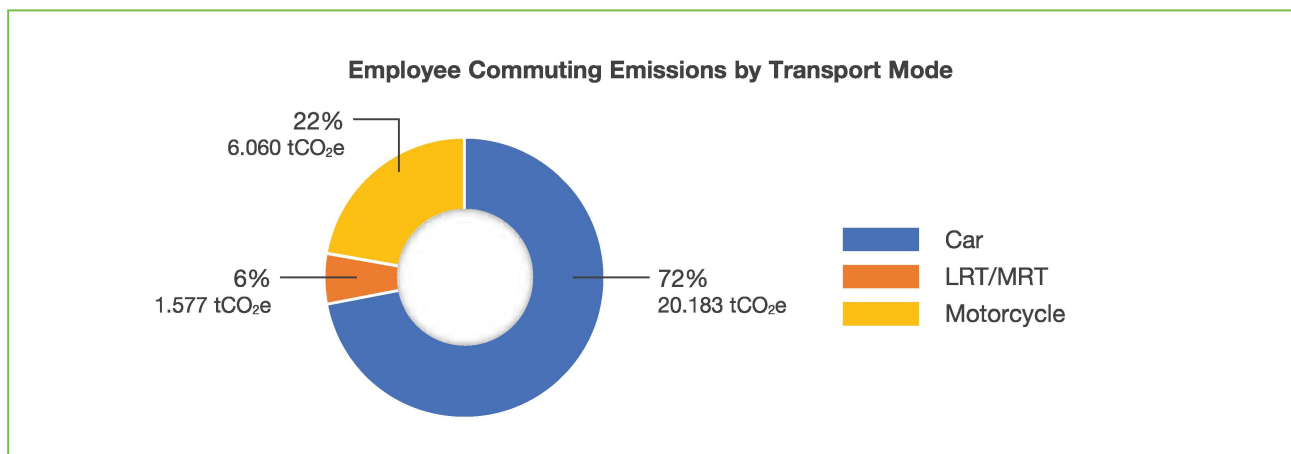
For FY2025, total business travel emissions amounted to 7.36 tCO₂e, compared to 19.70 tCO₂e in FY2024. The year-on-year reduction was primarily attributable to:

- Lower reliance on long-haul air travel compared to the previous year,
- Reduced frequency of business travel,
- The application of updated emission factors.

Air travel remains the primary contributor to business travel emissions, particularly from medium- and long-haul flights, reflecting the higher emission intensity associated with air transportation. No emissions were recorded from buses, motorcycles or rail-based public transport during the reporting period.

Pavilion REIT continues to monitor business travel emissions as part of its broader climate risk management approach. The Manager encourages the use of more sustainable travel options where feasible and promotes alternatives such as virtual meetings to minimise travel-related emissions. These efforts support Pavilion REIT's ongoing commitment to reducing its carbon footprint and managing climate-related transition risks.

Scope 3 – Category 7: Employee Commuting



tCO ₂ e	FY2024	FY2025
Total Emissions	22.90	27.82

Please note that minor percentage differences may occur due to rounding in calculations. These differences are not material and do not affect the overall accuracy of the reported data.

Scope 3 Category 7 emissions comprise GHG emissions generated from employees' daily commuting to and from the workplace. Pavilion REIT recognises employee commuting as a relevant source of indirect emissions, as commuting patterns and transport choices contribute to the organisation's overall carbon footprint and may present transition-related risks over time.

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The organisational boundary for this category is limited to the Manager’s employees and excludes tenants, contractors and outsourced service providers.

For FY2025, Pavilion REIT conducted an employee commuting survey to collect data on commuting modes and estimated daily travel distances. The survey was administered by the Human Resources department and achieved a 100% response rate, ensuring full employee coverage and enhancing the completeness, reliability and representativeness of the data used for emissions estimation.

Employee commuting emissions were calculated using distance-based emission factors obtained from the US EPA GHG Emission Factors Hub, with emission factors updated from 2024 to 2025 to reflect the latest available data and to maintain alignment with internationally recognised methodologies. Minor differences due to rounding are not considered material and do not affect the overall accuracy of the reported emissions.

In FY2025, total employee commuting emissions amounted to 27.82 tCO₂e, compared to 22.90 tCO₂e in FY2024. The increase was primarily attributable to:

- A higher proportion of commuting via private cars and motorcycles, which remain the main contributors to emissions due to their higher emission intensity; and
- Improved data accuracy resulting from the full implementation of the employee commuting survey.

Car travel and motorcycle use accounted for the majority of commuting emissions, while public transport usage (LRT/MRT) contributed a smaller share of total emissions, reflecting its lower emission intensity.

Pavilion REIT continues to monitor employee commuting emissions as part of its broader climate-related risk management approach. The Manager recognises that employee commuting patterns may be influenced by future regulatory, infrastructure and cost-related changes associated with transport decarbonisation. Measures such as promoting public transport usage, flexible work arrangements and employee awareness initiatives will be considered to support the reduction of commuting-related emissions over time.

Scope 3 – Category 13: Downstream Leased Assets

(Tenant Electricity Consumption)

Scope 3 Category 13 emissions comprise GHG emissions arising from the operation of downstream leased assets, specifically electricity consumed by tenants in Pavilion REIT properties. The reporting scope includes Pavilion REIT properties where tenant electricity consumption is recorded under Scope 3 Category 13:

- Pavilion Kuala Lumpur Mall
- Elite Pavilion Mall
- Pavilion Bukit Jalil
- Pavilion Tower
- Pavilion Hotel Kuala Lumpur
- Banyan Tree Kuala Lumpur
- DA MEN Mall

Scope 3 Category 13 emissions were calculated using the Malaysia Grid Emission Factor of 0.774 tCO₂e/MWh, based on the latest national grid emission factor published for Malaysia (2022). This updated factor has been applied to FY2023 to FY2025 to improve accuracy, consistency and alignment with national and international reporting practices.

Scope 3 Category 13 Emissions Summary

tCO ₂ e	FY2023	FY2024	FY2025
Total Emissions	29,239	41,994	64,791 ⁽¹⁾

Note:

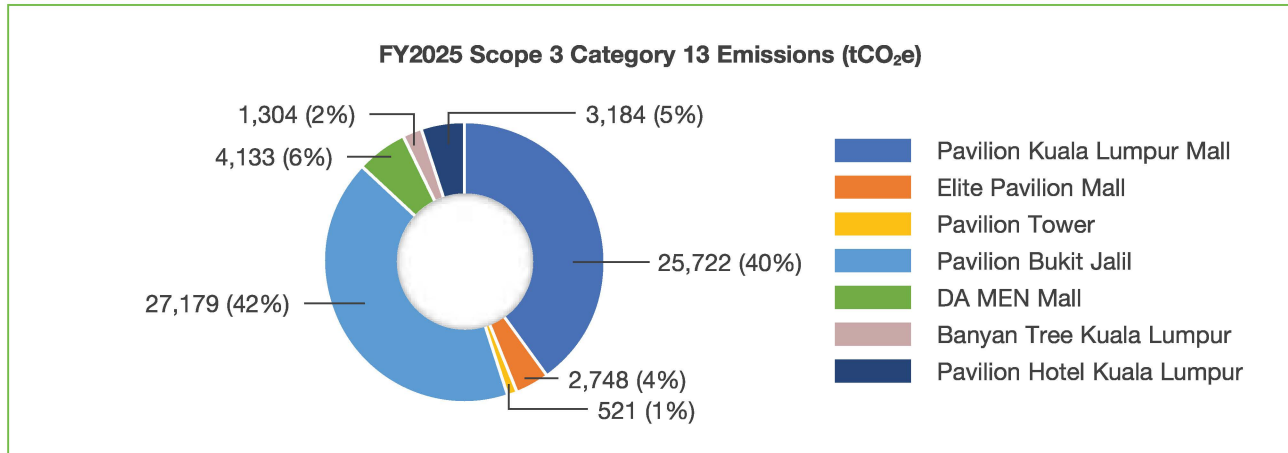
(1) Scope 3 GHG emissions (Category 13) data for FY2025 have been assured externally by KPMG PLT.

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In FY2025, total Scope 3 Category 13 emissions increased as compared to the prior year, primarily due to:

- electricity consumption data for DA MEN Mall that is reported under this category upon change into master tenancy agreement, and upon acquisition and master leases of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur; as well as
- full-year electricity consumption for Pavilion Bukit Jalil.



Tenant electricity consumption at Intermark Mall is excluded from Scope 3 Category 13, as tenants are billed directly by electricity suppliers and Pavilion REIT does not have access to the consumption data. The Manager will continue to explore feasible avenues to obtain this data in future reporting periods.

Prior-year figures have been restated to reflect the updated Malaysia Grid Emission Factor. The emission factor update improves the accuracy, consistency and comparability of Pavilion REIT's emissions reporting and does not affect the total Scope 3 boundary. Pavilion REIT will continue to apply this methodology consistently in future periods.

GHG Emission Intensity

Pavilion REIT is committed to responsible operations and reducing its environmental impact. A key measure of this commitment is GHG emission intensity, which tracks the amount of GHG emissions released per unit of activity or output. This metric allows Pavilion REIT to monitor progress toward sustainability goals, benchmark performance over time and identify opportunities for improvement.

Methodology

GHG emission intensity is calculated as tons of CO₂ equivalent per square meter of gross floor area (tCO₂e/m²). Normalising emissions to GFA ensures fair and consistent comparisons, even as the portfolio grows or evolves. A lower GHG intensity indicates greater operational efficiency and reduced environmental impact.

The GHG emission intensity metric includes:

- **Scope 1:** Emissions from generator fuel consumption
- **Scope 2:** Emissions from landlord electricity consumption
- **Scope 3 – Category 13:** Tenant electricity consumption in downstream leased assets

GHG Emission Intensity Performance (Total Portfolio)

Total GHG Emission Intensity (tCO ₂ e/m ²)	FY2019	FY2023	FY2024	FY2025
		0.22	0.18	0.17

Total emissions for FY2025 were 132,548 tCO₂e, normalised by a GFA of 696,413 m². Compared to the baseline FY2019 (0.22 tCO₂e/m²), this represents a reduction of 14%, highlighting Pavilion REIT's ongoing energy efficiency and sustainability efforts.

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GHG Emission Intensity – Scope 1 & 2 Only

To illustrate the impact of emissions directly under operational control, GHG emission intensity excluding Scope 3 emissions is presented below:

Total GHG Emission Intensity (tCO ₂ e/m ²)	FY2019	FY2023	FY2024	FY2025
Scope 1 and 2 only	0.22	0.14	0.11	0.10

This shows a significant reduction in GHG emission intensity, reflecting the effectiveness of energy efficiency initiatives directly under Pavilion REIT's operational control. Compared to the baseline year FY2019 (0.22 tCO₂e/m²), Scope 1 & 2 intensity has reduced by 55% in FY2025. Pavilion REIT has set a target to reduce carbon intensity from its direct and indirect operations (Scopes 1 and 2) by 20% by 2030, using FY2019 as the baseline year. This target underscores Pavilion REIT's commitment to decarbonising its operations while continuing to monitor and improve emissions across its portfolio.

Climate-Related Financial Disclosures

Pavilion REIT recognises that climate change presents both risks and opportunities that may influence the performance, resilience, and long-term value of its portfolio. To provide transparent, decision-useful information, the Manager's disclosures are in accordance with the IFRS Sustainability Disclosure Standards (IFRS S1 and S2).

The disclosures cover Pavilion REIT's approach to governance, strategy, risk management, scenario analysis, transition planning and climate-related metrics and targets.

Governance

Roles and responsibilities related to sustainability for the Board, sustainability committee, sustainability working committees, senior management and working-level teams are clearly defined within the Sustainability Policy, ensuring accountability and effective implementation across all levels.

The Board Committee's Terms of Reference explicitly include climate-related matters, reinforcing the Board's commitment to addressing environmental risks and opportunities.

Additionally, the Board engages in ongoing training on ESG-related topics, ensuring that directors remain informed of emerging sustainability issues, regulatory developments and best practices.

For further details, on the sustainability governance structure, please refer to Sustainability Governance section in this report.

Strategy

Climate change is central to Pavilion REIT's strategic priorities. The Manager recognises that climate-related risks and opportunities may impact operating costs, asset performance, tenant experience, stakeholder trust and long-term value creation. To proactively manage these impacts, Pavilion REIT has integrated climate considerations into its enterprise risk management framework, asset management, and corporate strategy.

To navigate the path towards net-zero carbon, the Manager has developed a Climate Transition Strategy. This strategy, alongside policies such as the Sustainability Policy and Environmental Policy, serves as a roadmap for Pavilion REIT's decarbonisation efforts and rests on three key pillars:

1. Managing Pavilion REIT's Emissions

Enhancing Energy Efficiency

- Implementing energy-saving measures such as LED lighting and new/upgraded chiller systems to reduce electricity consumption across properties
- Subscribing to TNB's GET scheme to increase the share of cleaner energy sources
- Conducting regular energy audits to identify and address energy inefficiencies

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Integrating Sustainable Practices

- Encouraging responsible waste management and water conservation initiatives
- Partnering with green suppliers and service providers to ensure sustainability throughout the supply chain

2. Investing in Low-Emission and Green Technologies

Embracing Clean Technologies

- Implementing smart building systems to optimise energy usage
- Providing electric vehicle charging infrastructure to support low-carbon transportation
- Exploring innovative solutions for low-carbon and renewable technologies

Prioritising Green Buildings

- Targeting green building certifications for properties
- Employing sustainable construction practices and materials in new renovations and asset enhancement projects

3. Leveraging Partnerships and Collaboration

Engaging Stakeholders

- Partnering with tenants, suppliers, and industry peers to promote climate action and knowledge sharing

Participating in Sustainability Initiatives

- Collaborating with relevant associations and organisations to advance sustainable practices, share best practices, and enhance industry-wide impact

This strategy reduces exposure to energy cost volatility, enhances tenant and stakeholder satisfaction and strengthens long-term asset value. Progress is tracked via energy consumption, GHG emissions, renewable energy adoption and green building certifications.

For further details, please refer to Climate Change sections in this report.

Risk Management

Pavilion REIT assesses climate-related risks through the ERM framework, considering physical and transition risks. The Manager assesses climate-related risks and opportunities across three time horizons aligned with its business planning cycles:

- Short-term (0–12 months): Operational impacts, compliance and immediate energy cost management
- Medium-term (1–5 years): Energy efficiency improvements, decarbonisation initiatives and capital planning
- Long-term (>5 years): Asset resilience, climate adaptation and strategic positioning in a low-carbon economy

Risks are assessed both qualitatively and quantitatively, considering their potential impacts on the business model, value chain and financial performance.

The Manager also conducts regular risk assessments with cross-departmental risk owners to identify, evaluate and mitigate climate risks across all operating assets. These assessments consider both physical risks (e.g., storms, floods, droughts and wildfires) and transition risks (e.g., policy shifts, technological advancements and reputational risks) to ensure a proactive approach to climate resilience.

Physical Risks

Physical risks relate to climate events that may physically damage Pavilion REIT properties or disrupt operations, including flash floods, extreme rainfall and rising temperatures. These risks may affect tenant operations, energy demand, maintenance requirements and asset value.

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Physical Climate-Related Risks

Risk Category	Description	Time Horizon	Current & Anticipated Effects on Business Model & Value Chain	Mitigation Measures	Current & Anticipated Effects on Financial Position, Performance & Cash Flows
Flash floods & extreme rainfall	Operational disruption, water ingress, structural damage	Short : 0-12 months	Temporary closures, tenant disruption, maintenance requirements, reputational impacts	Direct: Flood gates, drainage, preventive maintenance, emergency response Indirect: Staff/tenant/contractors training on safety protocols, insurance coverage	Current: Minor operational increase, periodic repairs Anticipated: Medium/long-term increase in operation & capital expenditure increase, potential revenue disruption
Rising temperatures/heat stress	Increased cooling demand, HVAC strain	Medium : 1-5 years	Higher energy costs, tenant discomfort, potential impact on asset attractiveness	Direct: HVAC upgrades, energy efficiency initiatives Indirect: Tenant guidance, operational monitoring	Current: Increased electricity costs Anticipated: Higher medium/long-term energy costs, possible capital expenditure for resilient systems

Transition Climate-Related Risks

Risk Category	Description	Time Horizon	Current & Anticipated Effects on Business Model & Value Chain	Mitigation Measures	Current & Anticipated Effects on Financial Position, Performance & Cash Flows
Policy & Legal (carbon pricing, regulations)	Future carbon pricing, environmental regulations, reporting obligations	Medium : 1-5 years	Increased compliance, operating costs, potential impact on tenant/investor expectations	Direct: Regulatory monitoring, energy efficiency, GET adoption, capital planning Indirect: Stakeholder engagement, transparent reporting	Current: Minimal impact in Malaysia Anticipated: Potential increase in operation cost and capital expenditure if regulations/carbon pricing implemented
Technology	Low-carbon/energy-efficient technology adoption or obsolescence	Short : 0-12 months	Potential higher costs, reduced competitiveness if assets are not upgraded	Direct: System upgrades, adoption of low-carbon technology Indirect: Tenant collaboration, industry monitoring	Current: Incremental operational cost Anticipated: Medium-term capital expenditure for upgrades and long-term efficiency gains
Market	Tenant, investor, and shopper expectations for sustainable buildings	Medium : 1-5 years	Potential revenue and occupancy impacts	Direct: Green building certifications, sustainability programs Indirect: Tenant engagement, marketing low-carbon initiatives	Current: No material impact Anticipated: Medium-term influence on rental rates, occupancy, and valuation

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Risk Category	Description	Time Horizon	Current & Anticipated Effects on Business Model & Value Chain	Mitigation Measures	Current & Anticipated Effects on Financial Position, Performance & Cash Flows
Reputation	Stakeholder perception on climate performance and ESG commitment	Medium : 1-5 years	Brand perception, stakeholder trust, investor confidence	Direct: Transparent reporting, renewable energy adoption, emission targets Indirect: Stakeholder engagement, public disclosure	Current: Limited effect Anticipated: Potential long-term revenue and valuation impact

Climate Scenario Analysis

In line with IFRS S2 Climate-related Disclosures, Pavilion REIT has undertaken a climate scenario analysis to assess the resilience of its strategy and property portfolio under different plausible climate futures. The analysis supports the identification and management of climate-related risks and opportunities that may affect Pavilion REIT's financial performance, position, and long-term value creation.

The scenario analysis focuses on transition risks associated with the shift to a low-carbon economy and physical risks arising from climate change impacts. Given the nature of Pavilion REIT's operations, the assessment prioritises areas considered most material, including electricity consumption, operating costs, asset resilience and capital expenditure planning.

Scenario Selection and Reference Framework

The scenario analysis was referenced to widely recognised external sources, including the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) and International Energy Agency (IEA) climate and energy transition scenarios. These references guided assumptions on temperature outcomes and transition dynamics without relying on detailed climate modelling.

The analysis focuses on the short to medium term horizon up to 2030, which aligns with Pavilion REIT's strategic planning and decarbonisation initiatives.

Scenarios Considered

- Orderly Transition Scenario (1.5–2.0°C Pathway)**
 - Assumes stronger climate policies, accelerated renewable energy adoption, higher expectations for low-carbon buildings and moderate increases in electricity costs.
- Delayed Transition/Higher Physical Risk Scenario (>3.0°C Pathway)**
 - Assumes slower policy action, higher exposure to physical climate risks and increased long-term operating and maintenance costs.

Qualitative Scenario Analysis

Transition Risks and Opportunities

Under the orderly transition scenario, Pavilion REIT may face higher electricity costs and increased expectations to decarbonise its operations. However, these risks are partially mitigated by:

- Ongoing energy efficiency initiatives across the portfolio
- Increasing adoption of renewable electricity through Malaysia's Green Electricity Tariff (GET) program
- A target to reduce Scope 1 and Scope 2 carbon intensity by 20% by 2030 from a FY2019 baseline

These actions position Pavilion REIT to benefit from lower long-term energy intensity and improved asset competitiveness.

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Physical Risks and Opportunities

Under the delayed transition scenario, Pavilion REIT may experience increased exposure to physical climate risks, including higher cooling demand, extreme weather events, and potential disruption to operations. These risks may result in higher maintenance costs, increased insurance premiums or short-term business interruptions.

Pavilion REIT manages these risks through:

- Preventive maintenance programmes
- Asset resilience and refurbishment planning
- Portfolio diversification across multiple locations
- Comprehensive insurance coverage

Overall, Pavilion REIT considers its portfolio to be reasonably resilient under both scenarios, with no immediate threat to business continuity identified.

Quantitative Scenario Sensitivity Analysis

To complement the qualitative assessment, Pavilion REIT conducted a brief quantitative sensitivity analysis to illustrate potential financial impacts under each scenario. The analysis is indicative and based on management estimates.

Illustrative Climate Scenario Sensitivities

Risk Driver	Orderly Transition Scenario	Delayed Transition Scenario
Electricity costs	Lower increase due to grid decarbonisation and renewable adoption	Higher increase due to inefficiencies and physical disruptions
Carbon-related costs (proxy)	Increased compliance and reporting costs	Limited near-term impact; higher long-term exposure
Capital expenditure	Moderate increase for energy efficiency and upgrades	Higher spending required for upgrades
Operating cost volatility	Low to moderate	Moderate to high

Based on the scenario analysis, Pavilion REIT believes its business model and strategy remain resilient under both climate scenarios. Transition risks are being actively managed through decarbonisation initiatives and renewable energy adoption, while physical risks are monitored and mitigated through asset management and operational controls.

Pavilion REIT recognises that climate scenario analysis is an evolving process. The Manager intends to progressively enhance the analysis in future reporting periods by incorporating more detailed asset-level physical risk assessments and refined quantitative analysis as data availability and modelling capabilities improve.

For further details, please refer to Our Risk and Opportunities and Climate Change sections in this report.

Metrics & Targets

The metrics and targets are detailed in the Section 5 “Creating Sustainable Impact” section of this Report. Pavilion REIT actively monitors and tracks emissions across its properties and is committed to transparent disclosure of its environmental performance in the integrated annual report.

Pavilion REIT will continue to refine its metrics, methodologies and disclosures in line with the IFRS and evolving best practices to ensure consistency, comparability and decision-useful information for stakeholders.

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ENERGY MANAGEMENT

Why it Matters and Approach

Pavilion REIT’s properties are proactively working towards operating sustainably in line with the Manager’s sustainability commitments which include minimizing any adverse impact on the environment by adopting sustainable energy management measures to reduce energy consumption and use green energy as an energy source.

Each property’s facilities and operations have implemented operational procedures to ensure the energy consumption of its properties are managed efficiently and comply to the relevant regulations.

<h4>Measure and Inspect</h4> <p>Conducting regular inspections, tests and calibration of electrical installations to ensure they are operating efficiently and smoothly. Energy consumption at each property is measured and monitored on a regular basis for any anomaly. In the effort to prevent excessive energy losses involving piping insulation and duct system insulation and to prevent condensation under certain conditions, random inspections are conducted to ensure there are no air leakage and water leakage under any circumstances. These procedures ensure optimum usage and reduce any impact to environment due to wastage of resources.</p>	<h4>Fix and Maintain</h4> <p>Upon detection of any anomaly, investigation and corrective action will be promptly taken to resolve any issues. Energy maintenance has been implemented, which is maintenance of all systems that uses or affects energy usage. The energy maintenance includes routine maintenance tasks such as yearly chiller oil change, using thermography infrared for electrical installation as well as cleaning and servicing of electrical components.</p>
<h4>Monitor</h4> <p>Building Automation System (BAS) is used to monitor system performance for air conditioning system efficiency. BAS also monitors the sub-metering of building systems to track energy consumption of major equipment and other end use application, for example, by categorizing load into building systems such as chillers, tenant and landlord.</p>	<h4>Compliance</h4> <p>Ensuring all electrical installations are in compliance with the Electricity Supply Act 1990 (Act 447) and Electricity Regulations 1994 with relevant certificates and licenses for their operation. Regular inspections are conducted at each property by an independent Certified Supervising Engineer who is registered with Energy Commission. All properties are managed by certified Chargeman and Energy Manager which is required in accordance with the Electricity Supply Act 1990 (Act 447).</p>

Progress

Key Initiatives related to Energy Management

As energy management is closely intertwined with climate change – emission management, detailed information about strategies and initiatives can be found in the “Climate Change” section of this report. The energy consumption data presented here reflects landlord electricity usage, including renewable energy sourced through green electricity programs.

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Electricity Consumption by Landlord

Metrics	FY2019	FY2023	FY2024	FY2025	Target	Progress
Landlord Electricity Consumption (kWh)	161,952,659 ⁽²⁾	125,009,245	150,121,209	139,137,796 ⁽¹⁾	3% reduction in landlord electricity consumption by 2030 vs FY2019	As compared to FY2019, achieved a 14% reduction in landlord electricity consumption
Green Electricity Usage (kWh)	-	25,888,000	45,825,600	45,864,000	-	-
% of Renewable Electricity	-	21%	31%	33%	50% renewable electricity by 2040 by all Pavilion REIT assets under operational control	Achieved 33% renewable electricity usage in FY2025

Note:

- (1) The electricity data in FY2025 has been assured externally by KPMG PLT.
 (2) Base Year and Structural Change Adjustment

FY2019 has been selected as Pavilion REIT's base year for landlord electricity consumption. Pavilion Bukit Jalil was not part of the Pavilion REIT portfolio in FY2019 and was subsequently added to the portfolio.

In accordance with the GHG Protocol requirements on structural changes, the base year has been recalculated to include Pavilion Bukit Jalil in order to enable a meaningful like-for-like comparison across the enlarged portfolio. Accordingly, electricity consumption data have been adjusted on a consistent basis.

As historical electricity consumption data for Pavilion Bukit Jalil prior to its acquisition are not available, FY2024, being the first full financial year of operations under Pavilion REIT, has been used as a proxy baseline for this asset. Electricity consumption for Pavilion Bukit Jalil in FY2024 amounted to 51,624,583 kWh. Accordingly, the recalculated base year are:

- Original FY2019 electricity consumption for landlord: 110,328,076 kWh
- Adjustment for Pavilion Bukit Jalil: 51,624,583 kWh
- Recalculated base year total: 161,952,659 kWh

Performance Against Base Year

Landlord electricity consumption is a material driver of Pavilion REIT's Scope 2 emissions and a key focus area within its energy management strategy. The Manager closely monitors electricity usage across the portfolio to improve operational efficiency, manage costs, and reduce carbon intensity.

Landlord electricity consumption decreased from 161,952,659 kWh in the FY2019 base year to 139,137,796 kWh in FY2025, representing a 14% reduction. This improvement reflects the cumulative impact of energy-efficiency initiatives, including chiller system upgrades, LED retrofits, installation of sensor activated lighting, enhanced building management systems and proactive energy monitoring across the portfolio. On a year-on-year basis, electricity consumption declined by 7% as compared to FY2024, primarily attributable to DA MEN Mall being leased to Easyhome International (M) Sdn Bhd, which reduced landlord-controlled electricity usage.

The Trust has set a target to achieve a 3% reduction in landlord electricity consumption by 2030 as compared to FY2019. As at FY2025, Pavilion REIT has exceeded the required reduction trajectory, demonstrating continued progress towards its long-term energy efficiency objective.

Renewable Electricity Adoption

Pavilion REIT has made steady progress in increasing the share of renewable electricity, primarily through participation in TNB's GET programme. In FY2025, renewable electricity usage of 45.9 million kWh accounts for 33% of total landlord electricity consumption, up from 31% in FY2024. This reflects the higher penetration of GET subscriptions at Pavilion Kuala Lumpur Mall and Intermark Mall, as well as the strategic allocation of renewable electricity within the portfolio.

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These results demonstrate clear progress against Pavilion REIT's energy management and decarbonisation strategy, supporting its commitment to:

- Reducing exposure to electricity price volatility
- Lowering Scope 2 emissions and carbon intensity
- Enhancing the long-term resilience and attractiveness of its assets

While renewable electricity adoption may result in incremental operating costs, the Manager views this as a strategic investment that supports long-term value creation, regulatory preparedness and stakeholder expectations.

Electricity Consumption by Tenants and End Users

The Manager began collecting data on tenant and end-user electricity consumption in FY2023 to enhance visibility over electricity usage across Pavilion REIT's value chain. This disclosure covers electricity consumption at Pavilion Kuala Lumpur Mall (including Pavilion Hotel Kuala Lumpur and Pavilion Tower), Elite Pavilion Mall and starting from FY2024, Pavilion Bukit Jalil.

Electricity consumption is disclosed only for properties where Pavilion REIT acts as the direct electricity supplier and subsequently recharges electricity consumption to tenants or end users. Accordingly, the reported electricity consumption forms part of Pavilion REIT's Scope 3 GHG emissions, representing emissions associated with the generation of purchased electricity that is resold to end users.

Tenant electricity consumption at Intermark Mall is excluded, as tenants are billed directly by the national electricity vendor, Tenaga Nasional Berhad and Pavilion REIT does not have direct access to this data. The Manager will continue to explore feasible avenues to obtain this information to progressively enhance Scope 3 emissions coverage and data completeness.

FY2025 Scope Expansion

For FY2025, tenant and end-user electricity consumption includes data from Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, DA MEN Mall, Pavilion Bukit Jalil, Pavilion Tower, Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur. This expanded coverage reflects improved data availability and changes in electricity supply arrangements. Prior-year figures are not fully comparable due to the narrower scope of properties included in the earlier reporting periods.

Metrics	FY2023	FY2024	FY2025
Tenant & End User Electricity Consumption (kWh)	50,484,242	64,928,307	87,439,836 ⁽¹⁾

Note:

(1) The electricity data in FY2025 has been assured externally by KPMG PLT.

Tenant and end-user electricity consumption increased in FY2025 compared to prior years, primarily due to electricity consumption data for DA MEN Mall based on master tenancy agreement, with Banyan Tree Hotel Kuala Lumpur and Pavilion Hotel Kuala Lumpur upon their acquisitions and commencement of master leases.

The increase reflects expanded data coverage rather than a deterioration in energy efficiency. These disclosures enhance transparency and provide a more complete view of Pavilion REIT's Scope 3 emissions from tenants and end users electricity usage.

Building Energy Intensity (BEI): Measuring Efficiency and Progress

BEI is a key metric used by Pavilion REIT to measure energy efficiency across its portfolio. It is calculated as the total annual energy consumption per square meter of gross floor area (kWh/m²/year). BEI enables consistent comparisons across buildings of different sizes, supports benchmarking against industry standards such as the Green Building Index (GBI) and provides insight into energy-related operational efficiency and climate-related risk exposure.

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Sector	GBI's BEI Baseline	Building Energy Intensity (kWh/m ² /year)		
		FY2023	FY2024	FY2025
Retail	350	250	307	317
Office	150	100	103	119
Hotels	290	-	-	227
	Overall BEI	246	301	307

The increase in retail BEI in FY2025 is primarily due to the addition of tenant electricity consumption at Pavilion Bukit Jalil. Hotel sector BEI includes newly reported Banyan Tree Hotel Kuala Lumpur and Pavilion Hotel Kuala Lumpur. Due to this expanded scope, BEI comparisons across years may not be entirely consistent. However, the Manager is committed to transparency and strives to provide the most comprehensive data possible.

BEI is compared against GBI baseline minimums for retail, office and hotel sectors to provide context on operational performance relative to industry standards. Pavilion REIT's FY2025 overall BEI remains well within the GBI thresholds, demonstrating a sustained commitment to energy efficiency.

The Manager remains committed to reducing energy consumption and improving BEI across its portfolio through initiatives including:

- Energy audits and optimization measures across Pavilion REIT's properties to identify and eliminate energy waste.
- Investment in energy-efficient technologies and equipment such as upgraded chillers, LED lighting and enhanced building management system.
- Collaboration with tenants on energy-saving practices.
- Integration of renewable energy sources, including subscriptions to TNB's Green Electricity Tariff (GET) program.

WATER MANAGEMENT

Why it Matters and Approach

The Manager understands the importance of water conservation in Malaysia due to water shortages, dry seasons and river pollution. Water is essential for daily operations to maintain functionality and meet health and safety regulations.

Efficient water management is a key sustainability strategy that the Manager is committed to implementing within Pavilion REIT properties to reduce water waste and minimize environmental impact. The Manager has implemented procedures to optimize water usage, minimize environmental impact and detect potential leakages in water pipes.

Operations monitor water consumption at each property daily for anomalies. If an anomaly is detected, an investigation is launched, and corrective action is promptly taken. Water-efficient fittings, such as sensor-activated sink faucets, have been installed during the progressive refurbishment of toilets at all its properties to further reduce water wastage.

The Manager has implemented new strategies to optimize water usage and minimize disruptions within Pavilion REIT. These initiatives include the installation of rainwater harvesting systems at Pavilion Kuala Lumpur Mall, Pavilion Tower, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil. Additionally, air handling unit (AHU) condensate water recycling systems have been installed at Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil. The Manager remains committed to evaluating the feasibility of extending these installations to other properties.

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Water Management Data

Water Withdrawal and Consumption

The Manager recognises that water is a critical natural resource and is committed to managing Pavilion REIT's water use responsibly to minimise operational risks and environmental impact. Pavilion REIT sources water primarily from municipal water suppliers and discharges wastewater through municipal sewerage systems.

Pavilion REIT's properties are located in urban areas and are not situated in water-stressed locations. Nevertheless, water availability and cost remain important operational considerations. To enhance resilience, contingency arrangements are in place in the event of supply disruption. This includes access to SYABAS water supply from Pavilion Hotel, which is connected to the suction tank of Pavilion Kuala Lumpur Mall, as well as the ability to procure water from third-party water service providers where required.

During FY2025, there were no incidents of water supply disruption across any of Pavilion REIT's properties. All assets continued to operate without interruption, reflecting the effectiveness of the Manager's water management practices, preventive maintenance programmes and contingency planning.

Scope and Boundary

Water data is reported based on **operational control** and includes:

- **Landlord water consumption**, covering common areas.
- **Tenant water consumption**, where Pavilion REIT measures and monitors usage within tenant premises or where water costs are recharged.

For FY2025, tenant water consumption data is disclosed for the following properties:

Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall, Pavilion Bukit Jalil, Pavilion Hotel Kuala Lumpur and Banyan Tree Kuala Lumpur.

Water usage at Pavilion Tower is minimal and is classified under landlord consumption, as tenants usage is managed as part of the landlord's facilities.

Water Withdrawn from Third Party Water Service Providers – Municipal Supplier	Volume (m ³)				Target	Progress
	FY2019	FY2023	FY2024	FY2025 ⁽¹⁾		
Water Consumption (Landlord)	1,262,973 ⁽²⁾	1,055,816	1,186,053	1,060,242	To achieve 2% reduction in landlord water consumption by 2030 compared to FY2019	16% reduction achieved
Water Consumption (Tenant)	435,215	599,750	790,019	927,277	-	-

Notes:

(1) The water data in FY2025 has been assured externally by KPMG PLT.

(2) Base Year and Structural Change Adjustment

FY2019 has been selected as Pavilion REIT's base year for landlord water consumption. Pavilion Bukit Jalil was not part of the Pavilion REIT portfolio in FY2019 and was subsequently added to the portfolio.

As of this year, the base year for landlord water consumption target has been recalculated to include Pavilion Bukit Jalil in order to enable a meaningful like-for-like comparison across the enlarged portfolio. Accordingly, water consumption data have been adjusted on a consistent basis.

As historical water consumption data for Pavilion Bukit Jalil prior to its acquisition are not available, FY2024, being the first full financial year of operations under Pavilion REIT, has been used as a proxy baseline for this asset. Water consumption (landlord) for Pavilion Bukit Jalil in FY2024 amounted to 455,565 m³. Accordingly, the recalculated base year are:

- Original FY2019 water consumption for landlord: 807,408 m³
- Adjustment for Pavilion Bukit Jalil: 455,565 m³
- Recalculated base year total: 1,262,973 m³

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Total landlord water consumption in FY2025 amounted to 1,060,242 m³, as compared to 1,262,973 m³ in the FY2019 base year, representing a 16% reduction and exceeding Pavilion REIT's interim water efficiency target. The decrease was partly attributable to the master tenancy of DA MEN Mall to Easyhome International (M) Sdn Bhd, which reduced landlord-controlled water usage. Additional improvements were driven by ongoing water efficiency and conservation initiatives across the portfolio.

Tenant water consumption increased as compared to FY2019, primarily due to the inclusion of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur within the reporting boundary, as well as master tenancy of DA MEN Mall to Easyhome International (M) Sdn Bhd, under which water usage is now classified as tenant consumption.

Water-Related Risks and Mitigation

While Pavilion REIT does not operate in water-stressed areas, water availability, cost volatility and service disruptions represent potential operational risks. These are managed through:

- Preventive maintenance of plumbing and water infrastructure;
- Water-efficient fixtures and fittings in asset enhancement initiatives;
- Monitoring and metering of landlord and tenant water usage; and
- Contingency planning for supply disruptions.

These measures support operational continuity and contribute to long-term resource efficiency.

Water Intensity

	Water Intensity (m ³ /m ² /year)			
	FY2019	FY2023	FY2024	FY2025
Retail	3.5	2.4	2.9	2.8
Office	1.1	0.7	0.8	0.9
Hotel	-	-	-	1.7
Overall Water Intensity	3.3	2.3	2.8	2.7

Water intensity is calculated as total water consumption divided by GFA (m³/m²/year). Using GFA provides a standardised and comparable metric across assets of different sizes and property types and supports assessment of water efficiency, operational performance and exposure to water-related physical risks.

Despite the inclusion of Pavilion Bukit Jalil and expanded tenant water consumption data, retail water intensity improved, decreasing from 3.5 m³/m²/year in FY2019 to 2.8 m³/m²/year in FY2025.

Office water intensity also demonstrated a positive long-term trend, declining from 1.1 m³/m²/year in FY2019 to 0.9 m³/m²/year in FY2025.

FY2025 marks the first year of hotel water intensity disclosure, with a recorded intensity of 1.7 m³/m²/year, following the inclusion of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur.

Overall water intensity across Pavilion REIT's portfolio improved from 3.3 m³/m²/year in FY2019 to 2.7 m³/m²/year in FY2025, reflecting more efficient water use across the portfolio.

The improvement in water intensity is attributable to ongoing water efficiency and conservation initiatives, including:

- Installation of rainwater harvesting systems at selected properties;
- Implementation of AHU condensate recovery and reuse systems;
- Preventive maintenance to reduce leakage and system inefficiencies; and
- Increased monitoring of landlord and tenant water usage.

These initiatives contribute to lower operating costs, reduced exposure to water-related physical risks, and improved long-term asset resilience, in line with Pavilion REIT's sustainability strategy.

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Demonstrating Commitment to Water Conservation

Water Withdrawal from secondary source	Volume (m ³)		
	FY2023	FY2024	FY2025
Fresh Surface Water			
• Rain Water Harvesting	226	15,974	2,300
Recycled/Reused Water			
• Condensate Harvesting	2,912	3,153	3,191
Ground Water	165	462	1,446
TOTAL	3,303	19,589	6,937

This table showcases Pavilion REIT's commitment to water conservation by utilizing secondary water sources, contributing to a 16% reduction in overall landlord's water usage as compared to FY2019. Initiatives like rainwater harvesting and AHU condensate recycling play a crucial role in achieving this reduction. Rainwater harvesting dropped due to weather whereby rain water collected were less.

Rainwater Harvesting

Pavilion REIT's rainwater harvesting systems optimize water usage across various properties by repurposing collected rainwater for non-potable needs:

- Pavilion Kuala Lumpur Mall: Used for cleaning loading bays toilets and driveway as well as washing compactor rooms.
- Pavilion Tower: Used to top up the cooling tower water.
- DA MEN Mall: Used for external landscaping and refuse chamber cleaning.
- Pavilion Bukit Jalil: Applied for cleaning loading bay driveways.
- Pavilion Hotel Kuala Lumpur: Used to top up the cooling tower water.

AHU Condensate Harvesting

Condensate recycling systems in AHU further enhance water efficiency by repurposing condensate for cleaning and maintenance:

- Pavilion Kuala Lumpur Mall & Elite Pavilion Mall: Used for loading bays and washing compactor rooms.
- Intermark Mall: Utilised for washing grease traps and refuse chambers.
- DA MEN Mall: Used for external landscaping and refuse chamber cleaning.
- Pavilion Bukit Jalil: Applied for cleaning loading bay driveways.

Groundwater Utilisation

- Pavilion Kuala Lumpur Mall: Groundwater is collected and piped to lifting station rooms for weekly cleaning activities.

These proactive measures demonstrate Pavilion REIT's dedication to environmental sustainability and responsible water management. By actively seeking alternative water sources and implementing efficient recycling practices, the Manager strive to minimize its reliance on municipal water and contribute to a more sustainable future.

Water Reduction Target

Pavilion REIT is actively pursuing water conservation goals to minimize its reliance on freshwater and environmental impact. The Manager is committed to achieving a 2% reduction in landlord water consumption by 2030 as compared to FY2019. To achieve this, the Manager has implementing various initiatives:

- **Rainwater and AHU Metering installation:** Pavilion Bukit Jalil installed meters to accurately track rainwater and AHU water usage, ensuring precise monitoring and reporting.
- **AHU Condensate Water Recycling System Installation:** System was installed at DA MEN Mall, which is expected to reduce overall water consumption and reliance on freshwater sources.
- **Continuous improvement:** The Manager regularly reviews and explores new water-saving technologies and methods to enhance water management efficiency across all properties.

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Beyond its current target, the Manager will continue to actively seek innovative ways to reduce water consumption. This includes:

- **Promoting Water Conservation Awareness:** The Manager is committed to educating tenants, shoppers/customers and employees about water conservation practices and encouraging their participation in its initiatives.
- **Regular Monitoring and Maintenance:** Consistent monitoring systems and timely maintenance protocols are in place to identify and repair water leakages, ensuring efficient water use.

There has been no fine or sanction imposed on Pavilion REIT for any non-compliance with the local environmental laws and regulations during the reporting year.

Through these initiatives, Pavilion REIT demonstrates its commitment to responsible water management and environmental sustainability. By adopting innovative solutions and maintaining a continuous focus on improvement, the Manager aims to minimize reliance on municipal water sources, reduce environmental impact, and contribute to a sustainable future.

WASTE MANAGEMENT

Why it Matters and Approach

According to Solid Waste Management and Public Cleansing Corporation (SWC), Malaysia faces a growing challenge in waste management. Every day, Malaysians throw away about 39,078 tonnes of solid waste, equivalent to about 1.17kg per person, with food, plastic, and paper constituting the bulk. This puts pressure on landfills and highlights the need for sustainable solutions.

Playing Our Part in Waste Reduction

Recognizing the national challenge of waste management, Pavilion REIT is committed to responsible practices. The Manager actively implements the 3Rs (Reduce, Reuse, Recycle) principle across Pavilion REIT's properties, minimizing waste generation and diverting materials from landfills.

Beyond individual actions, the Manager collaborate with industry partners and public authorities to explore innovative solutions, including transforming organic waste into fertilizer. The Manager's goal is to contribute to a more sustainable future for Malaysia, where efficient waste management becomes a cornerstone of national progress.

The Manager continuously improve its efforts across all properties, playing its part in reducing waste. This includes maintaining a proper waste management workflow, setting up convenient recycling bins at its properties, and engaging authorized waste contractors for responsible collection and disposal at designated landfills approved by the relevant authorities.

Waste Minimisation Initiatives

As part of its waste minimisation efforts, Pavilion REIT has implemented umbrella drying facilities at selected mall and property entrances to reduce reliance on single-use plastic umbrella bags. The umbrella dryers allow shoppers to remove excess water from umbrellas before entering indoor areas, encouraging drying and reducing the need for disposable plastic coverings to be sent to landfill.

In addition to supporting waste avoidance, this initiative contributes to improved housekeeping efficiency and the properties safety by minimising water ingress into common areas. This reduces incidences of wet floor conditions and potential slip risks. These operational benefits complement Pavilion REIT's broader waste management approach by supporting cleaner, safer and more efficient property operations.

The adoption of practical, low-impact measures such as umbrella dryers reflects Pavilion REIT's ongoing commitment to waste reduction and responsible resource use across its properties, while maintaining a positive and convenient customer experience.

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Progress

Waste Disposal Data

Pavilion REIT is consistently exploring ways to reduce the amount of waste generated and sent to disposal across all its properties. The Manager is also focused on increasing the diversion of waste from landfills, with a particular emphasis on food waste recycling.

	Weight of waste (Tonnes)			
	FY2019	FY2023	FY2024	FY2025
Waste generated	5,368.8	5,445.2	9,650.0	9,253.5
Waste directed to disposal	5,172.2	5,198.0	9,022.4	8,603.9
Waste diverted from disposal	196.6	247.2	627.6	649.6

Waste generation at Pavilion REIT properties includes both non-hazardous waste (general waste) and hazardous waste (scheduled waste). Waste directed to disposal is managed by licensed waste contractors and sent to landfills, while waste diverted from disposal is calculated based on the weight of hazardous and non-hazardous waste recovered for reuse and recycling. The data presented in the table reflects waste management activities across Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, DA MEN Mall, Pavilion Bukit Jalil whereas reference to Intermark Mall and Pavilion Hotel Kuala Lumpur is only on food waste.

In FY2025, total waste generated across these properties reached 9,253.5 tonnes. This figure includes 0.1 tonnes of hazardous waste processed through recovery operations and 649.5 tonnes of non-hazardous waste recycled, encompassing materials such as plastics, paper, metal and food waste.

In FY2025, 649.6 tonnes of waste were successfully diverted from landfills, an increase compared to previous years. There is a decrease in the volume of landfilled waste to 8,603.9 tonnes from 9,022.4 tonnes, the overall landfill diversion rate rose to 7.0%, up from 3.7% in FY2019. This progress underscores Pavilion REIT's commitment to enhancing its waste management practices and reducing its environmental footprint.

The Manager also engages DOE-licensed contractors as and when required for the disposal of scheduled waste to authorized recycling and/or disposal facilities in accordance with the Environmental Quality (Scheduled Waste) Regulations enforced by the Department of Environment (DOE), Malaysia.

Pavilion Loves E.A.R.T.H. Initiative

This year, Pavilion REIT introduced the Pavilion Loves E.A.R.T.H. platform with the launch of its Food Compost Initiative at Pavilion Bukit Jalil. This initiative promotes sustainable food waste management. The Pavilion Loves E.A.R.T.H. initiative is built on the principles of Environment, fostering Awareness, driving Renewal, inspiring Transformation, and cultivating Hope. Its goals include responsible resource management, carbon reduction, and biodiversity protection.

The Food Compost Initiative represents a key step in embedding sustainability into Pavilion REIT's operations by diverting food waste from landfills and transforming it into compost. This process reduces overall waste and minimises the carbon footprint of Pavilion REIT's properties.

Key Features of the Food Compost Initiative:

- **Daily Collection:** Food waste is collected from supermarkets, food courts, and F&B outlets at Pavilion REIT malls.
- **Composting Technology:** Food composting machines convert food waste into fertiliser suitable for plants
- **Water Reuse:** The water generated during composting is utilised for cleaning the loading bay driveway and watering plants.
- **Rainwater Harvesting:** A nearby water harvesting tank collects AHU water and rainwater for cleaning purposes, further supporting the sustainability cycle.

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The Food Waste Recycling program is being rolled out across Pavilion REIT properties. In FY2025, Pavilion REIT malls collected 188.6 tonnes of food waste, resulting in the composting of 17.6 tonnes of fertiliser. Shoppers can redeem and collect fertiliser at designated locations, such as concierge counters and near autopay stations. Banners throughout the malls raise awareness and shoppers to Pavilion Bukit Jalil can explore the food composting area. This initiative supports waste management, sustainability education and community engagement in the REIT's eco-friendly efforts.

Waste Diverted from Disposal

Hazardous Waste

	Weight of hazardous waste (tonnes)			
	FY2019	FY2023	FY2024	FY2025
Other recovery operations	1.3	0.3	1.0	0.1

The data in the table represents hazardous waste generated by Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower and Pavilion Bukit Jalil. As shown in the table, the weight of hazardous waste processed through other recovery operations was 0.1 tonnes in FY2025. This improvement reflects a successful shift toward more responsible and sustainable disposal practices for hazardous materials.

Non-Hazardous Waste (Total Waste Recycled)

Category	Subcategory	Weight of non-hazardous waste (tonnes)			
		FY2019	FY2023	FY2024	FY2025
Non-Hazardous Waste Recycling	Plastic	1.7	4.3	17.3	26.1
	Paper	191.9	239.5	412.8	426.1
	Metal	1.7	3.1	3.8	8.7
	Total	195.3	246.9	433.9	460.9
Food Waste Recycling	Food Waste Collected			193.7	188.7
	Compost Produced			23.2	17.6
Total Waste Recycled				627.6	649.6

The data represents non-hazardous waste recycled across Pavilion REIT properties, including Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall (food waste only), DA MEN Mall, Pavilion Bukit Jalil and Pavilion Hotel Kuala Lumpur (food waste only).

Pavilion REIT continues to prioritize the reduction and recycling of non-hazardous waste. In FY2025, Pavilion REIT malls recycled a total of 649.6 tonnes of waste.

Plastic recycling exhibited the most significant growth, increasing from 1.7 tonnes in FY2019 to 26.1 tonnes in FY2025, with a 51% YoY growth from FY2024 to FY2025. Paper recycling also increased, reaching 426.1 tonnes in FY2025, while metal recycling rose to 8.7 tonnes.

Food waste recycling resulted in the collection of 188.7 tonnes of food waste, with 17.6 tonnes converted into compost, supporting Pavilion REIT's commitment to circular economy practices.

This consistent focus on responsible waste management has significantly reduced landfill contributions and highlights Pavilion REIT's role as a sustainability leader. The Manager is confident that ongoing innovation and partnerships will continue driving progress towards a greener future.

P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

Demonstrating Progress in Waste Prevention

Pavilion REIT remains committed to minimizing its environmental footprint through waste prevention and landfill diversion initiatives. These efforts are integral to achieving sustainable operations and aligning with global environmental goals.

	Unit of measurement	FY2019	FY2023	FY2024	FY2025
Total Waste Generated	tonnes	5,368.8	5,445.2	9,650.0	9,253.5
Waste Prevented	tonnes	196.6	247.2	627.6	649.6
% Diversion from landfill	%	3.7	4.5	6.5	7.0

In FY2025, Pavilion REIT successfully prevented 649.6 tonnes of waste. This growth was driven by enhanced waste management practices such as food waste recycling initiatives that was also introduced to Pavilion Hotel Kuala Lumpur. Over time, the landfill diversion rate has also shown steady improvement, rising from 3.7% in FY2019 to 7.0% in FY2025, with a 7.7% YoY increase from FY2024 when the rate was 6.5%. These achievements highlight Pavilion REIT's proactive approach to waste reduction and recycling.

The Manager had set a target to achieve a 5.0% landfill diversion rate in FY2024. Through focused efforts, expanded recycling programs and the integration of innovative waste management solutions, the Manager exceeded expectations by reaching a 6.5% diversion rate for FY2024 and 7.0% diversion rate in FY2025, showcasing the success of its comprehensive strategies.

Year-over-year trends further underscore the significant progress Pavilion REIT has made. For instance, the landfill diversion rate steadily increased from 4.5% in FY2023 to 6.5% in FY2024 and 7.0% in FY2025, reflecting the impact of operational enhancements and broader property inclusion.

Our Future Plans for Waste Reduction

Looking ahead, Pavilion REIT aims to further its sustainability efforts. The Manager has set a progressive target to achieve a 10% landfill diversion rate by FY2027, with plans to expand recycling programs and explore innovative waste management solutions. For the long term, the Manager will reevaluate its goals to ensure feasibility while striving to achieve ambitious yet practical outcomes, such as a 20% diversion rate.

By integrating innovation, collaboration, and ongoing reviews of its strategies, Pavilion REIT is well-positioned to continue driving impactful progress in waste management. These initiatives not only benefit the environment but also create value for its stakeholders, reinforcing Pavilion REIT's leadership in sustainability.

A : ACCLAIMING TRUSTED BRAND REPUTATION

BRAND VALUE AND RECOGNITION

Why it Matters and Approach

The Manager is committed to be a responsible corporate citizen and pledge commitment towards fulfilling United Nations Sustainable Development Goals (UNSDGs), with the aim to increase brand value and recognition within the REIT industry and lead to new tenant penetration and unitholder investment.



In 2025, Pavilion REIT leveraged on innovative marketing campaigns, strategic collaborations and targeted sponsorships to significantly increase footfall and tenant sales across its malls. These initiatives have not only delivered tangible outcomes but also bolstered Pavilion REIT’s brand reputation and strengthened trust among stakeholders.

The Manager is confident that ongoing marketing efforts will further position Pavilion Malls as Malaysia’s premier destination for fashion, dining and urban leisure. Pavilion Kuala Lumpur Mall, a testament to this commitment, has been awarded with an impressive 64 accolades to date (up from 58 in 2024) by esteemed local and international councils and associations. These honors reflect the mall’s unwavering focus on delivering exceptional experiences to its shoppers.

Progress

Accolades and Achievements in FY2025

Pavilion REIT

- **Sustainability & CSR Awards 2025 – ESG Leadership Award: Company of the Year (REIT)**



- **The Edge Billion Ringgit Club 2025 – REIT Sector: Highest Growth in Profit After Tax Over Three Years**



- **Inclusion in the FTSE4Good Bursa Malaysia Index**

A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

Property-Level Recognition

- **Pavilion Tower** – Leadership in Energy and Environmental Design (LEED) Gold Certification (October 2024)
- **Pavilion Kuala Lumpur Mall** – National Energy Awards (NEA) 2024, Gold Award: Green Energy Stewardship
- **Pavilion Kuala Lumpur Mall** – LEED Gold Certification (September 2025)

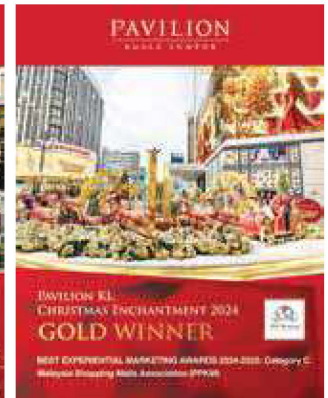
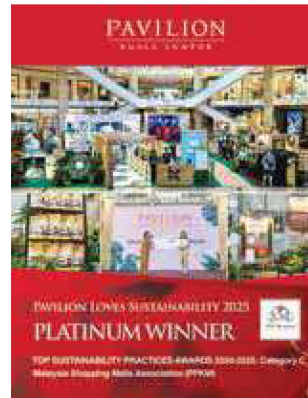


Pavilion Malls: Marketing Excellence and Industry Leadership

Pavilion Malls continued to set **industry benchmarks** in FY2025, receiving numerous prestigious awards that underscore their commitment to excellence, innovation and sustainability.

Pavilion Kuala Lumpur Mall received multiple recognitions, including:

- **Campaign of the Year “Aloha Summer 2025”** – Awarded by The Walt Disney Company (Southeast Asia) Pte. Limited
- **Top Sustainability Practices 2024–2025** – Platinum Award by PPK Malaysia Shopping Mall Association, **Pavilion Loves Sustainability**
- **Best Experiential Marketing 2024–2025** – Gold Award by PPK Malaysia Shopping Mall Association, **Christmas Enchantment**
- **TripAdvisor Travellers’ Choice Award 2025**
- **Dianping Popular Stores in the Shopping Mall Award 2025**
- **Marketing Excellence (Experiential) 2025** – Gold Award by International Council of Shopping Centers (ICSC) Global MAXI Award, **Dragon Dynasty**



A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

Pavilion Bukit Jalil: Sustainable Operations and Innovation

Pavilion Bukit Jalil added to its list accolades with the Building Lighting Award (Commercial Building Category – Shopping Centre) and the Special Award from the Mayor of Kuala Lumpur, conferred by Dewan Bandaraya Kuala Lumpur (DBKL) on 12 November 2025. This recognition underscores Pavilion Bukit Jalil’s commitment to sustainable and efficient building management. The mall utilises a smart Building Control System (BCS) to monitor and optimise energy usage, scheduling and overall system performance.

In support of Pavilion REIT’s climate transition strategy, Pavilion Bukit Jalil is progressing with the installation of solar panels in partnership with TNB. In addition, energy-efficient LED lighting has been fully implemented throughout the mall, reinforcing the Manager’s long-term commitment to environmentally responsible operations and enhanced building performance.



Pavilion Bukit Jalil also received the Best Toilet Award 2025 (Shopping Centre Category) from the Ministry of Housing and Local Government (KPKT), reflecting its focus on high-quality facilities and customer experience.

Beyond Retail: Fostering Growth Through Shopper Experiences and Community Engagement

Pavilion REIT goes beyond traditional retail by creating immersive shopper experiences and meaningful community engagement that strengthen brand equity, drive footfall and support long-term value creation. Through active collaboration with industry associations, government agencies, tenants and community partners, Pavilion REIT continues to position its malls as vibrant lifestyle destinations and cultural hubs.

Industry and Stakeholder Collaboration

As an active committee member of the Malaysian REIT Managers Association and a member of Persatuan Pengurusan Kompleks Malaysia (PPKM) and the BBKLCC Tourism Association, the Manager works closely with industry peers to promote economic growth, environmental stewardship, good governance and community development.



A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

The Manager also maintains strong relationships with local and international retail bodies, including the Malaysia Retailers Association (MRA), Malaysia Retail Chain Association (MRCA) and the International Council of Shopping Centers (ICSC). These engagements facilitate knowledge sharing, training, and dialogue on issues of importance to stakeholders.

In addition, the Manager collaborates with federal government agencies (including Tourism Malaysia, the Ministry of Domestic Trade and Consumer Affairs and the Ministry of Tourism, Arts and Culture), local authorities such as Dewan Bandaraya Kuala Lumpur (DBKL), and foreign embassies to deliver high-impact marketing campaigns that elevate Pavilion REIT's brand recognition both locally and internationally.

Pavilion Kuala Lumpur Mall: A Cultural and Lifestyle Destination

In FY2025, Pavilion Kuala Lumpur Mall reinforced its position as Malaysia's premier shopping and lifestyle destination, hosting a diverse range of cultural, festive and experiential campaigns that celebrated Malaysia's multicultural identity.



The year commenced with the Chinese New Year "Prosperity in Harmony" celebration, featuring traditional lion dance ceremonies, performances by Astro artistes and festive cultural rituals. During Hari Raya, Pavilion Kuala Lumpur partnered with Swarovski to commemorate the brand's 130th anniversary through an immersive activation that blended craftsmanship, heritage and festive elegance.

The Budaya Raya campaign, in collaboration with Istana Budaya, transformed Centre Court into a tribute to Malaysia's cultural richness, highlighted by performances by Dato' Sri Siti Nurhaliza and an Istana Budaya orchestra, culminating in a community buka puasa event.

Cultural celebrations continued with Diya Deepavali, featuring ceremonial traditions and an Indian Cultural Extravaganza by Anhad Studio performers flown in from India, marking their first performance in Malaysia in 15 years.



A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

Experiential Retail, Entertainment and CSR

Pavilion Kuala Lumpur also hosted experiential retail campaigns such as Aloha Summer, inspired by Disney’s Lilo & Stitch, transforming the mall into a tropical escape. As part of this campaign, Pavilion REIT organised a CSR initiative that brought together 120 underprivileged children from Yayasan Sunbeams and Praise Emmanuel Children’s Home for a day of activities during the school holidays.

Tokyo Street celebrated its 14th anniversary with the Tokyo Street Matsuri, featuring Southeast Asia’s first Alien Stage pop-up, MetaPark collaborations and curated Japanese cultural experiences.

Under its sustainability platform, Pavilion Loves Sustainability (7–13 July 2025), Pavilion REIT partnered with the Nicol David Organisation to promote sports and mental health as pillars of a sustainable future, reinforcing its commitment to environmental and social well-being.

The mall also hosted numerous meet-and-greet events with international celebrities and artistes, including TVB and Hong Kong film stars, K-pop artistes, Korean actors and international sports personalities, enhancing shopper engagement and global brand appeal.



Pavilion Bukit Jalil: Community, Culture and Sustainability

Pavilion Bukit Jalil hosted the Pavilion REIT Iftar Celebration CSR Event on 9 March 2025, welcoming approximately 600 individuals from the PPR Sri Rakyat B40 community for an immersive and dignified Ramadan experience.

The mall also hosted the 2025 Malaysia Lion Dance Championship, attracting over 50 teams and more than 5,000 visitors daily. Other highlights included:

- B.Duck City Fun, Southeast Asia’s first B.Duck-themed park experience;
- Demon Slayer: Kimetsu no Yaiba Experience, Malaysia’s first official immersive anime pop-up; and
- Hello 12.12 Bazaar, a festive marketplace celebrating year-end shopping.

These initiatives strengthened Pavilion Bukit Jalil’s role as a family-friendly, community-focused and culturally vibrant destination.



A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

Intermark Mall: Culture, Sustainability and Community

Intermark Mall delivered a series of curated cultural campaigns, including Vintage Lunar Splendour for Chinese New Year, featuring a fashion show with designer Carven Ong, vintage jazz performances and a festive bazaar.

Other key campaigns included Rhymba Raya, which blended festive traditions with nature and music, and Serasa Merdeka, celebrating Malaysia's Independence Day through gastronomy and cultural unity. Sustainability initiatives included the creation of eco-friendly bags using donated fabric and partnerships with Amanahraya to support orphans and underprivileged communities during Ramadan.

Intermark Mall also introduced the Intermark Herb Garden, converting an outdoor space into a sustainability-focused community garden in partnership with Primrose Hill International School and Jaya Grocer.



Creating Shared Value

Through these initiatives, Pavilion REIT continues to create shared value for shoppers, tenants, communities and unitholders. By integrating experiential retail, cultural celebration, sustainability and community engagement, Pavilion REIT strengthens brand loyalty, enhances stakeholder trust and reinforces its position as a leading retail REIT in Malaysia.



C : CARING FOR LOCAL COMMUNITY

COMMUNITY & STAKEHOLDER ENGAGEMENT

Why it Matters and Approach

As one of the largest retail concentrated REIT in Malaysia, the Manager believes on the long-lasting positive impact that can be generated for the local communities in where Pavilion REIT operates. Its malls have actively engaged with the local communities to gauge their needs and organise various events to promote social advancement of its communities.

The Manager is committed in building mutually beneficial relationship with the local communities to ensure sustainable development of Pavilion REIT's business. The initiatives conducted are designed to maximise positive impact to the communities around its properties and align with Pavilion REIT's positioning of becoming the premier shopping destination.

The Manager has set targets from FY2024 to FY2030, which includes:

- Reaching and supporting 1,000 beneficiaries in communities surrounding Pavilion REIT properties;
- Raising and contributing RM1 million (in cash and in kind) towards funding CSR activities; and
- Achieving 1,000 hours of employee volunteerism.

The initiatives will focus on key areas such as Arts & Culture, Education, Environment, Health, and Social Welfare. Additionally, the Manager remains committed to supporting Economic Development and providing Emergency Relief whenever necessary. Furthermore, the promotion of gender equality will be embedded across all five pillars whenever applicable, including initiatives such as job creation for women, opportunities for single mothers and support for individuals with disabilities.

Progress

Engaging with our local communities

Throughout FY2025, Pavilion REIT actively engaged with local communities through diverse initiatives. These included impactful CSR programs during festive seasons, engaging art and cultural events and events raising awareness on critical social topics. Demonstrating its commitment to social responsibility, Pavilion REIT invested approximately RM0.7 million in community investments in FY2025, addressing important areas such as arts & culture, education, environment, health and social welfare.

FY2024 to FY2030 Target		Unit	FY2024	FY2025
Raised and Contributed in Cash and in Kind	RM1,000,000	RM	297,340	690,979
Beneficiaries	1,000 people	People	1,990	6,483
Hours Contributed by Employees	1,000 hours	Hour	495	10,004
Number of People (e.g. shoppers, community) Engaged Throughout the Year	N/A	People	5,182	18,002

C : CARING FOR LOCAL COMMUNITY

Cont'd

Pavilion REIT malls hosted a variety of community initiatives, including:

Arts & Culture



Support for institutions (theaters, museums, public galleries etc.) that promote or protect arts activities, whether visual arts or the performing arts such as music, dance and theater. Also includes activities or organizations that promote or protect 'Heritage' that might be regarded as part of a country's local or national history.

Property	Pavilion Kuala Lumpur Mall
Date	04 January 2025
Initiative	Chinese New Year 2025 Lion Dance Extravaganza & Community Lion Donation Programme
Details	<p>In conjunction with Chinese New Year 2025, Pavilion Kuala Lumpur collaborated with Xuan Long Sport Association and 25 tenants to host a large-scale eye-dotting ceremony featuring multiple prosperity lions.</p> <p>As part of its CSR commitment, the newly commissioned lions were donated to local schools and associations to support ongoing cultural training, youth development and traditional lion dance performances.</p>
Outcome	<ul style="list-style-type: none"> • 25 tenants participated and collectively sponsored 48 prosperity lions, valued at RM96,000 (in-kind). • These were donated to 23 local schools and associations, directly supporting their cultural training and performance programmes.
Target Group	<ul style="list-style-type: none"> • Shoppers and mall visitors • 23 local schools and cultural associations • Youth and student performers
Sustainability Impact	Supports the preservation of intangible cultural heritage by enabling access to lion dance resources for schools and associations. The initiative fosters intergenerational skills transfer, youth engagement in traditional arts, and stronger community ties while promoting inclusive cultural participation in an urban setting.

C : CARING FOR LOCAL COMMUNITY

Cont'd

Education

Contributions to educational institutions or organizations or projects that promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise.



Property	Intermark Mall
Date	14 April 2025 - ongoing
Initiative	Community Herb Garden
Details	Intermark Mall launched a pilot community herb garden at the Level 6 terrace in partnership with tenant Primrose Hill International School. The garden provides students aged 6–16 with hands-on experiential learning, fostering environmental awareness, responsibility and an understanding of sustainable food practices, while reinforcing the mall’s commitment to education and community enrichment.
Outcome	<ul style="list-style-type: none"> • 190 students participated. • RM612 was invested in supplies and the planting of various herb species at the Level 6 terrace.
Target Group	Students from Primrose Hill Int School
Sustainability Impact	<ul style="list-style-type: none"> • Supports experiential environmental education • Promotes awareness of sustainable food systems and biodiversity • Encourages long-term stewardship and environmental responsibility among students

Property	Intermark Mall
Date	12 June 2025
Initiative	KWAP Inspire Satellite 2025 – Biodiversity in Action
Details	Intermark Mall supported KWAP’s Inspire Satellite 2025 as the main sponsor, contributing to the event through sustainability-focused engagement. The initiative included the distribution of eco-friendly fertiliser and informational materials on the mall’s food waste initiatives, aimed at raising awareness of biodiversity, waste reduction and responsible environmental practices.
Outcome	<ul style="list-style-type: none"> • 110 packs of eco-friendly fertiliser distributed to 110 participants. • Eight employees and non-employees contributed 32 volunteer hours. • RM900 was spent on banners and printed educational materials related to food waste initiatives.
Target Group	Corporate partners and event attendees
Sustainability Impact	<ul style="list-style-type: none"> • Raises awareness of biodiversity and sustainable waste management • Encourages environmentally responsible practices through education • Strengthens collaboration with stakeholders on sustainability initiatives

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Intermark Mall
Date	23 July 2025
Initiative	MRANTI Pitch Perfect: Tech-Driven Retail Innovation
Details	Intermark Mall, in collaboration with MRANTI, hosted Pitch Perfect: Tech-Driven Retail Innovation, a pitching session where innovators presented retail-focused technology solutions addressing real-world industry challenges. The event convened startups, mall tenants, venture capitalists, and corporate partners, providing a platform for knowledge exchange, collaboration, and market validation within Malaysia's innovation ecosystem.
Outcome	<ul style="list-style-type: none"> • Venue sponsorship and F&B support were provided, including banquet tables and chairs, with a total contribution of RM12,080. • A total of 100 startups and pitchers participated. • Six employees and non-employees contributed 48 volunteer hours.
Target Group	Startups, innovators, corporate partners, and mall tenants
Sustainability Impact	<ul style="list-style-type: none"> • Supports innovation and entrepreneurship through knowledge sharing and collaboration • Strengthens the retail innovation ecosystem and market access for startups • Contributes to long-term economic and technological development



Environment



Contributions to projects or organizations that advance environmental protection or conservation or through engaging people in activities such a recycling or other aspects of a sustainable lifestyle.

Property	Intermark Mall
Date	4 January 2025 to 16 February 2025
Initiative	Vintage Lunar Splendour Fabric Collection
Details	Intermark Mall placed fabric collection bins at the Concierge, Ground Floor, collecting 30 kg of fabric. The collected fabrics were upcycled by tenant Carven Ong into elegant pouches, supporting sustainability and cultural preservation.
Outcome	<ul style="list-style-type: none"> • 3 employees and non-employees participated • 20 shoppers engaged.
Target Group	<ul style="list-style-type: none"> • Shoppers • Environment (textile waste reduction)
Sustainability Impact	<ul style="list-style-type: none"> • Reduces textile waste and promotes circular economy • Encourages sustainable consumer habits • Supports cultural preservation through upcycling initiatives

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Intermark Mall
Date	4 July 2025 to 31 December 2025
Initiative	Used Clothes Donation Programme
Details	Intermark Mall introduced dedicated clothing donation bins to encourage visitors to donate gently used garments and extend the lifecycle of textiles. The initiative supports waste reduction through reuse while contributing donated items to community partners.
Outcome	<ul style="list-style-type: none"> 60 shoppers participated. RM766.09 was invested in donation box structures, signage, and bins. A total of 833.30 kg of used clothing was collected and channelled to SIB Church.
Target Group	<ul style="list-style-type: none"> Shoppers Community partner (SIB Church)
Sustainability Impact	<ul style="list-style-type: none"> Reduces textile waste sent to landfill Promotes reuse and circular economy practices Supports community needs through clothing donations

Property	Intermark Mall
Date	1 August 2025 - ongoing
Initiative	ReBag Initiative
Details	Intermark Mall launched the ReBag initiative to encourage shoppers to donate unused shopping bags for reuse by other visitors. The initiative promotes responsible consumption by reducing dependence on single-use plastics and fostering sustainable habits within the mall community.
Outcome	<ul style="list-style-type: none"> RM472.70 invested in the setup of the initiative. A total of 92 reusable bags were collected.
Target Group	Mall shoppers and patrons
Sustainability Impact	<ul style="list-style-type: none"> Reduces single-use plastic consumption through reuse Encourages responsible consumer behaviour Promotes circular economy practices within the mall

Property	Intermark Mall
Date	06 November 2025
Initiative	From Kitchen To Biofuel
Details	Intermark Mall, in partnership with Cypark, FatHopes Energy and KWAP, hosted the annual Used Cooking Oil Collection initiative to encourage responsible disposal of used cooking oil from tenants and the office community. The collected oil was channelled for conversion into biofuel, supporting Malaysia's circular economy and waste-to-energy efforts.
Outcome	<ul style="list-style-type: none"> Seven employees and non-employees contributed 35 volunteer hours. 20 tenants participated. Venue and voucher sponsorship valued at RM2,700 were provided. A total of 280 kg of used cooking oil was collected.
Target Group	Mall tenants and office community; broader community and environment (through responsible waste disposal and biofuel conversion)
Sustainability Impact	<ul style="list-style-type: none"> Prevents improper disposal of used cooking oil Supports circular economy through waste-to-energy conversion Reduces environmental pollution and promotes responsible waste management

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Pavilion Kuala Lumpur Mall
Date	7 July 2025 to 13 July 2025
Initiative	Pavilion Loves Sustainability
Details	<p>Pavilion Loves Sustainability returned as a week-long campaign highlighting Pavilion Kuala Lumpur Mall and tenants' sustainability initiatives. The campaign launched the Pavilion REIT Malls' ESG video and announced a partnership with the Nicol David Organisation to support sports community welfare and mental health, leading up to the Sports & Mental Health Summit at Pavilion Bukit Jalil.</p> <p>The initiative showcased tenant-led sustainability actions, including Kiehl's empty-container recycling programme, National Geographic's environmental advocacy, Royal Selangor's craftsmanship sustainability, JO's Cha's responsible sourcing and Florism De Art's nature-inspired practices. Community engagement activities included recycling collections, income-generation opportunities for single mothers and the distribution of fertiliser produced from Pavilion's food waste recycling programme.</p>
Outcome	<ul style="list-style-type: none"> • Venue Sponsorship • Collected 2,104 plastic containers through Kiehl's recycling initiative • Enabled single mothers under PSJKM to generate RM1,882 in sales through product showcases • Distributed 10,000 packs of fertiliser produced from Pavilion's food waste recycling programme to shoppers • 117 employees and non-employees volunteered, contributing a total of 409.5 volunteer hours • Increased public awareness of Pavilion REIT Malls' ESG commitments and tenant sustainability efforts
Target Group	<ul style="list-style-type: none"> • Shoppers and mall visitors • Participating tenants and brand partners • Community organisations (Nicol David Organisation, PSJKM single mothers) • Pavilion KL employee volunteers
Sustainability Impact	Encourages responsible consumption and circular economy practices through recycling, food waste repurposing and sustainability education, while delivering social value by supporting single mothers, community partners and employee volunteerism.



C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Pavilion Kuala Lumpur Mall
Date	7 July 2025 to 13 July 2025
Initiative	WWF Tiger Month Awareness Campaign
Details	Venue sponsorship provided to WWF Malaysia to support public outreach and conservation education on the Critically Endangered Malayan Tiger during WWF Tiger Month.
Outcome	<ul style="list-style-type: none"> • RM65,604 in projected funds raised, supporting one year of tiger conservation efforts • 12,425 shopper engagements over 7 days • 71 conservation sign-ups • Over 710 meaningful public conversations facilitated
Target Group	<ul style="list-style-type: none"> • WWF - the Critically Endangered Malayan Tiger • Shoppers and general public
Sustainability Impact	Biodiversity conservation through increased public awareness and funding support for endangered wildlife protection.



Property	Pavilion Kuala Lumpur Mall
Date	22 April 2025 - ongoing
Initiative	ReBag Station (Long-term Waste Reduction Initiative)
Details	Implemented under Pavilion KL Mall's Pavilion Loves Sustainability campaign, the ReBag Station is a permanent infrastructure initiative designed to mitigate waste-related environmental risks by encouraging the reuse of shopping bags. Located at Level 1 near The Food Merchant, the station enables shoppers to donate and reuse clean reusable bags, reducing dependency on single-use plastics. A monthly ReBag Contest supports sustained engagement and positive behavioural change among consumers.
Outcome	<ul style="list-style-type: none"> • 751 reusable bags collected and redistributed to date • 120 shoppers participated in the ReBag Contest • Continuous daily utilisation by non-contest shoppers, indicating ongoing adoption of reuse practices
Target Group	Shoppers and mall visitors
Sustainability Impact	Supports circular economy practices and resource efficiency by reducing single-use plastic consumption, mitigating waste generation risks and contributing to climate change mitigation through indirect reduction of plastic production and disposal emissions

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Pavilion Bukit Jalil
Date	1 January 2025 - ongoing
Initiative	Free Fertiliser Pavilion Loves E.A.R.T.H (Pavilion Loves Sustainability)
Details	Pavilion Bukit Jalil serves as the central hub for decomposing food waste from tenants across Pavilion Bukit Jalil, Pavilion Kuala Lumpur Mall, Intermark Mall and Pavilion Hotel Kuala Lumpur. The food waste is converted into fertiliser to support circular economy practices.
Outcome	<ul style="list-style-type: none"> 15,342 packs of fertiliser produced 2 non-employees contributed 5,840 volunteer hours Food waste contributed by 11 tenants
Target Group	<ul style="list-style-type: none"> Tenants Employees Shoppers/Local Community
Sustainability Impact	<ul style="list-style-type: none"> Reduces food waste sent to landfill Supports circular economy initiatives Encourages sustainable consumption and environmental awareness

Property	Pavilion Bukit Jalil
Date	1 September 2025 and ongoing
Initiative	Rebag Station Content
Details	Pavilion Bukit Jalil introduced Rebag Stations at Level 1, Orange Zone to encourage shoppers to reuse paper bags instead of purchasing plastic bags. Shoppers were invited to participate this initiatives as well as participate in a short survey with opportunities to receive cash vouchers as incentives for supporting eco-friendly shopping behaviour.
Outcome	<ul style="list-style-type: none"> Rebag Station implemented at designated location 147 shoppers participated in the initiatives
Target Group	Shoppers
Sustainability Impact	<ul style="list-style-type: none"> Reduces reliance on single-use plastic bags Encourages sustainable consumption habits Supports waste reduction and environmental awareness

Property	Pavilion Bukit Jalil
Date	22 March 2025
Initiative	60 Earth Hour
Details	Pavilion Bukit Jalil participated in the global Earth Hour movement by switching off non-essential lighting from 8.30pm to 9.30pm, including full shutdown of outdoor façade lighting and dimming of indoor and car park lighting to 70%, demonstrating commitment to environmental responsibility and climate awareness.
Outcome	<ul style="list-style-type: none"> Non-essential lights switched off for 1 hour Outdoor façade lighting fully switched off Indoor and car park lighting dimmed to 70% Sustainability awareness promoted among shoppers
Target Group	Shoppers, Tenants, Local Community
Sustainability Impact	<ul style="list-style-type: none"> Demonstrates commitment to climate action Promotes energy conservation and environmental awareness Supports global carbon reduction efforts Encourages collective responsibility for sustainability

C : CARING FOR LOCAL COMMUNITY

Cont'd

Health



Contributions to hospitals, health trusts and other health related organizations that prevent or relieve sickness, disease or human suffering, as well as promoting health and healthy lifestyles.

Property	Pavilion Bukit Jalil
Date	16 March 2025
Initiative	Blood Donation Campaign 2025
Details	Blood Donation Campaign organised by the Rotary Club of Sri Petaling and Rotaract Club of Xiamen University Malaysia, with support from Pusat Darah Negara Malaysia and Pavilion Bukit Jalil as venue sponsor.
Outcome	<ul style="list-style-type: none"> 78 bags of blood collected Estimated to benefit up to 234 patients Pavilion Bukit Jalil as venue sponsorship
Target Group	<ul style="list-style-type: none"> Patients Supported by National Blood Bank (Malaysia) Shoppers/Community
Sustainability Impact	<ul style="list-style-type: none"> Supports national blood supply and healthcare system Contributes to life-saving medical treatments Promotes health awareness and community participation

Property	Pavilion Kuala Lumpur Mall
Date	22 July 2025
Initiative	Blood Donation Drive
Details	Blood donation drive conducted in collaboration with the National Blood Centre. Participation was voluntary and extended to employees and tenants as part of the Group's ESG and community engagement initiatives.
Outcome	<ul style="list-style-type: none"> 64 employees and non-employees participated 63 successful blood donors 28 tenant participants 63 pints of blood collected Estimated 189 lives supported
Target Group	<ul style="list-style-type: none"> Employees Tenants Healthcare Patients (via National Blood Centre)
Sustainability Impact	<ul style="list-style-type: none"> Supports national healthcare system Promotes employee health awareness Strengthens tenant and community engagement Enhances social value creation

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Pavilion Bukit Jalil
Date	1 October 2025 and ongoing
Initiative	10,000 Steps Challenge
Details	Pavilion Bukit Jalil introduced the 10,000 Steps Challenge to encourage shoppers to adopt a more active and healthy lifestyle by completing 10,000 steps while exploring the mall, reinforcing its commitment to a health-conscious community.
Outcome	<ul style="list-style-type: none"> • 3,842 shoppers participated • Two non-employees volunteered • Participating shoppers received RM20 cash vouchers, totaling RM76,840
Target Group	Shoppers
Sustainability Impact	<ul style="list-style-type: none"> • Promotes physical activity and healthy lifestyle choices • Encourages regular movement and wellness habits • Supports long-term community health awareness



Property	Pavilion Bukit Jalil
Date	15 June to 31 July 2025
Initiative	Mega Shopping Walk: Together Here - 10,000 Steps
Details	Pavilion Bukit Jalil launched the Mega Shopping Walk – Together Here initiative in conjunction with Tourism Malaysia’s mega sales campaign to encourage shoppers to adopt a more active lifestyle by completing 10,000 steps while enjoying a healthy and engaging mall experience.
Outcome	<ul style="list-style-type: none"> • 1,774 shoppers participated • Two non-employees contributed 1,128 hours • RM20 cash vouchers issued to eligible participants • Total voucher value of RM35,480
Target Group	Shoppers
Sustainability Impact	<ul style="list-style-type: none"> • Promotes physical activity and healthy lifestyle choices • Encourages wellness through everyday movement • Strengthens community engagement in health initiatives

C : CARING FOR LOCAL COMMUNITY

Cont'd

Social Welfare



Support to organizations or activities that promote or address the interests of those in need in society and facing hardship by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

Property	Intermark Mall
Date	06 March 2025
Initiative	Rhymba Raya: A Celebration of Heart and Community (Children)
Details	Intermark Mall supported orphaned children from Rumah Kasih Nurul Hasanah through the provision of duit raya and curated gift bags containing lunch bags and stationery. The initiative also included a buka puasa meal hosted at Grandmama’s in collaboration with stakeholder AmanahRaya, fostering togetherness during the Ramadan season.
Outcome	<ul style="list-style-type: none"> • 40 orphaned children benefited. • Five employees and non-employees volunteered 17.5 hours. • Curated gift bags valued at RM4,000 and duit raya totaling RM800 were distributed.
Target Group	Children and caretakers from Rumah Kasih Nurul Hasanah
Sustainability Impact	<ul style="list-style-type: none"> • Supports the wellbeing of orphaned children during festive periods • Promotes social inclusion and community engagement • Strengthens partnerships with stakeholders and community organisations

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Intermark Mall
Date	20 March 2025
Initiative	Rhymba Raya: A Celebration of Heart and Community (Gig Economy Workers & Shoppers)
Details	In collaboration with event partner AmanahRaya and stakeholder DoubleTree by Hilton Kuala Lumpur, Intermark Mall distributed 2,000 pack of bubur lambuk to gig economy workers and shoppers, extending festive goodwill and community support during Ramadan.
Outcome	<ul style="list-style-type: none"> • 2,000 gig economy workers and shoppers benefited. • Seven non-employees contributed 21 volunteer hours • Dates (buah kurma) valued at RM253.50 were distributed.
Target Group	Gig economy workers and shoppers
Sustainability Impact	<ul style="list-style-type: none"> • Supports the wellbeing of gig economy workers during the festive season • Promotes community care and social inclusion • Strengthens collaboration with partners and stakeholders

Property	Intermark Mall
Date	04 April 2025
Initiative	Rhymba Raya: A Celebration of Heart and Community (Mall Frontliners)
Details	In the spirit of Ramadan, Intermark Mall provided iftar meals from McDonald's to its 35 mall frontliners as a gesture of appreciation for their dedication and service. The initiative fostered togetherness and recognised the contributions of frontline personnel during the festive season.
Outcome	<ul style="list-style-type: none"> • 35 mall frontliners benefited. Five non-employees contributed 15 volunteer hours. • Iftar meals valued at RM560 were provided.
Target Group	Mall Frontliner
Sustainability Impact	<ul style="list-style-type: none"> • Recognises and supports frontline workers' wellbeing • Promotes inclusivity and appreciation within the mall community • Fosters a positive and supportive workplace environment

Property	Intermark Mall
Date	6 March 2025 to 6 April 2025
Initiative	Rhymba Raya: Pouches with Purpose
Details	Building on the Vintage Lunar Splendour campaign, 30 kg of collected fabrics were upcycled by designer Carven Ong into 100 repurposed pouches. The pouches were featured in the Rhymba Raya campaign, with proceeds from sales donated to a local charity home.
Outcome	RM493 raised from the sale of repurposed pouches and donated to Rumah Kasih Nurul Hasanah.
Target Group	<ul style="list-style-type: none"> • Local charity home (Rumah Kasih Nurul Hasanah) • Shoppers
Sustainability Impact	<ul style="list-style-type: none"> • Promotes circular economy through textile upcycling • Reduces textile waste while creating social value • Supports community welfare through charitable contributions

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Pavilion Bukit Jalil
Date	07 January 2025
Initiative	Refurbishment of Pusat Jagaan Orang Tua Wan Hing
Details	In conjunction with Chinese New Year, Pavilion Bukit Jalil undertook a refurbishment project at Pusat Jagaan Orang Tua Wan Hing as part of its CSR efforts to enhance comfort, safety and well-being for elderly residents.
Outcome	<ul style="list-style-type: none"> • 20 elderly residents benefited • 38 employees and non-employees volunteered 342 hours • Essential supplies and appliances donated worth RM2,750.60 • RM2,288.20 contributed for repairs and tools
Target Group	<ul style="list-style-type: none"> • Elderly Residents of Pusat Jagaan Orang Tua Wan Hing • Employees
Sustainability Impact	<ul style="list-style-type: none"> • Enhances quality of life for the elderly • Improves living conditions and safety • Strengthens community care and inclusion • Encourages employee volunteerism

Property	Pavilion Bukit Jalil
Date	07 March 2025
Initiative	Kemeriahan Bersama Raya Launch 2025
Details	Pavilion Bukit Jalil launched its Raya campaign featuring local cartoon BoBoiBoy, inviting children from Pertubuhan Kebajikan dan Penjagaan Nur Hidayah to celebrate through festive activities, goodies, Duit Raya and a Buka Puasa treat.
Outcome	<ul style="list-style-type: none"> • 82 children benefited • 30 employees and non-employees volunteered 240 hours • Stationery, candy and Buka Puasa treats worth RM12,004.75 • Duit Raya distributed amounting to RM1,640
Target Group	<ul style="list-style-type: none"> • Children from Pertubuhan Kebajikan dan Penjagaan Nur Hidayah • Employees
Sustainability Impact	<ul style="list-style-type: none"> • Enhances children's well-being and festive inclusion • Promotes social inclusion and community support • Strengthens partnerships with welfare organisations • Encourages employee volunteerism

Property	Pavilion Bukit Jalil
Date	09 March 2025
Initiative	Majlis Berbuka Puasa Kemeriahan Bersama Komuniti Sri Rakyat 2025
Details	Pavilion REIT Malls hosted a community iftar at Pavilion Bukit Jalil, welcoming B40 residents from PPR Sri Rakyat through nutritious meals, interactive workshops and cultural performances to foster community connection and cultural appreciation during Ramadan.
Outcome	<ul style="list-style-type: none"> • 600 B40 community members attended • 50 employees and non-employees volunteered 1,100 hours • Buka Puasa food and beverages worth RM16,628.80 • 500 goody bags distributed worth RM10,000
Target Group	B40 Residents of PPR Sri Rakyat
Sustainability Impact	<ul style="list-style-type: none"> • Enhances food security and well-being of B40 communities • Promotes social inclusion and cultural connection • Strengthens community engagement and social cohesion • Encourages employee volunteerism

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Pavilion Bukit Jalil
Date	13 September 2025
Initiative	Movie Screening: Legasi Bomba with Komuniti Sri Rakyat
Details	Pavilion Bukit Jalil hosted a special movie screening of Legasi Bomba for the Komuniti Sri Rakyat B40 community in conjunction with Merdeka month, providing a meaningful shared experience while promoting patriotism and appreciation of national heroes.
Outcome	<ul style="list-style-type: none"> • 193 B40 community members attended • 5 non-employees volunteered 15 hours • In-kind contribution worth RM4,825
Target Group	B40 Community from Sri Rakyat
Sustainability Impact	<ul style="list-style-type: none"> • Promotes social inclusion and cultural access • Encourages patriotism and national appreciation • Strengthens family and community bonding • Supports employee volunteerism

Property	Pavilion Bukit Jalil
Date	20 November 2025
Initiative	Peanuts Christmas Wonders Launch
Details	Pavilion Bukit Jalil hosted the Peanuts Christmas Wonders launch, welcoming 90 children from Pure Life Society, Rumah Kids and Weilaoshi Classroom. The children met Peanuts characters, received T-shirts and goodie bags, and participated in a tea session. The initiative aimed to spread festive cheer and reinforce Pavilion Bukit Jalil's commitment to supporting underprivileged children.
Outcome	<ul style="list-style-type: none"> • 90 underprivileged children participated • 30 employees and non-employees volunteered 90 hours • T-shirts, tokens for home caretakers, F&B and goodie bags were provided, totaling RM13,972.80
Target Group	Children from Pure Life Society and Rumah Kids, Weilaoshi Classroom
Sustainability Impact	<ul style="list-style-type: none"> • Promotes social inclusion and community engagement • Spreads joy and festive cheer for underprivileged children • Strengthens long-term relationships with community partners

Property	Pavilion Bukit Jalil
Date	14 December 2025
Initiative	Pavilion REIT: Christmas Day Out with Nicol David Organisation (NDO)
Details	Pavilion Bukit Jalil on behalf of Pavilion REIT Malls hosted a Christmas Day Out for NDO Little Legends and their families. The celebration included a Peanuts Meet & Greet, a movie screening of Zootopia 2, and a festive shopping spree, giving children the opportunity to select gifts and enjoy the holiday spirit.
Outcome	<ul style="list-style-type: none"> • 213 beneficiaries from NDO, including children and families from B40 households • 27 employees and non-employees volunteered 162 hours • Movie, gifts and food provided, totaling RM40,842.50
Target Group	<ul style="list-style-type: none"> • Nicol David Organisation (NDO) • Kids and Family (B40 group)
Sustainability Impact	<ul style="list-style-type: none"> • Promotes social inclusion and community engagement • Spreads festive joy and wellbeing among underserved families • Strengthens relationships with community partners

C : CARING FOR LOCAL COMMUNITY

Cont'd

Property	Pavilion Bukit Jalil
Date	20 June 2025 and 24 June 2025
Initiative	CSR : Refurbishment of SK Seri Mega
Details	Pavilion Bukit Jalil carried out refurbishment works at SK Seri Mega, focusing on upgrading the school's recitation room to provide a safer, more comfortable and conducive space for students' learning, reflection and religious practices.
Outcome	<ul style="list-style-type: none"> • 470 students benefited • 42 employees and non-employees volunteered 428 hours • Donated essential supplies and appliances as well as items and tools for repairing works amounting to RM8,069.85
Target Group	Students of SK Seri Mega
Sustainability Impact	<ul style="list-style-type: none"> • Enhances students' mental, emotional and spiritual well-being • Improves safety, hygiene and usability of school facilities • Strengthens inclusive community support • Supports long-term sustainability through durable materials and improved water efficiency

Property	Pavilion Kuala Lumpur Mall
Date	09 March 2025
Initiative	Wahine Baju Raya Shopping & Iftar Event with Persatuan Kami Prihatin Anak Yatim dan Miskin (PKPAYDM)
Details	Pavilion REIT, in collaboration with Wahine Capital, supported 20 underprivileged children and 5 caregivers from PKPAYDM in Gombak. The contribution enabled children to purchase festive outfits (Baju Raya) and receive Eid monetary gifts (Duit Raya). The event also included an iftar meal and a shopping trip, fostering joy, a sense of belonging and community bonding during Ramadan.
Outcome	<ul style="list-style-type: none"> • RM5,000 donation for Baju Raya and Duit Raya • Iftar gathering arranged by Nando's Malaysia • Shopping trip to Jakel Mall facilitated by Wahine Capital • Direct impact on 20 children and 5 caregivers
Target Group	Underprivileged children and caregivers from PKPAYDM
Sustainability Impact	<ul style="list-style-type: none"> • Promotes social inclusion and community engagement • Supports festive wellbeing and cultural celebration • Strengthens relationships with community partners

Property	Pavilion Kuala Lumpur Mall
Date	04 June 2025
Initiative	Aloha Summer CSR – Children's Community Engagement Programme
Details	<p>Pavilion Kuala Lumpur hosted a fun-filled tropical-themed day out for 120 underprivileged children from Yayasan Sunbeams and Praise Emmanuel Children Home.</p> <p>The programme included a screening of Disney's Lilo & Stitch, lunch, a lively dance workshop, tote bag customisation and ice cream treats, providing a safe, joyful, and enriching experience for the children.</p>
Outcome	<ul style="list-style-type: none"> • 120 underprivileged children enjoyed a curated day-out experience at Pavilion KL Mall • 19 employees and non-employees volunteered, contributing a total of 95 volunteer hours
Target Group	<ul style="list-style-type: none"> • 120 underprivileged children from Yayasan Sunbeams and Praise Emmanuel Children Home • Participating Pavilion KL employee volunteers
Sustainability Impact	Promotes social inclusion and emotional well-being by providing underprivileged children with access to safe recreational, creative and educational experiences. The initiative strengthens community partnerships and fosters employee volunteerism, contributing to positive childhood development and social resilience.

T : TRANSFORMING TALENT MANAGEMENT

TALENT ATTRACTION AND RETENTION

Why it Matters and Approach

Employees are the people who enabled the company to grow into what it is today. The Manager views talent attraction and retention as a key indicator in driving a healthy high-performance working culture. The Manager maintains its commitment to develop values that attract exceptional talents as well as to provide new benefits for the employees to ensure a fair working environment and a healthy work-life balance for all.

This year recorded an employee retention percentage of 100%. Hence, the Manager is proactively developing strategies to maintain high retention percentage. For talent attraction strategy, hiring process is based on merit and credibility of the candidate while being compliant with all local employment laws and regulations.

The Manager ensures all employees are well informed of their employment rights and of any changes to its policies. Any amendments pertaining to the policies or those relating to employment laws are communicated to all employees via email and briefings through their respective managers.

All amendments about employment are updated and communicated in the new employee’s orientation, employee handbook and/or letter of appointment.

Stepping Up for Our Employees

Employee benefits are crucial to an employee’s wellbeing and the Manager wants its employees to know that they are well taken of. The Manager is proactively improving the current employee-related benefits to ensure the employees are well appreciated.

Benefits	
Free medical and life insurance coverage	Maternity leave
Pre-employment health screening	Paternity leave
Employee health screening	Medical/hospitalization leave
Company trips	Compassionate leave
Festive gatherings/dinners	Marriage leave
Meal allowance	Examination leave
Annual leave	

Improving Our Benefits

The Manager is proactively reviewing salary structures, employee benefits and company best practices against industry peers with a particular focus on non-executives and senior executives and review their performance increment to meet the rising cost of living.

The Manager is also looking into several initiatives to support the employees in their career growth while fostering a community.



Increase employee engagement activities



Chart career development action plans to retain talents over the long term and to prepare them for future roles



Succession planning for key/leadership/critical roles

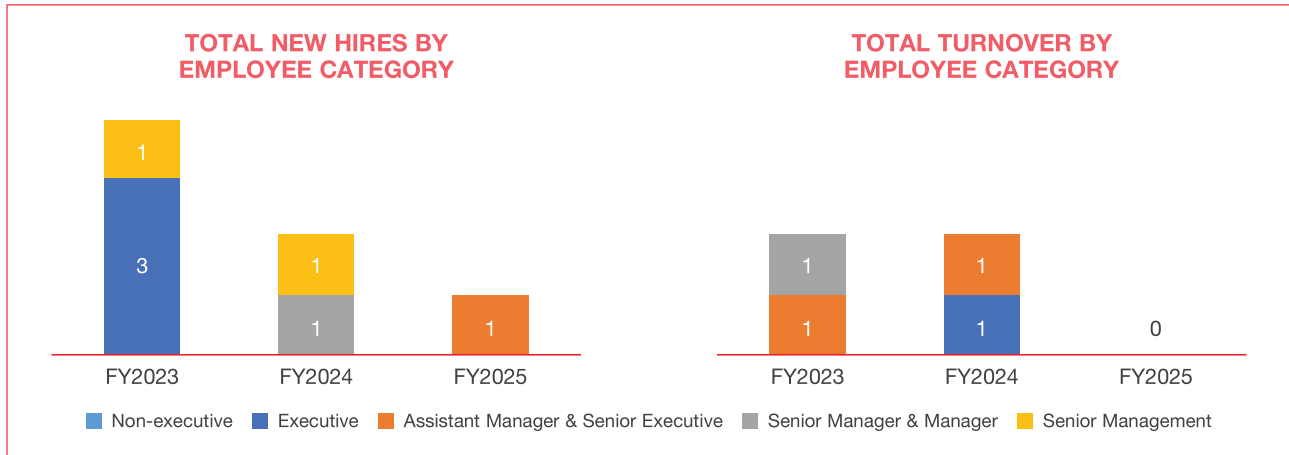
T : TRANSFORMING TALENT MANAGEMENT

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Progress

Employee Retention and Attrition

Employee New Hires and Turnover



	2023	2024	2025
New hire rates (%)	15.4	7.1	3.6
Turnover rates (%)	7.7	7.1	Nil
Employee retention rate (%)	92.0	91.3	100

In 2025, Pavilion REIT continued to demonstrate strong workforce performance, with key metrics reflecting stability and progress. The new hire rate decreased from 7.1% in 2024 to 3.6% in 2025, in line with strategic workforce planning. Turnover rates improved, declining from 7.1% in 2024 to nil in 2025, indicating sustained efforts in employee engagement and satisfaction. The employee retention rate reached 100.0% in 2025, up from 91.3% in 2024, reflecting a strong commitment to maintaining a supportive and inclusive workplace.

These results underscore Pavilion REIT’s ability to adapt to evolving workforce dynamics while prioritizing talent management. Workforce stability and retention contribute directly to the organisation’s resilience, reducing operational and talent-related risks and supporting long-term value creation.

Employee Engagement Survey

Pavilion REIT conducted its Employee Engagement Survey in FY2024 and achieved a 77% response rate.

Designed to be anonymous and conducted internally, the survey ensured candid feedback on key areas such as work environment, job satisfaction, management and leadership, professional development, work-life balance, team dynamics and company culture.

The results revealed a 91% overall satisfaction score, reflecting a strong and positive organizational culture. By engaging 100% of employees, this survey provides a foundation for continuous improvement, strengthening Pavilion REIT’s commitment to creating a thriving and sustainable workplace.

Following the survey, Pavilion REIT implemented a formalised process where the Manager review the results and develop targeted engagement plans and strategies to address key areas of improvement. These efforts are supported by HR-led programs and initiatives aimed at enhancing employee satisfaction.

T : TRANSFORMING TALENT MANAGEMENT

Cont'd

Programs and Initiatives to Enhance Employee Engagement

Pavilion REIT is committed to fostering a motivated and engaged workforce by implementing strategic programs and initiatives that prioritize employee well-being, development, and recognition. Based on insights from employee surveys, the Manager have outlined several key focus areas:

Enhancing Employee Recognition and Rewards	Improving Communication and Transparency	Investing in Employee Development and Growth	Enhancing Staff Benefits
<p>To celebrate individual and team achievements, the Manager foster a culture of excellence and motivation. Employee appreciation events, such as the annual Staff Christmas Party, also play a crucial role in recognising milestones and strengthening team morale. These initiatives aim to create a positive, inclusive, and engaging work environment that values contributions at all levels.</p>	<p>Employee engagement surveys will be conducted at least once every three years to gather valuable feedback and address concerns effectively. These surveys serve as a foundation for understanding employee perspectives and identifying actionable areas for improvement. Transparent communication about survey results and follow-up initiatives ensures employees feel heard and valued.</p>	<p>The Manager has increased training budget in professional development programs, equipping employees with the skills and knowledge needed to excel in their roles. A notable initiative such as study trips to overseas, where employees explored innovative practices, advanced technologies, and cutting-edge mall designs. Such opportunities not only enhance expertise but also inspire creativity and innovation within the organization.</p>	<p>In an effort to remain competitive and retain top talent, the Manager conducted a thorough review of its employee benefits. Proposals under consideration by top management include upgrading existing benefits and introducing new offerings that aligns with latest industry standards. Notable initiatives under this proposal include complimentary gym memberships and allowances for recreational sports such as badminton and futsal, promoting regular exercise and a balanced lifestyle. These benefits are designed to support physical and mental well-being while reinforcing the Manager's position as an employer of choice.</p>

The Manager's comprehensive approach to employee engagement reflects its commitment to cultivating a supportive and thriving workplace. By prioritizing recognition, communication, development, and wellness, the Manager is well-positioned to enhance employee satisfaction, boost retention, and drive long-term success.

Parental Leave

In accordance with Malaysia Employment Act 1955, the Manager provides all eligible female employees with 98 days of maternity leave. Eligible male employees are entitled to seven days of paid paternity leave, subject to the conditions such as length of services and marriage verification. There were 2 female employees who took parental leave during the reporting year. For further details, please refer to Sustainability Key Performance Data in this report.

TRAINING AND DEVELOPMENT

Why it Matters and Approach

Talent development is a crucial aspect of high-performance work culture. The Manager is committed to developing its employees' talents and maximising their potential by creating a work environment that informs, educates, and inspires employees to achieve their professional and personal goals and aspirations. The Manager also embraces a culture that actively supports participation in learning and upskilling activities and acquiring new knowledge and skills on the job.

Our Training and Development Initiatives

This year, the Manager has provided learning & development programmes that involve re-skilling and up-skilling programmes for employees and non-employees (that are employed by Kuala Lumpur Pavilion Sdn Bhd and permanently based in Pavilion REIT properties) to ensure they are well prepared for any challenges that may arise. The employees and non-employees were also given training in areas where necessary to ensure there is continued compliance with revised or new government regulations.

T : TRANSFORMING TALENT MANAGEMENT

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The Manager has conducted the following trainings for all employees and non-employees to ensure everyone is well informed and educated on topics of the trainings:

ESG-Related Training

Courses related to sustainability, responsible business practices, reporting and well-being that falls under the ESG category.

Training	Description	ESG Pillar
Anti-Bribery & Corruption (ABC), Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT)	Training focused on ethical governance, anti-bribery, and anti-money laundering practices.	Governance
Anti-Bribery Management System Awareness	Awareness training on ABC management systems and corporate compliance.	Governance
Complying With The Malaysian Personal Data Protection (Amendment) Act of 2024	Training on compliance with the updated Personal Data Protection Act, ensuring legal and ethical handling of data.	Governance
Cybersecurity Awareness Talk	Awareness session on cybersecurity threats and best practices for data protection in the workplace.	Governance
Data Protection Officer (DPO) Intensive Training	In-depth training for DPOs on data privacy management and regulatory compliance.	Governance
ISSB-GRI Interoperability Programme	Training on sustainability reporting alignment between ISSB and GRI standards.	Governance/ Environmental
Militant Threat Talk	Training on awareness and preparedness for potential militant threats in the workplace.	Governance/ Social
Preventing & Managing Workplace Harassment	Training on identifying, preventing, and managing harassment at work to ensure a safe and inclusive environment.	Social
Privacy, Protection & Preparedness – Managing Data and Cyber Risks in Your Business	Comprehensive training on managing data, cybersecurity risks, and business continuity.	Governance
Sustainability Reporting Using the ISSB Sustainability Report	Training focused on ISSB sustainability reporting standards and disclosure practices.	Environmental
Team Psychological Safety Conference Asia 2025	Training/conference on promoting psychological safety, well-being, and supportive team culture.	Social
First Aid Training	Practical training on first aid and emergency response to ensure workplace safety.	Social

T : TRANSFORMING TALENT MANAGEMENT

Cont'd

Health & Safety Related Trainings

Courses focusing on workplace safety, health and operational compliance are part of the H&S framework.

Training	Description	ESG Pillar
Body Language Skills in Surveillance, Investigation, and Crime Prevention	Training on reading body language for effective security monitoring and crime prevention.	Governance
Bomb Threat Management	Training on identifying, assessing, and responding to bomb threats.	Governance
Critical Infrastructure Protection	Training on safeguarding essential infrastructure against safety and security risks.	Governance
Emergency Response Team (ERT) – Fire & Safety Training	Training for emergency response teams on fire safety, building evacuation, and emergency protocols.	Social
Ergonomic Risk Assessment Training (Advanced)	Training on identifying and mitigating ergonomic risks to prevent workplace injuries.	Social
Safety & Security AI Training (ICETANA)	Training on using AI tools for workplace safety and security monitoring.	Governance
Police/Firearms & Security Handling	Includes “Latihan Menembak (Polis Bantuan), Pepper Spray Training, Operation of Auxiliary Police at Controlled Premises.”	Governance
High Voltage Safety & Voltan Tinggi Training	Safety training for working with or around high voltage equipment.	Social/ Governance
OSHA 1994 Compliance	Training on the latest occupational safety and health regulations under OSHA 1994.	Social
Security & Safety Seminar (Foundation & Advanced Modules)	Comprehensive seminar covering workplace security and safety principles.	Social/ Governance
Fire Safety & Building Safety Training	Includes fire safety protocols, seminars on fire organisation, and safe evacuation practices.	Social
Working Safely at Height	Training on safety procedures and equipment for working at heights.	Social



T : TRANSFORMING TALENT MANAGEMENT

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Other Professional Development & Skills Training

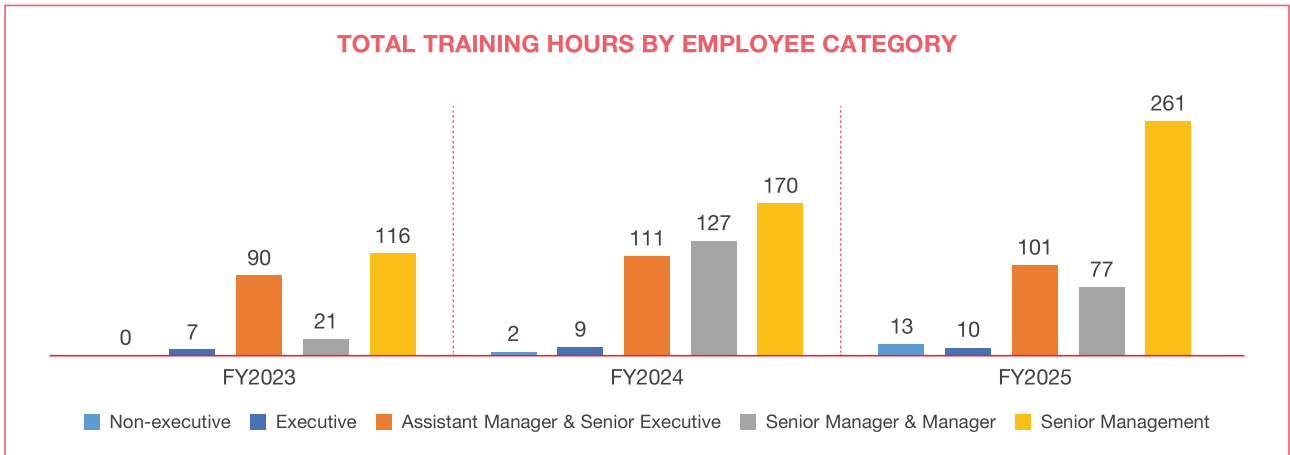
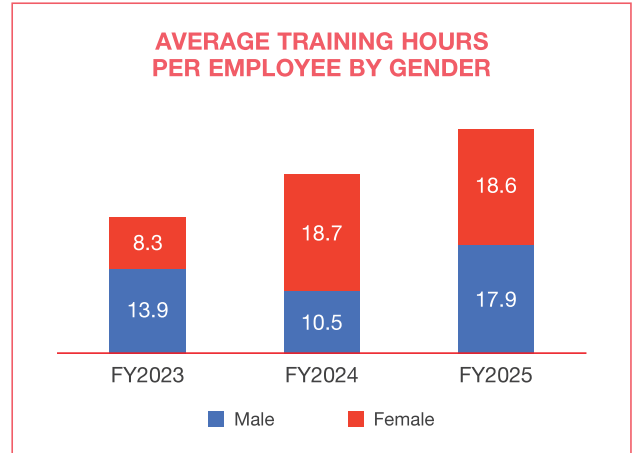
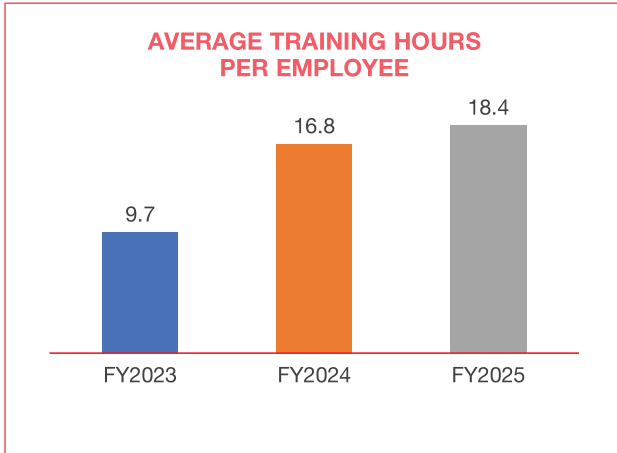
Training	Description	ESG Pillar
ASEAN Investment Conference 2025	Participation in the AIC25 Conference to gain insights on industry trends, leadership, and strategic developments.	Governance/ Social
Best Practices for Managing Staff Reorganisation	Training on effective strategies for managing staff restructuring and organisational change.	Social
Beyond Borders: Adapting Widespread Tariff Increases	Workshop on managing and adapting to tariff changes affecting business operations.	Governance
Engineering Shopping Malls VI	Seminar focused on engineering best practices and innovations for shopping mall management.	Governance
Forum Ekonomi Malaysia 2025	Conference on economic trends and policies in Malaysia, supporting strategic business insights.	Governance
Invest ASEAN – Malaysia Conference 2025	Participation in regional investment conference to explore opportunities and market trends.	Governance
MBRS Financial Statements Training	Training on preparation and analysis of financial statements under MBRS standards.	Governance
Orientation	Onboarding program for new employees to understand company policies, systems, and culture.	Social
Payroll Tax and Employer Tax Obligations	Training on compliance with payroll and employer taxation requirements.	Governance
Retail Forum 2025: Treading the Intricate Retail Landscape	Forum covering retail industry trends, challenges, and strategic insights.	Governance/ Social
Transforming Malls in a Changing World	Workshop on adapting mall operations and management to evolving consumer and market trends.	Governance
Introduction to Microsoft 365 Copilot Business Chat	Training on using Microsoft 365 Copilot tools to enhance productivity and collaboration.	Social/ Governance
Building Management Series 4 – Resilience in Building Management	Training on resilient building management strategies, operational continuity, and risk management.	Governance
HR2000 QuickPay Year-End Webinar	Webinar on HR system updates, payroll processing and year-end procedures.	Governance/ Social

T : TRANSFORMING TALENT MANAGEMENT

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Progress

Training and Development Data



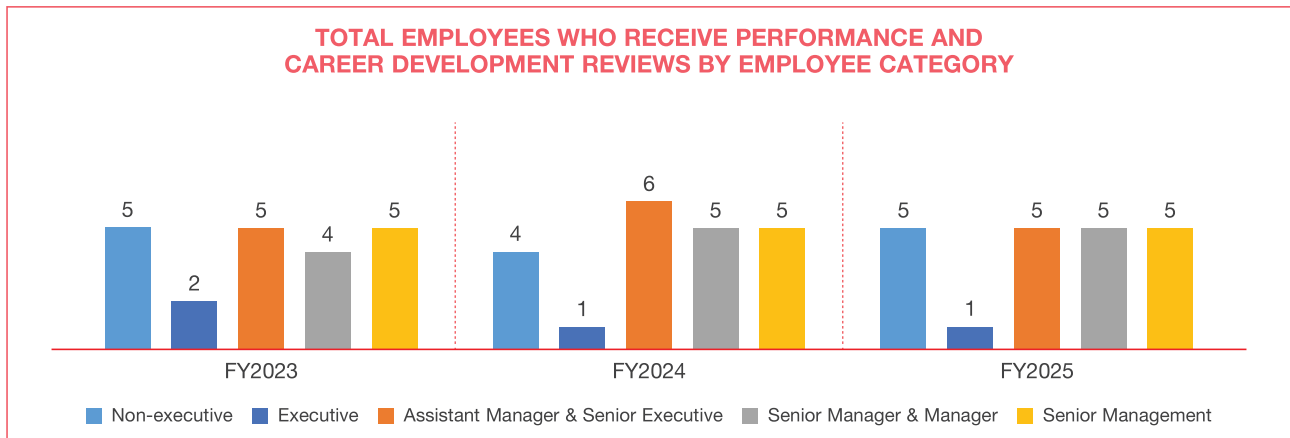
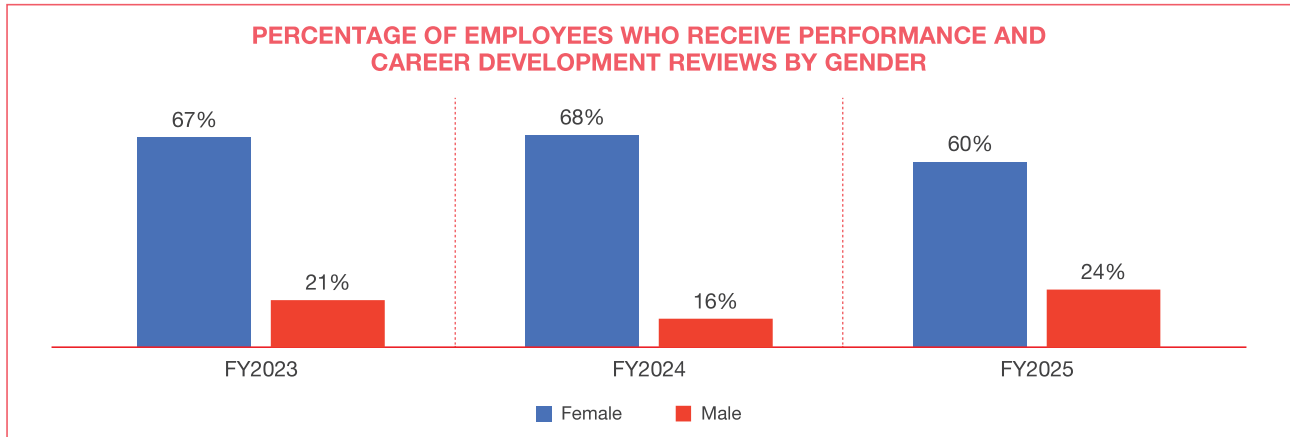
In 2025, 462 hours were spent on trainings, recorded an increase of 10.3% in total training hours compared to previous financial year of 419 hours. The Manager invested RM23,439 in employee’s learning and development.

T : TRANSFORMING TALENT MANAGEMENT

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Annual Performance and Career Development Reviews

Most of the employees have received their annual performance and career development reviews, in which management provides feedback on the performances and areas of improvement. The annual performance review helps the Manager in understanding and meeting the needs of employees, whilst creating an environment that promotes growth and efficiency, which in turn help improving its business operations.



The Manager will continue to expand the number of learning and development programs while focusing on the creation of new skills acquisition initiatives for all employees. These efforts aim to support employees in their career growth and progression.



Short Term Plans (0 to 12 months)

- Assess the effectiveness of current programs & prioritise areas for improvement.
- Increase webinars/workshops/online courses for employees.
- Engage employees to understand their career goals.



Medium Term Plans (1 to 5 years)

- Focus on leadership development program to prepare employees for higher roles.
- Build clear career pathways within the organization to enhance employee retention.
- Create a company-wide culture that encourages innovation and continuous learning.
- Recognize and reward employees who actively engage in development programs.

T : TRANSFORMING TALENT MANAGEMENT

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DIVERSITY AND EQUAL OPPORTUNITY

Why it Matters and Approach

In today's workplace, diversity and inclusion play a huge role in fostering a positive and inclusive work environment for employees. Research has shown that diversity and inclusion has led to better performances and higher revenue growth. The Manager recognizes the importance of diversity and inclusion and is looking to incorporate more diversity and inclusion practices into Pavilion REIT.

The Manager complies with the following laws to ensure its employees are well protected:

Malaysia Employment Act 1955	Industrial Relations Act 1967	Occupational Safety and Health Act (OSHA) 1994
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The Manager also complies with the Malaysia Employment Act Amendment 2022 which states that an employee cannot work more than 45 hours in a week and the Malaysian Minimum Wages Order 2024 which increases the new minimum wage to RM1,700 per month. It practices equal wage ratio and maintain equal opportunity regardless of gender. The Manager has recorded equal gender ratio of 1:1 for all degree holders since FY2019.

The Manager is also committed in prioritising local employment and embrace merit-based employment policies and promote diversity and equality at work regardless of gender, race, and ethnicity, religion, political opinion or social origin. The Manager does not discriminate those from underprivileged groups including differently-abled people, low-income families or people with no formal education qualifications. Code of Conduct and Ethics govern employees and non-employees to ensure they maintain the highest standard of conduct when dealing with internal and external parties and most importantly, they treat their colleagues with equal respect.

The Manager has enforced a Whistleblowing Policy to report on any unethical practices, discrimination, and harassments. This policy provides a safe avenue for employees/whistleblower to have their voices heard.

Diversity of the Manager's Board of Directors and Employees

Board of Directors Distribution Data

The Board of Pavilion REIT comprises eleven (11) members, including seven (7) men and four (4) women, with five (5) of these members serving as independent directors. Women represent 36% of the Board, surpassing the 30% minimum recommendation outlined in the MCCG. This milestone underscores Pavilion REIT's strong commitment to fostering gender diversity and creating a balanced, inclusive leadership structure.

The Manager has consistently set a target of maintaining at least 30% female representation on the Board and this target was achieved. Moving forward, Pavilion REIT is committed to upholding and exceeding this standard as part of its broader focus on diversity, equity, and inclusion (DEI).

Gender diversity on the Board contributes significantly to Pavilion REIT's ability to make balanced, informed decisions, fostering innovation and resilience within its governance framework. To further strengthen its commitment, the Manager actively evaluate its nomination and governance processes to ensure that opportunities for leadership are equally accessible to qualified candidates, regardless of gender.

T : TRANSFORMING TALENT MANAGEMENT

Cont'd

Pavilion REIT recognizes that diverse perspectives are essential to building sustainable value for stakeholders and will continue to align its Board composition with international best practices and evolving corporate governance standards.

Board Diversity by Gender (%)	FY2023	FY2024	FY2025
Male	64%	60%	64%
Female	36%	40%	36%

Board Diversity by Age (%)	FY2023	FY2024	FY2025
<30	0%	0%	0%
30-39	18%	0%	0%
40-50	18%	20%	27%
>50	64%	80%	73%

Board by Ethnicity (%)	FY2023	FY2024	FY2025
Malay	27%	30%	36%
Chinese	37%	40%	36%
Indian	9%	10%	10%
Others	27%	20%	18%

Employee Distribution Data

Employee Gender and Age

The Manager promotes inclusivity and employs a diverse range of people that bring different experiences and knowledge to Pavilion REIT, regardless of gender and age.

Total employees of 25 in 2025			
Gender Diversity - Employees (%)	FY2023	FY2024	FY2025
Male	25%	24%	32%
Female	75%	76%	68%
Age Diversity - Employees (%)	FY2023	FY2024	FY2025
<30	12%	8%	8%
30-39	21%	24%	12%
40-50	25%	28%	36%
>50	42%	40%	44%
Ethnic Diversity (%)	FY2023	FY2024	FY2025
Malay	17%	16%	20%
Chinese	83%	84%	80%
Indian	-	-	-
Others	-	-	-

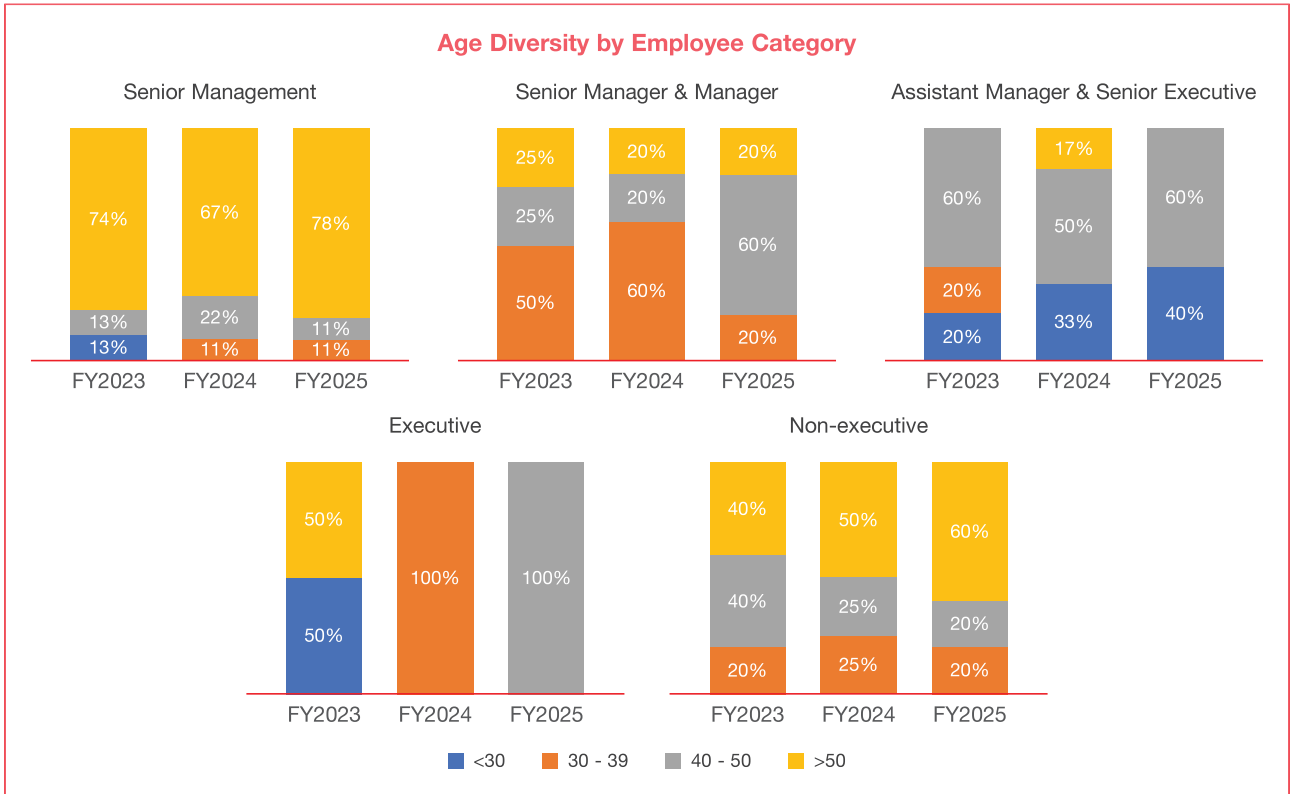
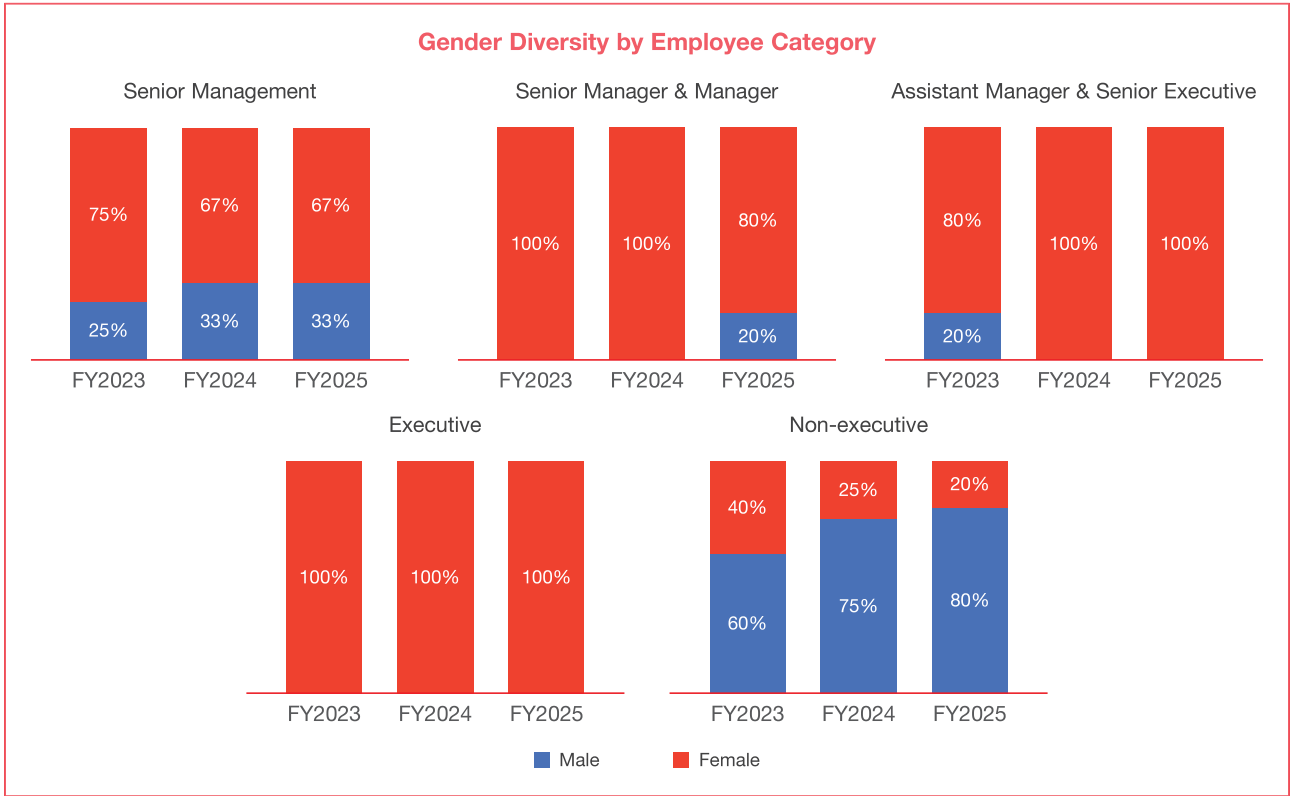
Employee Composition

The Manager's staff are all permanent employees with no temporary staff.

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Cont'd

Gender Diversity by Employee Category



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Cont'd

HUMAN RIGHTS MANAGEMENT

Why it Matters and Approach

Human rights are fundamental rights that every human being has regardless of background. The Manager recognises the importance of human rights' values within an organization to ensure everyone who works directly or indirectly is treated with respect and dignity, regardless of gender, seniority level, etc. Poor condition of workers' accommodation was one of the major cluster outbreaks which claimed many lives in FY2021. The outbreak highlighted the urgency to address human rights practices among companies that provide accommodation for workers.

Since FY2020, the Manager has implemented new initiatives to increase its efforts in upholding human rights principles within Pavilion REIT properties.

Since FY2020, the Manager has conducted quarterly human rights audits at the foreign workers' accommodation of all the security and cleaning service providers. This initiative is to ensure there is proper welfare for all foreign workers who work at Pavilion REIT properties. Some of the social and human rights audit checklist includes:

- No overcrowding;
- Provision of proper facilities/amenities;
- Proper fire safety measures in place;
- Hygienic and safe living conditions;
- Provision of first aid kit;
- Availability of evacuation route.

Due to shortage of manpower, Pavilion REIT service providers required their workers to work additional hours or overtime. The Manager has taken measures to ensure that these service providers are in compliance with requirements without exceeding the maximum statutory overtime hours. The Manager also requires Pavilion REIT service providers (of cleaning and security) to report their respective workers' working hours during their daily roll call. The Manager conducts verifications with the service providers to ensure that these workers are legal and being paid the minimum wage as per the latest government regulations.

Progress

	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	0	0	0

Human Right Policy

The Manager strives to create a workplace where open and honest communication among all employees is valued and respected. Human Resources Department has established a Human Rights Policy which is in accordance with the UN Guiding Principles on Business and Human Rights and aligned with International Labour Organization (ILO) standards, to promote and uphold human rights in the workplace. Effective 1st November 2023, the Human Rights Policy applies to all directors and employees, including full-time, part-time, casual, contract, and interns. The Policy also extends to all Pavilion REIT's business partners.

The Human Rights Policy covers topics such as:

- (a) non-discrimination, workforce diversity and equal opportunity;
- (b) freedom of association and collective bargaining;
- (c) safe and healthy workplace;
- (d) prevention of violence at the workplace;
- (e) compliance to local laws on minimum wage and working hours;
- (f) prevention of forced labour including modern forms of slavery and any form of human trafficking; and
- (g) protection of the rights of children and prohibit the hiring of child labour in all its business operations.

There is also a grievance mechanism for individuals to report suspected policy violations without fear of discrimination or retaliation. In cases of non-compliance or critical concerns, the report ultimately escalates to the CEO of the Manager, who then presents it to an Executive Director, if need arises.

Whistleblowing channel is also available at : <https://bdoethics.com/v1/r/QxgwQn00Eyx5cz2z6DILFLAGx4xDL6x9>.

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Cont'd

HEALTH AND SAFETY

Why it Matters and Approach

Aligned with Pavilion REIT's core values, health and safety are important aspects of Pavilion REIT that the Manager takes every effort to ensure the well beings of all employees, ground staff, mall patrons and other stakeholders are well taken care of.

Incidents at work are a possibility that cannot be ruled out. To prevent or minimise such possibility, there are training programmes held for both employees and non-employees to educate them on safe conduct when working. The Manager is committed in providing a safe working environment for everyone at the properties regardless of their roles.

In light of the Occupational Safety and Health (Amendment) Act 2022 (OSH Amendment Act), effective 1 June 2024, the Manager has revised its Environmental, Safety, and Health (EHS) policies. These updated policies govern safe practices during business activities across all properties, with the aim of preventing incidents and injuries. The updated OSH policy emphasizes prevention measures, continuous improvement, and clearly outlines the duties of employees to ensure adherence to workplace safety requirements.

Additionally, the Environmental Policy has been enhanced to reflect a stronger commitment to sustainable business operations. It now includes provisions for climate change mitigation, water and waste management, energy efficiency, sustainable procurement and fittings and biodiversity preservation. These updates also outline employees' responsibilities in supporting these initiatives.

Effective 7 October 2024, these policies serve as guiding frameworks for all OSH and Environmental initiatives, legal compliance, and operational commitments across Pavilion REIT. The updated policies have been communicated to all employees, contractors, and stakeholders involved in operations. Furthermore, the Manager encourages suppliers, partners, and tenants to adopt these practices to foster a culture of safety and sustainability.

This year, the Safety & Health Committee meetings and bi-weekly Operations meetings incorporated discussions on occupational safety and health matters. These sessions focused on improving ongoing initiatives and briefing heads of departments, OSH representatives, EHS committee members, contractors, service providers, and tenants on the latest requirements. The Manager also held half-yearly meetings to discuss and review potential risks and their ratings under the Enterprise Risk Management process.

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Cont'd

Progress

Joint Management-Worker Meeting

It was conducted during the quarterly meeting where EHS committees will discuss and monitor all matters that related to environment, health and safety including the worker’s role and responsibilities.

EHS Committees

The Environment, Health and Safety (“EHS”) committee works closely with the Emergency Response Team (“ERT”) to ensure the efforts of the Manager is in full compliance with government regulations such as OSHA 1994, Fire Services Act 1988, and Electricity Supply Act 1990.

The EHS committee oversees all safety aspects of all malls, including tenant operations, under Pavilion REIT. There are three (3) areas that EHS oversee:

<p style="text-align: center;">Office</p> <ul style="list-style-type: none"> • Conduct safety checks for any potential hazards in the office premises 	<p style="text-align: center;">Tenant operation</p> <ul style="list-style-type: none"> • Conduct safety checks on gas and fire safety at the tenants’ premises 	<p style="text-align: center;">External contractor</p> <ul style="list-style-type: none"> • Review contractors’ applications for work permits • Ensure safety compliance for those working in high risk work e.g., hot work, lifting operations and work at height

The EHS department is led by a manager who works closely with the EHS committee to review SOPs and conduct trainings for the workers to be educated and informed on health and safety protocols. The main functions are as follows:

<p style="text-align: center;">SOPs</p> <ul style="list-style-type: none"> • Review and update when required to keep updated on the current operations requirements 	<p style="text-align: center;">Training</p> <ul style="list-style-type: none"> • Plan and conduct annual training programmes for non-employees to ensure they are updated and well trained to attend and handle any situation

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Cont'd

Keeping our Employees safe

Pavilion REIT continues its initiatives from previous years while implementing new ones to further enhance safety measures. This reporting year, more trainings focusing on OHS regulations have been given to non-employees to minimize work-related hazards and educate them on the health and safety measures.



Besides the training programmes, the Manager has incorporated Enterprise Risk Management (“ERM”) process into Pavilion REIT’s business operation to address any health and safety related matters, identify and mitigate any potential risks. The ERM process covers all workers at all properties of Pavilion REIT as the Manager is committed in eliminating any possible hazard and minimizing any risks involving all workers.

The Manager has also instituted the Hazard Identification, Risk Assessment and Risk Control (HIRARC) into Pavilion REIT’s business operations where HIRARC assessments are conducted by all departments at each property to identify and mitigate any risk. Pavilion REIT conducted trainings to equip non-employees with knowledge on how to work at height, how to handle chemicals and how to handle first aid cases in the malls.

Visitor Health and Safety

The Manager views its visitors’ health and safety as top priority and maintains preventive measures to minimise accidents in its properties. In addition to having CCTV surveillance system installed for strategic monitoring, panic buttons are also available in car park and remote public mall areas where there’s less patronage. Wheelchairs, walking aids and disable facilities are also available at all Pavilion REIT’s retail malls to increase shoppers’ comfort.

Prompt investigation will be undertaken immediately followed by corrective action in the event of any threats to its visitor health and safety issues.

Health and safety training

In 2025, a total of 253 participants were given trainings on health and safety.

Number of employees trained on health and safety training & standards	FY2023	FY2024	FY2025
Employees	5	11	8
Non-employees ⁽¹⁾	106	427	245
Total	111	438	253

Note:

(1) Non-employees refer to Kuala Lumpur Pavilion Sdn Bhd’s staff stationed in Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil.

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Cont'd

Health and Safety Data

	FY2023		FY2024		FY2025	
	Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
Total Hours Worked	50,752	591,136	52,832	1,000,064	53,248	905,632
Number of Work-Related Fatalities	0	0	0	0	0	0
Number of Lost Time Injuries	0	2	0	1	0	2
Lost Time Incident Rate ("LTIR") (1)	0	0.68	0	0.20	0	0.44
Number of work-related illnesses/ill-health	0	0	0	0	0	0

Note:

(1) The lost time incident rate is calculated based on 200,000 man-hours worked.

Work-related injuries and illnesses/ill-health

Pavilion REIT remains committed to ensuring that all employees and stakeholders return home safely each day. In FY2025, there were no fatalities or work-related illnesses reported among employees.

During the year, two non-employee incidents were recorded:

- **Self-Balancing Device Accident:** A security officer lost control of a self-balancing device and fell, requiring medical treatment. The incident was reported to DOSH, investigated and corrective actions were implemented.
- **Slip, Trip and Fall:** A manager sustained an injury after losing balance while opening a glass office door. Immediate first aid and subsequent medical care were provided. The incident was reported to DOSH, investigated and follow-up measures were taken.

The Manager continues to strengthen safety protocols, enhance compliance monitoring and provide training to reduce the likelihood of workplace incidents, reflecting a sustained commitment to a safe and compliant environment.

Prevention of Violence and Harassment including Sexual Harassment at the Workplace

Throughout the reporting year, efforts were undertaken by the Manager to proactively raise awareness and promote understanding of violence and harassment prevention, including sexual harassment, in the workplace. This included the establishment of a comprehensive policy outlining procedures and measures to prevent, manage, and respond to such incidents, ultimately aiming to create a safe and inclusive environment for all employees.

Everyone - employees and management alike - plays a crucial role in fostering a work climate free from violence and harassment. All parties are required to read, understand, and comply with the policy. The Human Resources Department readily provides further clarification and assistance as needed.

To ensure continued vigilance and effectiveness, the Manager is mandated to conduct an annual risk assessment within their respective departments. While no specific risks have been identified to date, ongoing proactive measures remain essential to maintaining a positive and safe work environment.

SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators

Climate Change

CLIMATE CHANGE	Unit of Measurement	FY2023	FY2024	FY2025
Scope 1 GHG Emission				
Stationary combustion Generators				
Pavilion Kuala Lumpur Mall	tCO ₂ e	8.9	0	8.9
Elite Pavilion Mall		4.6	0	6.7
Pavilion Tower		22.1	0	0.2
Intermark Mall		0	7.3	0.5
DA MEN Mall		-	-	-
Pavilion Bukit Jalil		0.1	0	34.9
Total		35.7	7.3	51.2⁽¹⁾

Note:

(1) The scope 1 GHG emission data arising from fuel consumption for genset in FY2025 has been assured externally by KPMG.

Scope 2 GHG Emission				
Purchased Electricity				
Pavilion Kuala Lumpur Mall	tCO ₂ e	45,699	15,175	14,367
Elite Pavilion Mall		9,445	9,557	9,680
Pavilion Tower		1,276	935	1,342
Intermark Mall		7,118	5,558	5,383
DA MEN Mall		9,442	9,543	3,478
Pavilion Bukit Jalil		23,777	39,957	37,944
Total		96,757	80,725	72,194⁽¹⁾

Note:

(1) Scope 2 GHG emissions (market-based) data for FY2025 have been assured externally by KPMG PLT.

Scope 3 GHG Emission				
Category 5: Waste Generated in Operations	tCO ₂ e			4,489
Category 6: Business Travel	tCO ₂ e		20	7
Category 7: Employees Commuting	tCO ₂ e		23	28
Category 13: Downstream leased assets in relation to tenant purchased electricity				
Pavilion Kuala Lumpur Mall	tCO ₂ e	28,764	25,131	25,722
Elite Pavilion Mall			5,107	2,748
Pavilion Tower		475	486	521
Intermark Mall				
DA MEN Mall				4,133
Pavilion Bukit Jalil			11,270	27,179
Pavilion Hotel Kuala Lumpur				3,184
Banyan Tree Kuala Lumpur				1,304
Total		29,239	41,994	64,791⁽¹⁾

Note:

(1) Scope 3 GHG emissions (Category 13) data for FY2025 have been assured externally by KPMG PLT.

Total Scope 3 emissions	tCO ₂ e	29,239	42,037	69,314
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SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators
Cont'd

CLIMATE CHANGE	Unit of Measurement	FY2023	FY2024	FY2025	
GHG Intensity (Scope 1 & 2)					
Pavilion Kuala Lumpur Mall	tCO ₂ e/sqm	0.21	0.07	0.07	
Elite Pavilion Mall		0.24	0.24	0.25	
Pavilion Tower		0.06	0.04	0.07	
Intermark Mall		0.23	0.18	0.17	
DA MEN Mall		0.14	0.14	0.05	
Pavilion Bukit Jalil		0.07	0.12	0.11	
Overall GHG Intensity for Scope 1 & 2			0.14	0.11	0.10

Energy Management

ENERGY MANAGEMENT					
Electricity Consumption (Landlord)					
Pavilion Kuala Lumpur Mall	kWh	59,043,172	61,417,464	60,910,002	
Elite Pavilion Mall		12,202,799	12,346,900	12,506,429	
Pavilion Tower		1,647,964	1,705,518	1,733,623	
Intermark Mall		9,197,162	10,697,511	10,470,173	
DA MEN Mall		12,199,083	12,329,233	4,494,160	
Pavilion Bukit Jalil		30,719,065	51,624,583	49,023,409	
Total			125,009,245	150,121,209	139,137,796⁽¹⁾

Note:

(1) The landlord electricity data in FY2025 has been assured externally by KPMG PLT.

Electricity Consumption (Tenants & Consumers)					
Pavilion Kuala Lumpur Mall	kWh	49,870,470	43,141,263	33,232,891	
Elite Pavilion Mall			6,597,944	3,550,315	
Pavilion Tower		613,772	628,049	672,481	
Intermark Mall					
DA MEN Mall				5,340,196	
Pavilion Bukit Jalil			14,561,051	35,115,265	
Pavilion Hotel Kuala Lumpur				7,844,490	
Banyan Tree Kuala Lumpur				1,684,198	
Total			50,484,242	64,928,307	87,439,836⁽¹⁾

Note:

(1) The tenant & end user electricity data in FY2025 has been assured externally by KPMG PLT.

Renewable Electricity Consumption (Green Electricity Tariff Subscription)					
Pavilion Kuala Lumpur Mall	kWh	25,068,000	41,812,533	42,348,000	
Elite Pavilion Mall					
Pavilion Tower			497,067		
Intermark Mall		820,000	3,516,000	3,516,000	
DA MEN Mall					
Pavilion Bukit Jalil					
Total			25,888,000	45,825,600	45,864,000

SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators
Cont'd

CLIMATE CHANGE	Unit of Measurement	FY2023	FY2024	FY2025	
Building Energy Intensity					
Retail	kWh/m ² /year	250	307	317	
Pavilion Kuala Lumpur Mall		498	478	461	
Elite Pavilion Mall		308	477	415	
Intermark Mall		293	341	334	
DA MEN Mall		179	181	144	
Pavilion Bukit Jalil		92	198	252	
Office		100	103	119	
Pavilion Tower		100	103	119	
Hotel				227	
Pavilion Hotel Kuala Lumpur				247	
Banyan Tree Kuala Lumpur				165	
Overall Energy Intensity			246	301	307

WATER MANAGEMENT	Unit of Measurement	FY2023	FY2024	FY2025	
Water Withdrawn from Third Party Water Service Providers - Municipal Supplier					
Water Consumption (Landlord)					
Pavilion Kuala Lumpur Mall	m ³	508,442	464,681	492,888	
Elite Pavilion Mall		104,180	118,340	109,196	
Pavilion Tower		16,583	17,292	18,231	
Intermark Mall		59,011	59,552	62,631	
DA MEN Mall		75,659	70,623	28,073	
Pavilion Bukit Jalil		291,941	455,565	349,223	
Total			1,055,816	1,186,053	1,060,242⁽¹⁾

Note:

(1) The landlord water consumption data in FY2025 has been assured externally by KPMG PLT.

Water Consumption (Tenants)					
Pavilion Kuala Lumpur Mall	m ³	292,694	315,345	320,000	
Elite Pavilion Mall		72,407	85,327	89,468	
Pavilion Tower					
Intermark Mall		54,637	63,800	62,922	
DA MEN Mall		37,507	35,650	69,243	
Pavilion Bukit Jalil		142,505	289,897	314,809	
Pavilion Hotel Kuala Lumpur				53,555	
Banyan Tree Kuala Lumpur				17,280	
Total			599,750	790,019	927,277⁽¹⁾

Note:

(1) The tenant water consumption data in FY2025 has been assured externally by KPMG PLT.

SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators
Cont'd

WATER MANAGEMENT	Unit of Measurement	FY2023	FY2024	FY2025
SECONDARY SOURCE				
Water Withdrawn from Fresh Water – Rain Water Harvesting				
Pavilion Kuala Lumpur Mall	m ³	139	64	173
Elite Pavilion Mall				
Pavilion Tower		87	98	403
Intermark Mall				
DA MEN Mall			330	1,036
Pavilion Bukit Jalil			15,482	618
Pavilion Hotel Kuala Lumpur				70
Total			226	15,974
Recycled/Reused Water – Condensate Harvesting				
Pavilion Kuala Lumpur Mall	m ³	2,320	1,758	1,364
Elite Pavilion Mall		458	528	256
Pavilion Tower				
Intermark Mall		134	439	383
DA MEN Mall			325	
Pavilion Bukit Jalil			103	1,188
Total			2,912	3,153
Water Withdrawn from Groundwater				
Pavilion Kuala Lumpur Mall	m ³	165	462	1,446
Elite Pavilion Mall				
Pavilion Tower				
Intermark Mall				
DA MEN Mall				
Pavilion Bukit Jalil				
Total			165	462
Water Use Intensity				
Retail	m ³ /m ² /year	2.4	2.9	2.8
Pavilion Kuala Lumpur Mall		3.7	3.6	4.0
Elite Pavilion Mall		4.5	5.1	5.1
Intermark Mall		3.6	3.9	4.0
DA MEN Mall		1.7	1.6	1.4
Pavilion Bukit Jalil		1.3	2.3	2.0
Office		0.7	0.8	0.9
Pavilion Tower	0.7	0.8	0.9	
Hotel			1.7	
Pavilion Hotel Kuala Lumpur			1.7	
Banyan Tree Kuala Lumpur			1.7	
Overall Water Use Intensity		2.3	2.8	2.7

SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators
Cont'd

WASTE MANAGEMENT	Unit of Measurement	FY2023	FY2024	FY2025
Waste Management				
Total Waste Generated	tonnes	5,445.2	9,650.0	9,253.5
Total Waste Diverted from Disposal				
Hazardous Waste				
Other recovery operations	tonnes	0.3	1.0	0.1
Non-Hazardous Waste (Total Waste Recycled)				
Recycling: Plastic	tonnes	4.3	17.3	26.1
Recycling: Paper		239.5	412.8	426.1
Recycling: Metal		3.1	3.8	8.7
Total		246.9	433.9	460.9
Total Waste Diverted from Disposal	tonnes	247.2	627.6	649.6
Total Waste Directed to Disposal				
Landfilling	tonnes	5,198.00	9,022.4	8,603.9
% diversion from landfill	%	4.5	6.5	7.0

Social Pillar

	Unit of Measurement	FY2023	FY2024	FY2025
Board of Directors				
Total Board Members	Number	11	10	11
Gender of Board of Directors				
Male	Number	7	6	7
Female		4	4	4
Nationality of Board of Directors				
Malaysian	Number	8	8	9
Foreign		3	2	2
Age group of Board of Directors				
<30	Number	0	0	0
30 to 39		2	0	0
40 to 50		2	2	3
>50		7	8	8
Ethnicity of Board of Directors				
Malay	Number	3	3	4
Chinese		4	4	4
Indian		1	1	1
Others		3	2	2
Employees				
Total Employees	Number	24	25	25

SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators
Cont'd

	Unit of Measurement	FY2023	FY2024	FY2025
Total Employees By Category, Age and Gender				
Senior Management - Male				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	1	1
>50		2	2	2
Senior Manager and Manager - Male				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	0	1
>50		0	0	0
Assistant Manager and Senior Executive - Male				
<30	Number	0	0	0
30 – 39		1	0	0
40 – 50		0	0	0
>50		0	0	0
Executive - Male				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	0	0
>50		0	0	0
Non-Executive - Male				
<30	Number	0	0	0
30 – 39		1	1	1
40 – 50		1	1	1
>50		1	1	2
Senior Management - Female				
<30	Number	1	0	0
30 – 39		0	1	1
40 – 50		1	1	0
>50		4	4	5
Senior Manager and Manager - Female				
<30	Number	0	0	0
30 – 39		2	3	1
40 – 50		1	1	2
>50		1	1	1

SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators

Cont'd

	Unit of Measurement	FY2023	FY2024	FY2025
Assistant Manager and Senior Executive - Female				
<30	Number	1	2	2
30 – 39		0	0	0
40 – 50		3	3	3
>50		0	1	0
Executive - Female				
<30	Number	1	0	0
30 – 39		0	1	0
40 – 50		0	0	1
>50		1	0	0
Non-Executive – Female				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		1	0	0
>50		1	1	1
Total Turnover				
Turnover - Gender				
Male	Number	0	1	0
Female		2	1	0
Turnover – Age				
<30	Number	0	0	0
30 - 39		1	2	2
40 - 50		1	0	0
>50		0	0	0
Turnover – Ethnicity				
Malay	Number	0	0	0
Chinese		2	2	0
Indian		0	0	0
Others		0	0	0
Turnover - Category				
Senior Management	Number	0	0	0
Senior Manager and Manager		1	0	0
Assistant Manager and Senior Executive		1	1	0
Executive		0	1	0
Non-Executive		0	0	0

SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators
Cont'd

	Unit of Measurement	FY2023	FY2024	FY2025
Total New Hire				
New Hire - Gender				
Male	Number	1	1	1
Female		3	1	0
New Hires - Age				
<30	Number	2	0	0
30 - 39		1	1	0
40 - 49		1	1	0
>50		0	0	1
New Hires - Ethnicity				
Malay	Number	0	0	1
Chinese		4	2	0
Indian		0	0	0
Others		0	0	0
New Hires - Category				
Senior Management	Number	1	1	0
Senior Manager and Manager		0	1	0
Assistant Manager and Senior Executive		3	0	0
Executive		0	0	0
Non-Executive		0	0	1
Total Temporary Staff				
By gender				
Male	Number	0	0	0
Female		0	0	0
Employee Training Hours				
Average training hours per employee	Hour	9.7	16.8	18.4
Number of Training Hours By Gender				
Male	Hour	84	63	145
Female		150	356	317
Number of Training Hours By Category				
Senior Management	Hour	116	170	261
Senior Manager and Manager		21	127	77
Assistant Manager and Senior Executive		90	111	101
Executive		7	9	10
Non-Executive		0	2	13

SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators
Cont'd

	Unit of Measurement	FY2023	FY2024	FY2025
Employees Receiving Performance and Career Development Reviews				
By Gender				
Male	%	21	16	24
Female		67	68	60
By Category				
Senior Management	Number	5	5	5
Senior Manager and Manager		4	5	5
Assistant Manager and Senior Executive		5	6	5
Executive		2	1	1
Non-Executive		5	4	5
Total Number of Discrimination Incidents				
Total number of incidents of discrimination during reporting period	Number	0	0	0
Status of incidents and action taken		0	0	0
Parental Leave				
Total number of employees	Number	24	25	25
Employees Entitled for Parental Leave				
Male	Number	6	6	8
Female		18	19	17
Employees that took Parental Leave				
Male	Number	0	0	0
Female		0	0	2
Number of Parental Leave applied				
Paternity Leave	Number	0	0	0
Maternity Leave		0	0	196
Employees return to work after Parental Leave				
Male	Number	0	0	0
Female		0	0	2
Employees that were still employed 12 months after their return to work				
Male	Number	0	0	0
Female		0	0	2
Return to Work Rate				
Male	%	N/A	N/A	N/A
Female		N/A	N/A	100
Retention Rate				
Male	%	N/A	N/A	N/A
Female		0%	N/A	100

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Senior Management	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Senior Manager & Manager	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Assistant Manager & Senior Executive	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Executive	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Non-Executive	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of operations assessed for corruption-related risks	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Confirmed incidents of corruption and action taken	Number	—	—	No assurance

Cont'd
 BURSA MALAYSIA PRESCRIBED TABLE

Pavilion REIT
IFRS S1

Date & Time: 2026-03-16_16:38:59

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Community and Stakeholder Engagement	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Community and Stakeholder Engagement	Total number of beneficiaries of the investment in communities	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Senior Management — <30	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Senior Management — 30-39	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Senior Management — 40-50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Senior Management — >50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category: Senior Manager & Manager ←30	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category: Senior Manager & Manager —30-39	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category: Senior Manager & Manager —40-50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category: Senior Manager & Manager →50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category: Assistant Manager & Senior Executive ←30	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category: Assistant Manager & Senior Executive —30-39	Percentage	0	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				

Cont'd
 BURSA MALAYSIA PRESCRIBED TABLE

Pavilion REIT
IFRS S1

Date & Time: 2026-03-16_16:38:59

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Assistant Manager & Senior Executive → 40-50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Assistant Manager & Senior Executive → 50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Executive → <30	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Executive → 30-39	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Executive → 40-50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Executive → 50	Percentage	0	None	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Non-Executive → <30	Percentage	—	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Non-Executive → 30-39	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Non-Executive → 40-50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category ↳ Non-Executive → 50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category ↳ Senior Management → Male	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category ↳ Senior Management → Female	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category ↳ Senior Manager & Manager → Male	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				

Cont'd
 BURSA MALAYSIA PRESCRIBED TABLE

Pavilion REIT
IFRS S1

Date & Time: 2026-03-16_16:38:59

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Senior Manager & Manager – Female	Percentage	–	–	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Assistant Manager & Senior Executive – Male	Percentage	–	–	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Assistant Manager & Senior Executive – Female	Percentage	–	–	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Executive – Male	Percentage	–	–	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Executive – Female	Percentage	–	–	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Non-Executive – Male	Percentage	–	–	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Non-Executive – Female	Percentage	–	–	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of directors by gender group—Male	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of directors by gender group—Female	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of directors by age group—<30	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of directors by age group—30-39	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of directors by age group—40-50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of directors by age group—>50	Percentage	—	N	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Energy Management	Energy Consumption (Landlord)	kWh	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Energy Management	Energy Consumption (Tenant & End User)	kWh	—	—	No assurance

Cont'd
BURSA MALAYSIA PRESCRIBED TABLE

Pavilion REIT
IFRS S1

Date & Time: 2026-03-16_16:38:59

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Health and Safety	Number of work-related fatalities	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Health and Safety	Lost time incident rate	Rate	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Health and Safety	Number of employees trained on health and safety standards	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Senior Management	Hour	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Senior Manager & Meneger	Hour	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Assistant Manager & Senior Executive	Hour	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Executive	Hour	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Non-Executive	Hour	—	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees that are contractors or temporary staff	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Senior Management	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Senior Manager & Manager	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Assistant Manager & Senior Executive	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Executive	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Non-Executive	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Human Rights Management	Number of substantiated complaints concerning human rights violations	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				

BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

Pavilion REIT

IFRS S1

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Procurement and Supply Chain	Proportion of spending on local suppliers	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Data Privacy and Cybersecurity	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Water Management	Water Consumption (Landlord)	m ³	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Water Management	Water Consumption (Tenant)	m ³	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate Change	Scope 1 GHG emissions (fuel consumption for genset)	tCO ₂ e	51	-	External (Limited)
Climate Change	Scope 2 GHG Emissions (Purchased Electricity)	tCO ₂ e	72,194	To achieve a 20% reduction in Scope 2 carbon emissions by 2030, using FY2019 as the baseline year.	External (Limited)
Climate Change	Scope 3 – Category 3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	tCO ₂ e	2,868	-	No assurance
Climate Change	Scope 3 – Category 5: Waste Generated in Operations	tCO ₂ e	4,489	-	No assurance
Climate Change	Scope 3 – Category 6: Business Travel	tCO ₂ e	7	-	No assurance
Climate Change	Scope 3 – Category 7: Employee Commuting	tCO ₂ e	28	-	No assurance
Climate Change	Scope 3 – Category 13: Downstream Leased Assets	tCO ₂ e	64,791	-	External (Limited)

SUSTAINABILITY ASSURANCE STATEMENT

To enhance the credibility of Pavilion REIT's sustainability reporting, an independent assurance has been conducted in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and, in respect of GHG emissions, ISAE 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") for selected indicators. The report has also been reviewed and approved by the Company's Sustainability Committee. The scope, subject matters covered, and conclusions are detailed below:

Type of Assurance	Subject Matter ("Selected Sustainability Indicators")	Amount	Boundary	Conclusion
Independent Limited Assurance	Scope 1 Greenhouse Gas ("GHG") emissions (fuel consumption for genset)	51.2 tCO ₂ e	All of Pavilion REIT's investment properties	Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in Pavilion REIT's Integrated Annual Report 2025 are not prepared, in all material respects, in accordance with Pavilion REIT's definition and calculation methodologies as set out in the Pavilion REIT's Integrated Annual Report 2025 and/or where relevant, the Bursa Malaysia Securities Berhad Sustainability Reporting Guide (3rd Edition).
	Scope 2 GHG emissions (purchased electricity) (market-based)	72,194 tCO ₂ e		
	Electricity consumption from non-renewable and renewable source: <ul style="list-style-type: none"> Landlord; and Tenant end/user 	<ul style="list-style-type: none"> 139,137,796 kWh 87,439,836 kWh 		
	Water withdrawn from third party water service providers – municipal supplier <ul style="list-style-type: none"> Landlord; and Tenant end/user 	<ul style="list-style-type: none"> 1,060,242 m³ 927,277 m³ 		
	Scope 3 GHG emissions (Category 13: Downstream leased assets in relation to tenant purchased electricity)	64,791 tCO ₂ e	All of Pavilion REIT's investment properties, except for Intermark Mall	

Please refer to pages 187 to 190 for the Independent Limited Assurance Statement provided by KPMG PLT.

SUSTAINABILITY ASSURANCE STATEMENT

Cont'd

INDEPENDENT LIMITED ASSURANCE REPORT



KPMG PLT

(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

MTrustee Berhad (the "Trustee")

(Registration No.: 198701004362 (163032-V))

Acting as Trustee for and on behalf of

Pavilion Real Estate Investment Trust

Level 10 Pavilion Kuala Lumpur
168 Jalan Bukit Bintang
55100 Kuala Lumpur

Independent Practitioners' Limited Assurance Report on Pavilion Real Estate Investment Trust's ("Pavilion REIT") Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in its Integrated Annual Report 2025

Conclusion

We have performed a limited assurance engagement on whether Pavilion REIT's selected sustainability indicators for the financial year ended 31 December 2025 listed below ("Selected Sustainability Indicators") have been prepared in accordance with Pavilion REIT's definition and calculation methodologies as set out in Pavilion REIT's Integrated Annual Report 2025 and/or where relevant, Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (3rd Edition) ("Applicable Criteria").

Selected Sustainability Indicators		Amount	Boundary
Indicator 1	Scope 1 Greenhouse Gas ("GHG") emissions (fuel consumption for genset)	51.2 tCO ₂ e	1. Pavilion Kuala Lumpur Mall 2. Pavilion Tower
Indicator 2	Scope 2 GHG emissions (purchased electricity) (market-based)	72,194.0 tCO ₂ e	3. Elite Pavilion Mall 4. Pavilion Bukit Jalil 5. DA MEN Mall 6. Intermark Mall 7. Pavilion Hotel Kuala Lumpur 8. Banyan Tree Kuala Lumpur
Indicator 3	Electricity consumption from non-renewable and renewable source: • Landlord; • Tenant end/user	• 139,137,796 kWh • 87,439,836 kWh	
Indicator 4	Water withdrawn from third party water service providers – municipal supplier • Landlord; • Tenant end/user	• 1,060,242 m ³ • 927,277m ³	
Indicator 5	Scope 3 GHG emissions Category 13: Downstream leased assets (tenant purchased electricity)	64,791.0 tCO ₂ e	1. Pavilion Kuala Lumpur Mall 2. Pavilion Tower 3. Elite Pavilion Mall 4. Pavilion Bukit Jalil 5. Pavilion Hotel Kuala Lumpur 6. Banyan Tree Kuala Lumpur 7. DA MEN Mall

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in Pavilion REIT's Integrated Annual Report 2025 are not prepared, in all material respects, in accordance with the Applicable Criteria.

SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



*Pavilion Real Estate Investment Trust ("Pavilion REIT")
Independent Practitioners' Limited Assurance Report
on Pavilion REIT's Selected Sustainability Indicators
for the financial year ended 31 December 2025
presented in its Integrated Annual Report 2025
9 February 2026*

Basis for conclusion

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and, in respect of GHG emissions, ISAE 3410, Assurance Engagements on Greenhouse Gas Statements. Our responsibilities under this standard are further described in the Our responsibilities section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Restriction on distribution and use of our report

Our report has been prepared for the Board of Directors of Pavilion REIT Management Sdn. Bhd. (the "Directors") solely in accordance with the terms of our engagement letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Pavilion REIT for any purpose or in any context. Any party other than Pavilion REIT who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk.

Without affecting, adding to or extending our duties and responsibilities to Pavilion REIT or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in Pavilion REIT's Integrated Annual Report 2025, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

Responsibilities for the Selected Sustainability Indicators

The management of Pavilion REIT Management Sdn. Bhd. (the "Management") is responsible for:

- (a) Designing, implementing and maintaining internal control relevant to the preparation of the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;
- (b) Selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;
- (c) Preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;
- (d) Preventing and detecting fraud; and
- (e) Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



*Pavilion Real Estate Investment Trust ("Pavilion REIT")
Independent Practitioners' Limited Assurance Report
on Pavilion REIT's Selected Sustainability Indicators
for the financial year ended 31 December 2025
presented in its Integrated Annual Report 2025
9 February 2026*

Inherent limitations

1. Due to the inherent limitations of any internal control structure, it is possible that material misstatement, whether due to fraud or error, may occur and not be detected in the Selected Sustainability Indicators.
2. GHG emissions quantification is unavoidably subject to significant inherent limitations, because of incomplete scientific knowledge used to determine emissions factors and limitations inherent in the nature of and methods used for determining emissions data. The selection by Management of different but acceptable emissions factors or measurement techniques could have resulted in materially different GHG emissions being reported.

Our responsibilities

We are responsible for:

- (a) Planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- (b) Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- (c) Reporting our conclusion to the Directors.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we have performed the following procedures, amongst others:

- (a) Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- (b) Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in Pavilion REIT's Integrated Annual Report 2025;
- (c) Compared the Selected Sustainability Indicators presented in Pavilion REIT's Integrated Annual Report 2025 to underlying sources on a sample basis; and
- (d) Read the Selected Sustainability Indicators presented in Pavilion REIT's Integrated Annual Report 2025 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of Pavilion REIT.

We have performed the following additional procedures for GHG emissions, amongst others:

- (a) Enquired Management to gain an understanding on the determination of Pavilion REIT's inventory boundary, the method of classifying emission sources, and the management's key judgements in estimating emissions, including selection and application of methods, significant assumptions and data; and
- (b) Tested accuracy of activity data, emission factors and global warming potential factors to relevant underlying sources on a sample basis.

SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



*Pavilion Real Estate Investment Trust ("Pavilion REIT")
Independent Practitioners' Limited Assurance Report
on Pavilion REIT's Selected Sustainability Indicators
for the financial year ended 31 December 2025
presented in its Integrated Annual Report 2025
9 February 2026*

Summary of the work we performed as the basis for our conclusion (cont'd)

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Other matters

Our assurance conclusion was with respect to Pavilion REIT's Selected Sustainability Indicators for the financial year ended 31 December 2025 and we have not performed any procedures with respect to earlier periods or any other elements included in Pavilion REIT's Integrated Annual Report 2025 and therefore, we do not express any conclusion thereon. While we are engaged to provide assurance on the Selected Sustainability Indicators above, these indicators do not represent the entire Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 3 GHG emissions and Pavilion REIT's compliance with IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

Our conclusion is not modified in respect of this matter.

KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya

Date: 9 February 2026

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Statement of use	Pavilion REIT has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details				Section 2: Overview
	2-2 Entities included in the organization’s sustainability reporting				Section 1: Reporting Scope and Boundary
	2-3 Reporting period, frequency and contact point				Section 1: Reporting Scope and Boundary, Feedback and Contact Point
	2-4 Restatements of information				Section 1: Exclusions or Changes in Reporting
	2-5 External assurance				Section 5: Sustainability Assurance Statement
					Section 6: Audit Committee Report, Statement on Risk Management and Internal Controls
					Section 7: Financials
	2-6 Activities, value chain and other business relationships				Section 4: Our Value Creation Story
	2-7 Employees				Section 5 – T: Diversity and Equal Opportunity
	2-8 Workers who are not employees				Section 5 – T: Health and Safety
	2-9 Governance structure and composition				Section 6: Corporate Governance Overview Statement
	2-10 Nomination and selection of the highest governance body				Section 6: Nominating Committee Report
	2-11 Chair of the highest governance body				Section 6: Corporate Governance Overview Statement
2-12 Role of the highest governance body in overseeing the management of impacts	Section 6: Corporate Governance Overview Statement				
2-13 Delegation of responsibility for managing impacts	Section 6: Corporate Governance Overview Statement				

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GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
	2-14 Role of the highest governance body in sustainability reporting				Section 5: Sustainability Governance Section 6: Corporate Governance Overview Statement
	2-15 Conflicts of interest				Section 6: Board of Directors' Profile, Key Management' Profile
	2-16 Communication of critical concerns				Section 5: Human Rights Management
	2-17 Collective knowledge of the highest governance body				Section 6: Corporate Governance Overview Statement
	2-18 Evaluation of the performance of the highest governance body				Section 6: Nominating Committee Report
	2-22 Statement on sustainable development strategy				Section 5: Creating Sustainable Impact
	2-23 Policy commitments				Section 5 – I: Procurement and Supply Chain, M: Business Ethics and Compliance, T: Human Rights Management
	2-24 Embedding policy commitments				Section 5 – T: Human Rights Management
	2-25 Processes to remediate negative impacts				Section 5 – T: Human Rights Management
	2-26 Mechanisms for seeking advice and raising concerns				Section 5 – T: Human Rights Management
	2-27 Compliance with laws and regulations				Section 5 – M: Maintaining Good Governance
	2-28 Membership associations				Section 4 - Membership in Associations
	2-29 Approach to stakeholder engagement				Section 4: Our Stakeholders
	2-30 Collective bargaining agreements				Section 5 – T: Human Rights Management
GRI 3: Material Topics 2021	3-1 Process to determine material topics				Section 4: Our Material Matters
	3-2 List of material topics				Section 4: Our Material Matters
	3-3 Management of material topics				Section 4: Our Material Matters

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GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed				Section 5: I— Economic Performance			
	201-2 Financial implications and other risks and opportunities due to climate change				Section 5: P— Climate Change			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage				Section 5: T— Diversity and Equal Opportunity			
	202-2 Proportion of senior management hired from the local community				Section 5 – T: Diversity and Equal Opportunity			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported				Section 5 – I: Asset Management and Acquisition			
	203-2 Significant indirect economic impacts				Section 5 – C: Caring for Local Community			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers*				Supply Chain (Environmental), Supply Chain (Social)	Supply Chain Management	12	Section 5 – I: Procurement and Supply Chain
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption*				Anti-Corruption	Anti-Corruption	16	Section 5 – M: Business Ethics and Compliance
	205-2 Communication and training about anti-corruption policies and procedures							Section 5 – M: Business Ethics and Compliance
	205-3 Confirmed incidents of corruption and actions taken*							Section 5 – M: Business Ethics and Compliance
GRI 302: Energy 2016	302-1 Energy consumption within the organization*	Climate Change	Energy Management	7, 13	Section 5 – P: Energy Management			
	302-2 Energy consumption outside of the organization				Section 5 – P: Energy Management			
	302-3 Energy intensity				Section 5 – P: Energy Management			
	302-4 Reduction of energy consumption				Section 5 – P: Energy Management			

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GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Security	Water	6	Section 5 – P: Water Management
	303-2 Management of water discharge-related impacts				Section 5 – P: Water Management
	303-3 Water withdrawal				Section 5 – P: Water Management
	303-4 Water discharge				Section 5 – P: Water Management
	303-5 Water consumption*				Section 5 – P: Water Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions*	Climate Change, Pollution & Resources	Emission Management	13	Section 5: P – Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions*				Section 5: P – Climate Change
	305-3 Other indirect (Scope 3) GHG emissions*				Section 5: P – Climate Change
	305-4 GHG emissions intensity				Section 5: P – Climate Change
	305-5 Reduction of GHG emissions				Section 5: P – Climate Change
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pollution & Resources	Waste Management	12	Section 5 – P: Waste Management
	306-2 Management of significant waste-related impacts				Section 5 – P: Waste Management
	306-3 Waste generated*				Section 5 – P: Waste Management
	306-4 Waste diverted from disposal*				Section 5 – P: Waste Management
	306-5 Waste directed to disposal*				Section 5 – P: Waste Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain (Environmental)	Supply Chain (Environmental)/ Supplier Environmental Assessment	8, 11, 12, 13, 15, 16	Section 5 – I: Procurement and Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken				

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GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover*	Labour Standards, Human Rights & Community	Labour Practices and Standards	5, 8, 10	Section 5 – T: Talent Attraction and Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				Section 5 – T: Talent Attraction and Retention
	401-3 Parental leave				Section 5 – T: Talent Attraction and Retention
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Health & Safety	Health and Safety	3, 8	Section 5 – T: Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety				Section 5 – T: Health and Safety
	403-5 Worker training on occupational health and safety*				Section 5 – T: Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				Section 5 – T: Health and Safety
	403-9 Work-related injuries*				Section 5 – T: Health and Safety
	403-10 Work-related ill health				Section 5 – T: Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee*	Labour Standards	Labour Practices and Standards	4, 5, 8	Section 5 – T: Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs				Section 5 – T: Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews				Section 5 – T: Training and Development

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GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees*	Labour Standards, Corporate Governance	Diversity	5, 8, 10	Section 5 – T: Diversity and Inclusion
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken				Section 8 – Sustainability Key Performance Data
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Human Rights & Community	Community/ Society	3 & 11	Section 5 – C: Community & Stakeholder Engagement
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	Supply Chain (Social)	Supply Chain (Social)/ Supplier Social Assessment	8, 10, 11, 12, 16	Section 5 – I: Procurement and Supply Chain
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Risk Management	Data Privacy and Security	8, 9, 12, 16	Section 5 – M: Data Privacy and Cybersecurity

Note:

1. * refers to Common Indicators.