



BUILDING FOR A

BETTER FUTURE

SUSTAINABILITY REPORT

2018

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ABOUT SINARMAS LAND

As one of Indonesia's largest property developers, we take our responsibilities seriously as our activities and actions have significant impact towards the environment, the well-being of our tenants, customers, residences, as well as other stakeholders that live and work within or surrounding our developments.

In Indonesia, SML is one of the largest property developers in terms of market capitalisation. We operate mainly through three publicly listed Indonesian subsidiaries, namely PT Bumi Serpong Damai Tbk ("BSDE"), PT Duta Pertiwi Tbk ("DUTI") and PT Puradelta Lestari Tbk ("DMAS") – with a combined market capitalisation in excess of S\$3.7 billion as at 31 December 2018. Outside Indonesia, SML has completed development projects and holds long-term investments in commercial and hospitality assets, across markets including Malaysia, China and the United Kingdom.

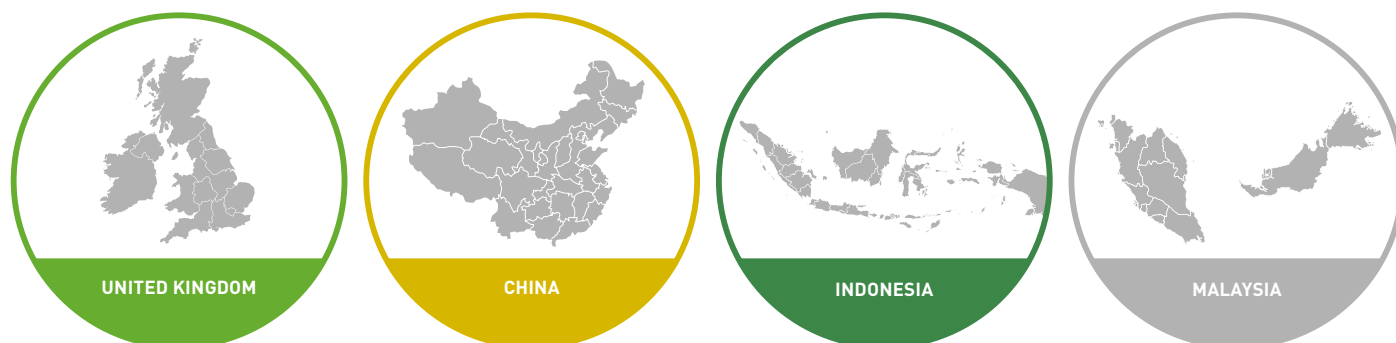
The Group delivered a resilient performance of S\$864.1 million in revenue and EBITDA of S\$460.2 million for the financial year ended 31 December 2018. As at 31 December 2018, the Group has total assets of S\$6,560.5 million, with total debt of S\$1,852.2 million and total equity of S\$3,783.3 million. In terms of revenue breakdown, S\$654.3 million was derived from sales of development properties, S\$136.7 million from rental and related income, S\$26.8 million from hotel and golf operations and S\$46.3 million from other sources.

Sinarmas Land Limited ("SML"), is listed on the Singapore Exchange and headquartered in Singapore. We are engaged in property development and real estate leasing through our operations in Indonesia, Malaysia, China and the United Kingdom. Our Indonesia Division covers all sub-sectors of the property business, including township development, residential, commercial, industrial and hospitality-related properties. In addition, SML has long-term investments in major commercial buildings, hotels and resorts.

Types of customers served	MARKET SEGMENT		
	Low	Middle	High
Residential (landed & high-rise)		X	X
Commercial	Modern Market	Shophouses, Offices	Business Loft
Retail	Trade Centres	Trade Centres / Malls	Malls
Hotel		X	
Industrial		X	X

ABOUT SINARMAS LAND

NETWORK OF OPERATIONS



PORTFOLIO OVERVIEW

4	3	22	17
CITY & TOWNSHIP PROPERTIES	INDUSTRIAL PROPERTIES	RESIDENTIAL PROPERTIES	COMMERCIAL PROPERTIES
15	20	1	
HOTELS, RESORT & GOLF COURSES	RETAIL & TRADE CENTRES	CONVENTION CENTRE	

BSDE is one of the largest property development companies in Indonesia. It was established in 1984 by a consortium of shareholders and the operation started in 1989. BSDE's flagship township development is BSD City, Indonesia's largest privately developed satellite city that comprise a total development area (including land rights) of approximately 5,950 hectares. Due to its prominent presence in Indonesia, BSD City continues to be the focal point of our sustainability reporting in 2018.

Other than BSD City, BSDE has property development projects and landbank situated in Central Jakarta, Bekasi, Cibubur, Surabaya, Medan, Balikpapan, Makassar, Samarinda, Manado, Palembang and Semarang. Apart from property development, the Group owns and operates investment properties comprising of office buildings, retail spaces and hotels in many of Indonesia's key cities.

In addition, the Group has jointly developed Kota Deltamas with Sojitz Corporation of Japan. Kota Deltamas is a modern self-sustainable integrated township development that is strategically located in Bekasi, Jakarta, consisting of industrial, commercial and residential estates. Also, the Group has partnered with Itochu Corporation of Japan to jointly develop Karawang International Industrial City ("KIIC"), an award-winning green industrial estate located in Karawang, West Java.

In the United Kingdom, the Group made its first investment in June 2013 with the acquisition of a freehold office development, New Brook Buildings, in London's West End, which was subsequently disposed in December 2014. In September 2014, the Group made its second investment with the acquisition of a freehold office building, Warwick House. In October 2015, the Group made its third investment with the acquisition of a freehold office building, Alphabeta Building ("AB"), in Shoreditch, London. In June 2017, the Group made its fourth investment with the acquisition of a freehold office building, 33 Horseferry Road ("33HF"), in Victoria, London. At present, the Group owns close to 500,000 square feet of strategically located freehold commercial space and close to S\$1.0 billion of assets under management in Central London.

ABOUT SINARMAS LAND

In Malaysia's southern state of Johor, the Group owns and operates the 54-hole Palm Resort Golf & Country Club and 300-room Le Grandeur Palm Resort Hotel, one of the few integrated golf and leisure destinations in the state of Johor. It is a 30-minute drive from Singapore's Tuas Checkpoint, five-minute drive from Johor Senai International Airport and strategically located within the Flagship Development Zone E of Iskandar Malaysia.

In the Indonesian island of Batam, the Group owns and operates Palm Springs Golf & Beach Resort, one of the best golf courses in Batam that provides excellent club facilities together with warm hospitality and first class services. Within the resort, the Group has introduced the Nuvasa Bay development, the first integrated luxury residential and mixed-use development in Batam. Spanning across 228 hectares, Nuvasa Bay offers a panorama of the Singapore Straits along its 1.2 km coastline, which is a 30-minute ferry ride away from the bustling downtown area of the city-state. Located in and amongst a 27-hole international championship golf course and equipped with commercial facilities, hotels and high-end residential property, Nuvasa Bay aims to provide residents and tourists with a balanced and luxurious lifestyle.

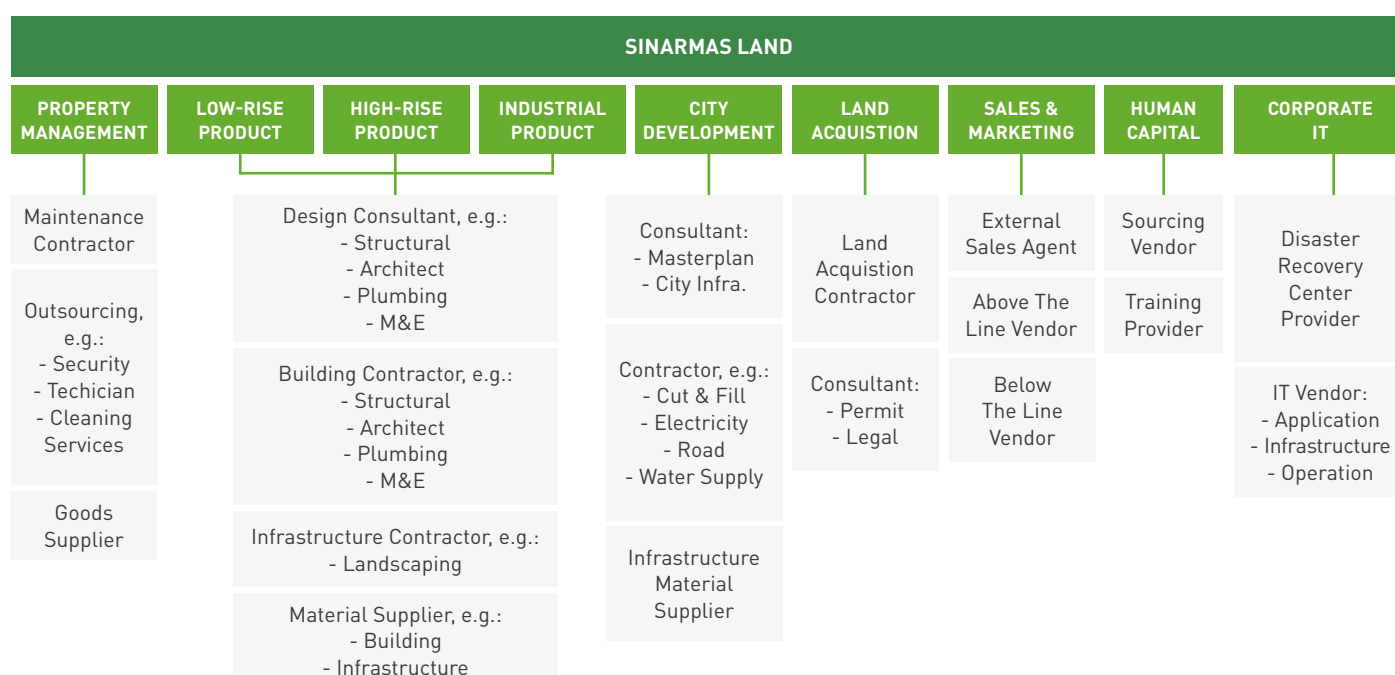
At the end of 2018, Sinarmas Land had 3,860 employees across the Group's operation in Indonesia. For further details on our workforce, please refer to section "People" from page 27.

During the FY2018 reporting period, there were no significant changes to the organisation's structure or its supply chain.

We believe that the complexity of sustainability issues often requires a collaborative approach to find the best solutions. To this end, we are a member of the following organisations:

- Founding Corporate Member of the Green Building Council Indonesia
- United Nations Global Compact (UNGC), via the Indonesia Global Compact Network (IGCN)
- Indonesia Developers Association (*Persatuan Perusahaan Real Estate Indonesia*)
- Indonesia Energy Conservation Society (*Masyarakat Konservasi Energi Indonesia /MASKEI*)
- Indonesia Industrial Estate Association (*Himpunan Kawasan Industri Indonesia*)
- Indonesia Retail Building Management Association (*Asosiasi Pengelola Pusat Perbelanjaan Indonesia*) / APPBI
- Indonesia Hotel and Restaurant Association
- Jakarta Hotel Association

SINARMAS LAND'S SUPPLY CHAIN



MESSAGE FROM THE CHAIRMAN & CEO



MUKTAR WIDJAJA
Executive Director and Chief Executive Officer

FRANKY OESMAN WIDJAJA
Executive Chairman

“As we successfully navigate a challenging environment characterised by global trade war tensions and domestic operating challenges, we use Sustainability to guide us in delivering superior value to all our stakeholders.”

DEAR VALUED STAKEHOLDERS,

On behalf of the Board of Directors, we are pleased to present to you the FY2018 Sustainability Report for Sinarmas Land Limited (“SML” or “the Company”) and its subsidiaries (collectively “the Group”). Our inaugural report for FY2017 won the “Highly Commended” award for Asia’s Best First Time Sustainability Report at the Asia Sustainability Reporting Awards 2018 - spurring us on to build on this success, and increasing the scope and detail of this year’s report.

This report, which has been approved by the Board of Directors, presents the Group’s material sustainability issues in the three spheres of environmental, social, and governance (“ESG”) concerns, our approach in managing these issues, and setting their performance indicators.

MESSAGE FROM THE CHAIRMAN & CEO

In 2018, we continued to see ESG concerns gaining importance from the perspectives of our shareholders, as well as our other stakeholders. Especially, investors and financial institutions who are increasingly demanding meaningful disclosures on non-financial risks and how we are managed these risks to ensure the long-term viability of Sinarmas Land in a rapidly changing environment.

Recognising this need for increased transparency, stock exchanges across the region are also getting more involved, reviewing listed companies' sustainability reports and in some cases, working directly with companies to improve the quality of reporting. We welcome continued guidance from the Singapore Exchange on these matters and looking forward to work in partnership with our stakeholders to provide them with the disclosures they need to make sound assessments of our Sustainability Reporting.

While these new reporting requirements may cause additional administrative overhead and the implementation of specific initiatives such as energy conservation measures usually involves upfront capital expenditures, we find that the savings we achieve in the long run, the increase in the value of our properties and the reduction of negative impact to the environment have more than offset the cost of these initial investments.

Implementing our Sustainability Vision has helped us unlock additional value for our shareholders, as well as the communities we operate in: In 2017, recognised sustainability leader, Unilever, chose BSD City's Green Office Park to house its Indonesian head office. In 2018, we are proud to announce that Apple Inc., also known for its strong commitment to energy conservation and climate change mitigation, opened its first Asian developer academy in BSD City's Green Office Park 9. This developer academy will train local students to develop applications for Apple's iOS operating system. This is an important milestone for our Digital Hub project in BSD City as we continue to develop a digital ecosystem within our flagship development.

Winning these top tier corporations as tenants for our flagship development BSD City is a validation of our overall strategy that emphasises on quality and long-term sustainability. Our local communities shall benefit from these new and exciting, value-added job opportunities, supported by local academies or education institutions assisting them to acquire the necessary skills to work in growth sectors such as digital economy. This shall result in a virtuous cycle of greater prosperity and sustained economic growth for Indonesia. We are grateful to have the opportunity to play our part in building Indonesia's future and will continue to undertake these responsibilities.

In this report, you will learn about the progress we have made by integrating Sustainability initiatives firmly into our corporate strategy and risk management. We have streamlined Sinarmas Land's Sustainability Vision that was announced in 2017 as part of SML's long-term Sustainable Development Program Plan ("SDPP").

In preparation for this report, we have undergone a thorough assessment of our initial Material Sustainability Issues disclosed in our inaugural Sustainability Report. We are pleased to share that these issues have been validated through feedback and engagement with our internal and external stakeholders. Therefore, minor adjustments to the Materiality Matrix were made, being three issues gaining in importance while one of them has been removed from the list of Material Issues. Please see the full matrix on page 15.

Meanwhile, we remain committed to apply high governance standards to our Sustainability work. In April 2018, one of our listed subsidiaries, PT Puradelta Lestari Tbk ("DMAS"), obtained the integrated management system certification ISO 9001, consisting of ISO 9001:2015 certification on quality management system, ISO 14001:2015 on environmental management system and OHSAS 18001: 2007 certification on health and safety management system.

These certifications are important milestones in the Group's sustainability efforts and it is expected to increase our credibility and reputation among tenants and investors in Indonesia's industrial sector. We are looking at expanding these certifications to other parts of the Group.

The same robust approach to governance and risk management continues to guide us in conducting our business ethically as we remain committed to a zero tolerance approach towards corruption. We are pleased to report that in FY2018 there were no incidents of corruption within the Group and no public legal cases regarding corruption were brought against the Group during the year.

Sinarmas Land is a founding corporate member of the non-profit organisation "Green Building Council Indonesia" that was established in 2009. The council's principles provide important guidance in our ongoing development of Indonesia's first green office park – the BSD Green Office Park ("GOP") in BSD City.



Asia Sustainability Reporting Awards 2018

MESSAGE FROM THE CHAIRMAN & CEO

In 2018, GOP continued to add awards to its existing extensive record, including

- **National Energy Awards (Subroto Award)** - GOP 9 for Green Building Category
- **ASEAN Energy Award** - GOP 9 for New Building Category
- **Asia Pacific Property Awards 2018** - BSD Green Office Park for Office Development
- **FIABCI World Prix d'Excellence Awards 2018** - GOP 9 Gold Winner for Conservation



ASEAN Energy Award - GOP 9 for New Building Category

None of this would be possible without our dedicated employees; their occupational safety, health and well-being are extremely important to us. We are pleased to report that there were zero work-related injuries or instances of occupational diseases in our Asset Management, Commercial, and Retail & Hospitality Group divisions. However, there were eight work-related accidents involving our contractors in FY2018. All eight injuries were sustained while working on our development projects. We will continue to assess and improve our internal controls to reduce the occurrence of accidents, injuries and illnesses to our employees and contractors.

FRANKY OESMAN WIDJAJA
Executive Chairman

Recognising that people are the main driver of our success, we treat all our employees equally, fairly, and with respect, offering them an equal opportunities policy on employment, banning discrimination based on race, national origin, religion, disability, gender, sexual orientation, union membership and political affiliation. Our efforts to provide a conducive and inclusive workplace for our employees' development, well-being and satisfaction showed encouraging results in 2018. We recorded a significant reduction in our turnover rate from 18% in FY2017 to 10% in FY2018.

Throughout 2018, we intensified our efforts strengthening the third and fourth pillar, being Sustainable Communities and Educations Patronage, of our Sustainability Vision. Found in the Community section of this report, we have restructured our approach towards Sustainable Communities and Educations Patronage by focusing our Sustainability efforts on them. These initiatives have been categorised into five groups: Community Welfare Improvement, Green Initiatives for Climate Action, Education Leverage, Infrastructure Enhancement, and Community Support.

In addition, we continue to make significant contributions to jobs creation and business opportunities for the local communities through employment and support of entrepreneurship, as well as infrastructure investments into public transport, schools, and markets.

Last but not least, we started engaging with our stakeholders to assess our Sustainability initiative and the effectiveness of our strategy. Please see detailed results of this engagement in the Stakeholder Engagement Section on page 15.

We are encouraged by the trust demonstrated by all our stakeholders, including our customers, employees, and the communities we operate in. Hence, we will continue to do everything within our capabilities to justify their faith in us as we continue to implement our Sustainability Vision for the benefit of Indonesia, our people and our stakeholders.

MUKTAR WIDJAJA
Executive Director and Chief Executive Officer

ABOUT THE REPORT

This is our second sustainability report. In line with our commitments made last year, we are expanding the scope of our reporting - both in terms of our data disclosure and the breadth of operations covered by this report.

This report covers the period from January 1 to December 31, 2018 (FY 2018). Going forward, we will continue to publish this report on an annual basis.

Our sustainability report contains detailed information on the material issues that we have confronted during our business activities, as well as the impacts that our operation has on society, the environment and the communities we operate in. To ensure the appropriateness of our reporting processes before expanding the report coverage to the entire Group, we prepare this report by taking our flagship project BSD City as a case study.

BSD City is under development pursuant to a master plan that we developed in consultation with Kohn Pedersen Fox Associates ("KPF"), a reputable architecture firm. According to the master plan, BSD City would comprise approximately 80 residential estates, 7 commercial sub-town centres and 3 central business districts.

BSD City will be developed in 3 phases. Phase 1 was already completed in 2008 while Phase 2 is in progress and expected to be completed in 2020. For Phase 3, we target to commence development in 2020 with an expected completion by 2035. As at 31 December 2018, BSD City has more than 16,000 residential properties, 4 commercial sub-town centres which include commercial and industrial facilities, schools, hospitals, parks and utilities, with a total population size exceeding 160,000. In addition to property development, BSDE provides facility services, such as water treatment and estate management services, and operates several investment properties in BSD City, including ITC BSD, Ocean Park Water Theme Park and Green Office Park, which is a low-density office park including 11 low-density office buildings and a shopping mall sitting on

a land area of 25 hectares. BSD City is well-connected to the central business districts in Central Jakarta through two toll roads. In addition, there are three train stations in BSD City, providing BSD commuters direct access to Central Jakarta through a double-track railway service.

As at 31 December 2018, the Group had approximately 2,176 hectares of land bank remaining in BSD City and it is estimated that this land bank is sufficient for the planned development of Phase 3.

In line with our sustainability reporting roadmap, we have expanded the scope of this year's report to include the following projects:

- Offices: four non-green office buildings
- Apartments: two apartment blocks
- Other developments: one trade center, two malls, six business lofts, and six construction sites

Please refer to page 20 for the detailed list of newly added developments.

All of the newly added properties and sites are located in BSD City. We are planning to expand the coverage of our reporting beyond our flagship development project next year and with an aim of extending the scope to include all the Indonesia operations' properties under the Group by 2021.

We have been working with a group of professional sustainability experts to implement a systematic reporting procedure in compliance with the reporting principles, placing emphases on the materiality assessment, stakeholder inclusiveness, completeness (within the scope of BSD City), and balanced reporting. For further details on our materiality assessment, please refer to the section of Materiality on page 14.

Using established and recognised sustainability leaders among our peers as yardstick, we chose the GRI reporting framework to ensure accuracy, reliability, clarity, and comparability of the information presented in this report.

We are not going to seek external assurance for this report, but have made plans to do so in the future. For now, our main focus is expanding the scope of our reporting and continuing to integrate sustainability into the organisation.

ABOUT THE REPORT

We recommend reading this report together with our Annual Report 2018, which provides key information on our financial performance, as well as additional detail on our corporate governance and risk management. Both reports are critical communication pieces in the ongoing and transparent engagement of our stakeholders.

This report uses standard units of measurement. Conversion factors, where required and applicable, are explained in their respective sections.

For any questions regarding this report, please contact Mohammad Reza Abdulmajid, Chief Risk Officer, Sinarmas Land at sustainability@sinarmasland.com.

BOARD STATEMENT

The Board of SML has the ultimate responsibility for the preparation of this Sustainability Report. This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core Option. It also meets the requirements of the 2016 SGX Sustainability Reporting Guide in all material aspects.

The Board works with the Audit Committee ("AC") to provide oversight on significant ESG issues that might have an impact on SML's long term business objectives. The AC in turn reviews SML's sustainability programs and ensures that the Board is kept up to date on all relevant developments.

The Board has reviewed the process by which SML's Material Issues were determined and agrees that the issues determined and reported on in this report are an adequate representation of SML's material ESG issues.



My Republic Plaza, BSD City, Indonesia



GOP 9, BSD City, Indonesia

OUR APPROACH

Our Sustainability Vision (“Vision”) is based on four pillars, which are aligned with our core strengths as one of Indonesia leading real estate developers. This Vision ensures that we focus our activities on creating the greatest possible value for all our stakeholders, including shareholders, customers and the communities we operate in.

Our activities are guided by internationally recognised frameworks (such as the GRI reporting standards) and institutions, such as the United Nations Global Compact (“UNGC”). We were an early adopter of the UN Sustainable Development Goals (“SDGs”) and are proud to report that in 2018, we were the first major Indonesian real estate developer to become a signatory to the UNGC through the Indonesia Global Compact Network (“IGCN”).

SINARMAS LAND’S SUSTAINABILITY VISION

BSDE is one of the largest property development companies in Indonesia based on a market capitalisation of IDR24.2 trillion (\$2.3 billion) as of 31 December 2018. Our flagship project BSD City, the chosen focus of this sustainability report, is the largest privately developed township and the most ambitious urban planning development in Indonesia. Spanning a land area of 5,950 hectares or approximately 57% the size of Paris, the development of BSD City’s residential, business and commercial properties, as well as supporting amenities and infrastructure is expected to be carried out in three phases by 2035.

Apart from being a major contributor to our Group’s revenue, BSD City is also the perfect embodiment of our Sustainability Vision, which is based on four pillars, as outlined below. Each of the pillars below is represented by a pin to the left of the description.

These pins are repeated throughout the document, where initiatives or metrics are closely related to the corresponding part of our strategy.

IN THIS SECTION

On the following pages, we will introduce Sinarmas Land’s sustainability vision and explain our sustainability related governance structures and risk management procedures. In addition, we will further elaborate on the methodology used to identify our material issues and how we go about engaging our stakeholders on them.

SINARMAS LAND’S SUSTAINABILITY VISION



BEST IN CLASS REAL ESTATE

By providing state-of-the-art facilities and services of the highest quality and with excellent value, we are making a unique contribution to the prosperity of current and future generations, as well as to Indonesia as a whole.



CLIMATE CHANGE

We recognise the need to mitigate climate change and are in a position to contribute positively to Indonesia’s commitments under the Paris Climate Agreement.



SUSTAINABLE COMMUNITIES

As part of our commitment towards the Indonesian people, we actively engage with our stakeholders and work on a number of large-scale community projects.



EDUCATIONAL PATRONAGE

We are committed in ensuring that everyone within the communities of operations, independent of their gender or age, and at their own discretion, has equal access to our education ecosystem.

SINARMAS LAND’S SUSTAINABILITY GOVERNANCE AND CORE VALUES

OUR APPROACH



1. Best in Class Real Estate

Our top priority and greatest strength: By providing state-of-the-art facilities and services of the highest quality, we are making a unique contribution to the prosperity of current and future generations, as well as to Indonesia as a whole. We are committed to

- be the best-in-class city planning (as represented by BSD City in its entirety);
- developing top quality offices, commercial (e.g. Indonesia Convention Exhibition) and retail (e.g. AEON Mall BSD City) spaces, as well as residential properties, built to leading engineering and environmental standards; and
- contributing to the development of modern physical and public transport infrastructures, including schools, hospitals and neighbourhood markets

These activities are aligned with Sustainable Development Goals (SDG) number:



2. Climate Action

Sinarmas Land recognises the need to mitigate climate change and is in a position to contribute positively to Indonesia's commitments under the Paris Climate Agreement. We are committed to

- steadily growing the percentage of developments built in accordance with internationally recognised 'green' standards (e.g. BCA Green Mark, LEED, GreenShip, etc.);
- continuing to develop public transport and logistics facilities within its projects in order to minimise unnecessary emissions from transportation (people and goods); and
- contributing by any means possible to the decarbonisation of Indonesia's economy (e.g. through support for energy saving efforts within our projects, lobbying, collaboration with industry peers)

These activities are aligned with Sustainable Development Goals (SDG) number:



3. Sustainable Communities

As part of its commitment toward the Indonesian people, not just within BSD City, SML has contributed positively back to Indonesia's society through numerous key initiatives. We are committed to

- creating jobs and business opportunities within BSD City and beyond;
- improving surrounding community's wellbeing by enhancing their entrepreneurial skills and capabilities;
- ensuring the sustainability of MSMEs businesses within SML's surroundings by introducing Digital Payment System;
- promoting a healthy and clean lifestyle; and
- conducting capacity building activities for MSMEs at SML's modern markets.

These activities are aligned with Sustainable Development Goals (SDG) number:



4. Educational Patronage

Sinarmas Land acknowledges that education is one of the most important prerequisites for the sustainable development of our society. We are committed in ensuring that everyone within our operational communities, independent of their gender or age, and at their own discretion, has equal access to our education ecosystem. We are committed to

- investing in state-of-the-art educational facilities in and around BSD City;
- ensuring that students are well-prepared for the growing demand of modern job markets, for example by providing scholarships for selected and potential students; and
- improving the learning process in Junior and Primary Schools through teacher training programs as well as economic and cultural knowledge programs for local communities near SML projects

These activities are aligned with Sustainable Development Goals (SDG) number:



OUR APPROACH

GOVERNANCE & RISK MANAGEMENT

Our sustainable development strategy is based on the definition of the Brundtland Commission and built to comply with both SGX Sustainability Reporting guidelines and GRI Standards.

The implementation of this strategy is built around Sinarmas Land's strong corporate culture and our core values:

- Positive Attitude
- Integrity
- Commitment
- Continuous Improvement
- Innovation
- Loyalty

We have always taken a long-term view in creating value for our stakeholders. Driven by our strong corporate values, we aim to further integrate our economic, environmental and social performance through the implementation of sustainability-oriented practices across our operating units.

With a better understanding of our material sustainability issues and how they could potentially influence our business over time, we have implemented several sustainability initiatives as part of the Group's overall governance and operation, guided by an in-depth involvement from the company's leadership:

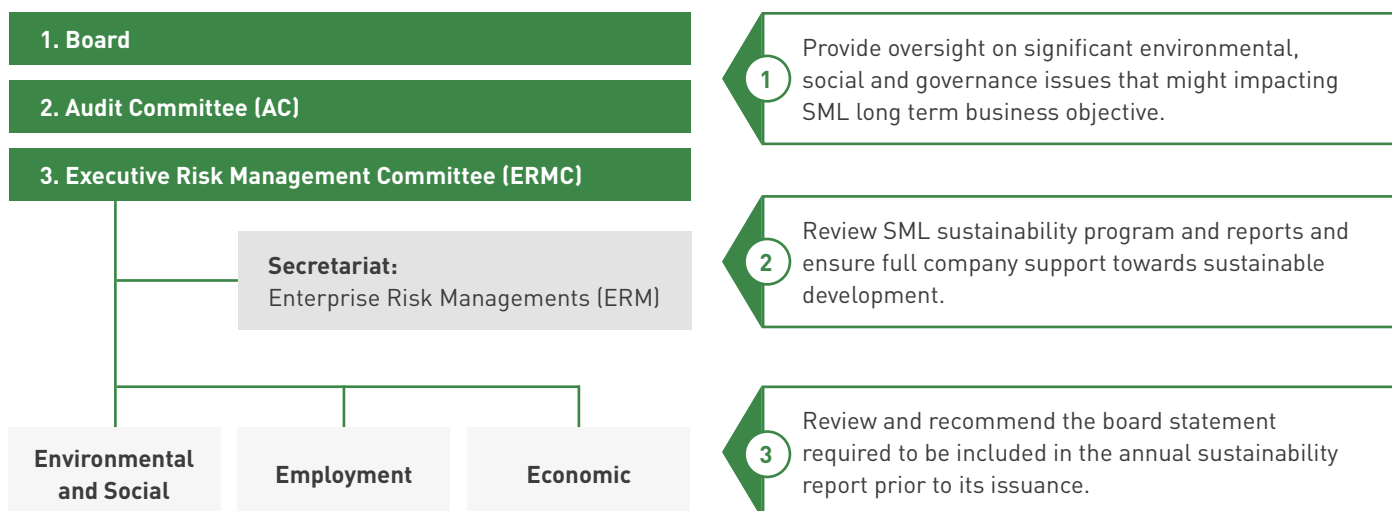
Our sustainability structure comprises of senior management, middle management and employees from various functions. Our Executive Risk Management Committee ("ERMC") comprises of 15 senior leaders of different strategic business units and support functions. Each Person-in-Charge ("PIC") is supported by several process owners for the selected sustainability topics and programs.

By integrating sustainability initiatives into our existing risk management structure, we can ensure that the Board is always kept abreast of our material sustainability issues, and the Group's progress on the follow-up or mitigation actions taken. As part of our preparations for this report, we have mapped the most significant material issues to our Enterprise Risk Management ("ERM"), with the exception of certain environmental topics, such as risks relating to waste management and the materials used in our construction activities. These omitted topics will be mapped out progressively in later years as we continue to integrate various sustainability initiatives into our operations.

We placed strong emphasis on complying with the regulatory frameworks set up on the national and regional level. These include regulations on land acquisition, operational permits, design and construction, finance and accounting, labour laws, customer protection, and environmental frameworks. We have a zero tolerance approach towards corruption throughout Sinarmas Land's organisation.

We are pleased to report that there were no incidents of corruption in FY2018. In addition, no public legal cases regarding corruption were brought against the Group, or its subsidiaries, and no contracts with business partners had to be terminated due to violations related to corruption.

ROLES & RESPONSIBILITIES OF BOARD AND COMMITTEES:



OUR APPROACH

Through the engagement of external consultants, we are training our employees to be more aware of fraud related risk management, how to address issues relating to corruption (e.g. conflicts of interest, bribery, illegal gratuities, extortion), asset misappropriation (e.g. cash, inventory and other assets), and accounting fraud (e.g. asset or revenue over/understatement). In December 2018, we conducted Fraud & Anti-Corruption seminars for selected department heads and look to extend these seminars to all staff in management positions.

When we identify shortcomings in current regulations, such as in waste management, we proactively engage the relevant authorities and collaboratively develop solutions and frameworks to ensure the well-being of the communities we operate in.

Our employees have received clear guidance on the standards of ethical behaviour required of them through our Code of Conduct policy, supplemented by our whistle-blowing policy that serves as an effective oversight measure for the prevention of fraud, corruption and other types of misconduct. Also, we have policies in place that cover procurement activities and fair employment practices. In the meantime, we are working to strengthen our governance framework to explicitly address environment, health and safety issues. Going forward, we will make details of these policies known to the public.

All newly hired staff is taught Sinarmas Land's core values and the policies listed above in mandatory orientation training courses which include New Hires Introduction & SML Shared Values.

In addition, we continue to build on our policy for procurement activities with the goal to eventually develop it into a mandatory Supplier Code of Conduct. We are adopting a phased approach, focusing our initiatives on key suppliers and vendors of our value chain. In 2019, we will be applying new environmental requirements on suppliers or vendors of key products and services. These requirements include:

- ISO 14001 certification for suppliers of our construction and building materials such as cement, steel, aluminium, glass, gypsum, indoor paint, tiles, and sanitary materials;
- Legal certification for our wood suppliers, as required by the Indonesian Ministry of Forestry;
- A minimum percentage of recycled content in materials supplied by our steel and cement/concrete suppliers.

Responsible marketing is another important aspect of our work to ensure compliance with all relevant regulations. We have worked hard over the last 46 years to build a reputation as a reliable partner to a multitude of stakeholders, including the government, customers and communities we operate in. A critical part of preserving our standing with these stakeholders is to market our developments appropriately and accurately.

We are pleased to report that in 2018, there were zero incidents of non-compliance concerning marketing communications and product information. Of equal importance is our compliance with all relevant laws and regulations in the social and

economic areas. During the reporting period, no significant fines or non-monetary sanctions were imposed on Sinarmas Land.

In line with our stated goals in Sinarmas Land's FY2017 sustainability report, we are pleased to report the following:

- Sustainability initiatives have been fully integrated into our governance structure, including the Board's active involvement through the Risk Committee, Audit Committee and other ad-hoc meetings;
- Other than the minor exceedances in the Biochemical Oxygen Demand ("BOD") of our effluents which did not result in any penalisation or fines by the government, there were no other incidents of non-compliance with any relevant environmental and social regulatory frameworks;
- We have started to expand the scope of our sustainability reporting to include other Sinarmas Land projects (please refer to page 9 in section 'About this Report');
- Most sustainability metrics have been successfully integrated into our ERM system. We are planning to add the remaining metrics in FY2019.

MATERIALITY

With the support of all relevant internal stakeholders, we undertook a review of our material sustainability issues in FY2018 and updated the materiality assessment matrix. The updated matrix has been approved by the respective PICs and the Executive Risk Committee. The only change to the materiality assessment matrix, comparing to FY2017, was to exclude GRI 417-2: Incidents of non-compliance concerning product and service information and labeling.

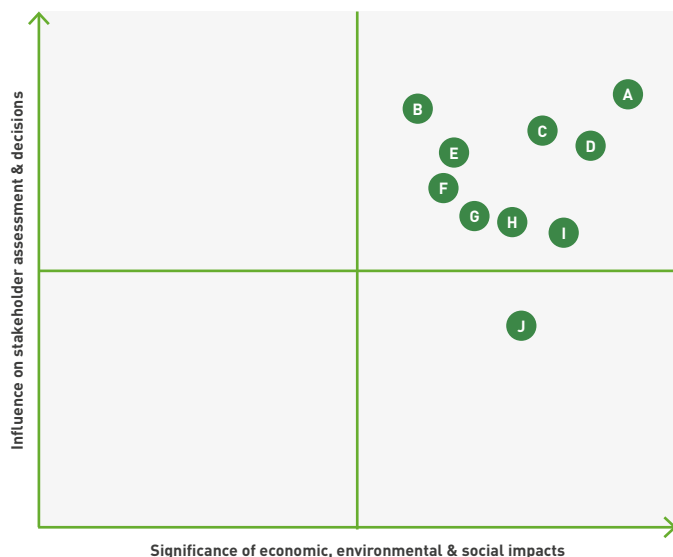
The review of our materiality was based on our peers' reported sustainability initiatives, the GRI Standards as well as international best practices.

We identified the following categories of material issues which are addressed in this sustainability report:

- Economic Performance
- Market Presence
- Materials
- Energy
- Water
- Emissions
- Effluents and Waste
- Employment
- Labour Management Relations
- Occupational Health & Safety
- Training and Education
- Local Communities

OUR APPROACH

A list of our material issues along with an assessment of their significance towards Sinarmas Land on the subject matter of economic, environmental, social impacts, and influence on stakeholders' decisions can be found in the following chart:



TOP 10 MATERIAL ISSUES

	MATERIAL ISSUES	CORRESPONDING GRI TOPICS
A	Sustainable Business Growth	Economic Performance Market Presence
B	Waste Management	Effluents and Waste
C	Occupational Health and Safety	Occupational Health and Safety
D	Community Welfare and Infrastructure Investment	Local Communities Indirect Economic Impacts
E	Regulatory Compliance	Environmental Compliance Socioeconomic Compliance Marketing and Labelling Customer Health and Safety
F	Fraud and Anti-Corruption	Anti-Corruption
G	Energy Efficiency	Energy Emissions
H	Water Efficiency and Conservation	Water
I	Employee Well-Being and Engagement	Employment Labour-Management Relations Diversity and Equal Opportunity
J	Human Resource Development	Training and Education

The process of defining and reviewing our material issues is largely based on GRI's Principles for Defining Report Content, guided by their four-step approach, which involves identification, prioritisation, validation and review.

STAKEHOLDER ENGAGEMENT

Sinarmas Land constantly engages a broad range of stakeholders, including customers, national and local governments, local communities, non-governmental organisations (NGOs), interest groups and industry associations, shareholders, investors, and analysts through various avenues. Our management carefully considers the occasionally diverging interests of these diverse groups and integrates them into our business strategy.

Throughout the reporting period, we have engaged external stakeholders through our regular channels, such as annual surveys, shareholder meetings, quarterly financial analyst meetings, customer satisfaction surveys, engagement of local communities through education and healthcare initiatives, and our work with various government entities on joint public infrastructure projects (e.g. toll roads or public transport).

In 2019, we will be conducting Focus Group Discussions ("FGD") on our sustainability strategy and other engagement initiatives with selected stakeholders.

Examples of stakeholder engagement initiatives are:

- Survey on Sinarmas Land's material sustainability issues;
- Annual Tenant Satisfaction Survey for our office and Mall buildings;
- Annual employee satisfaction survey;
- Visitor satisfaction survey for Waterparks;
- Annual survey for tracking corporate brand awareness, performed by Kantar TNS Indonesia;
- Annual customer satisfaction survey, performed by SQCI, to understand their perception of Sinarmas Land, especially compared to competitors for residential and commercial projects;
- Local community and government sponsored CSR programs.

OUR APPROACH

Key topics raised by both our internal and external stakeholders during the reporting period:

TYPE OF STAKEHOLDER		
CONCERN	EXTERNAL (VIA CUSTOMER SURVEY)	INTERNAL (VIA EMPLOYEE ENGAGEMENT SURVEY)
Strong	- Dedication towards nature conservation and green environment - Building profitable property investments for customers - Strategic property location	- Clear roles and responsibilities for our employees - Trust in company goals - Clarity on company values
Neutral	- Increase public facilities to accommodate customer needs - Increase security within the neighborhood - Improve public transportation and access	
Need development	- Inadequate surveillance measures during construction - Slow response on resolving customer complaints - Several faulty road lamps	- Management response time addressing performance issues - Misalignment of compensation and performance - Insufficient communication on company's key activities to employees (e.g. key initiatives, organization changes, issues, etc.)

STAKEHOLDER ENGAGEMENT ON OUR MATERIALITY AND SUSTAINABILITY REPORTING

In 2018, we have conducted two surveys to engage key external stakeholders on our material sustainability issues and Sinarmas Land's inaugural Sustainability Report.

In the first survey, we inquired our office building and mall tenants to rank the importance of various key aspects of our material issues. (For details, please see chart below.) Main insights from this survey were:

- Awareness of environmental topics among our office and mall tenants is still low
- Occupational Health & Safety is considered to be the most important concern for both office building and mall tenants

OFFICE BUILDING & MALL TENANT SURVEY ON SUSTAINABILITY MATTERS

Energy Conservation

4.16

4.19

Waste Categorisation and Recycling

4.42

4.37

High Quality Air Ventilation Systems

4.42

4.48

Evacuation Drills and Safety Socialisation

4.47

4.70

Comprehensive Safety Signage

4.63

4.78

● Mall Tenant

● Office Tenant

Higher values indicate that respondents assigned greater importance to the respective topic. 19 mall and 27 office tenants respectively participated in the survey.

OUR APPROACH

The second survey inquired residential and commercial customers for their views on various sustainability related aspects of our properties. Key take-away from this survey included:

- Awareness of environmental topics among our residential and commercial customers is still low
- Main sustainability related concerns are those that have a direct impact on them, such as air quality and circulation systems or waste management.

RESIDENTIAL/COMMERCIAL CUSTOMER SR SURVEY RESULT (AVERAGE)

Developer's Concern for Nature Conservation

3.80

Use of Environmentally Friendly Electronic Appliances

3.94

Use of Recycled Water

3.96

Use of Green Technology

4.12

Safety Equipment Availability for Each House

4.22

Waste Categorisation and Recycling

4.32

Effluent Management

4.52

Use of Safety Signage for Road Repairs

4.60

Waste Management

4.66

Air Quality and Circulation Systems

4.66

● Residential & Commercial

Higher values indicate that respondents assigned greater importance to the respective topic. 50 residential and commercial customers participated in the survey.

We have mapped the various GRI disclosures from our identified material issues against our stakeholders (please see table on page 18 for details) and shall continue to use this map as the basis of our stakeholder engagement exercises.

In the meantime, we strongly encourage all readers of this report to send us their feedback on the results of our materiality assessment and any other concerns they may have with regard to Sinarmas Land's sustainability efforts.

Please contact Muhammad Reza Abdulmajid, Chief Risk Officer, Sinarmas Land, sustainability@sinarmasland.com on any of the above. We look forward to hearing from you.

OUR APPROACH

	CUSTOMERS	EMPLOYEES	INVESTORS / SHAREHOLDERS	LOCAL COMMUNITIES	NGOs	REGULATORS	TENANTS
GRI DISCLOSURE							
Direct Economic Value			✓				
Defined benefit plan obligations and other retirement plans		✓	✓			✓	
Ratios of standard entry level wage by gender compared to local minimum wage		✓	✓			✓	
Infrastructure investments and services supported	✓		✓	✓		✓	
Significant indirect economic impacts	✓		✓	✓			
Operations assessed for risks related to corruption	✓		✓			✓	
Communication and training about anti-corruption policies and procedures	✓		✓			✓	
Confirmed incidents of corruption and actions taken	✓		✓			✓	
Materials used by weight or volume	✓		✓				
Recycled input material used	✓		✓				
Energy consumption within the organization	✓		✓		✓	✓	✓
Energy intensity	✓		✓		✓	✓	✓
Reduction of energy consumption	✓		✓		✓	✓	✓
Water withdrawal by source	✓			✓		✓	
Water sources significantly affected by withdrawal of water	✓			✓		✓	
Water recycled and reused	✓						✓
Direct GHG emissions			✓	✓	✓	✓	
Indirect GHG emissions			✓	✓	✓	✓	
GHG emissions intensity			✓	✓	✓	✓	
Reduction of GHG emissions			✓	✓	✓	✓	
Emissions of ODS			✓	✓	✓	✓	
Water discharge by quality and destination			✓	✓	✓	✓	
Waste by type and disposal method			✓	✓	✓	✓	
Water bodies affected by water discharges and/or runoff			✓	✓	✓	✓	
Non-compliance with environmental laws and regulations			✓		✓	✓	
New employee hires and turnover		✓	✓			✓	
Benefits provided to full-time employees		✓	✓			✓	
Parental leave		✓	✓			✓	
Minimum notice period		✓	✓			✓	
Types of injury and rates of injury, occupational disease, lost days, absenteeism, and number of work-related fatalities	✓		✓			✓	✓
Average hours of training per year		✓	✓				
Programs for employees' development		✓	✓				
Percentage of employees receiving regular performance and career development reviews		✓	✓				
Diversity of governance bodies and employees			✓				
Ratio of basic salary and remuneration of woman to men		✓	✓				
Operations with local community engagement, impact assessment and development program			✓	✓			
Operations with significant actual and potential negative impacts on local communities			✓	✓		✓	
Assessment of the health and safety impacts of product and service categories	✓		✓				✓
Incidents of non-compliance concerning the health and safety impacts of products and services			✓		✓	✓	
Requirements for product and service information and labeling			✓			✓	
Incidents of non-compliance concerning product and service information and labeling			✓			✓	
Incidents of non-compliance concerning marketing communications			✓			✓	
Non-compliance with laws and regulations in the social and economic area			✓			✓	

ENVIRONMENT

The establishment of Indonesia's first green office park within our flagship development, BSD City, is a clear sign of our dedication to environmental protection. In this year's report, we are expanding the scope of our environmental performance disclosures to include other non-green developments, laying the foundation for further performance improvements across all parts of our organisation.



IN THIS SECTION

This section of the report looks at the various ways in which our operations impact the environment and lays out our commitment to minimise these impacts. Covered in this section are:

- Our efforts to improve energy efficiency, reduce the greenhouse gas ("GHG") emissions associated with our developments and support the Indonesian government's commitment to the Paris Agreement;
- Main materials used at our construction sites;
- Our water usage along with data on our effluents and discharges generated;
- Statistics on hazardous waste created and how we handled it.

In 2018, we have set reduction targets for three of our material environmental topics. The scope of these targets covers our Green Buildings. Our implementation of these targets begins in 2019. Please refer to table below for more details:

TOPICS	BASELINE YEAR	PERIOD	TARGET
Energy	2017	8 years	5% energy intensity reduction
Water	2017	8 years	10% water consumption reduction
Emissions	2017	8 years	5% emissions reduction

While we continue to improve visibility for some of the metrics required to properly monitor our performance across all the major aspects of environmental impacts, we are pleased to report that significant progress has been made in 2018. Based on our progress to date, we have identified performance targets for energy intensity, emissions, and water consumption for the next eight years. Please see details in the respective subsections below.

At Sinarmas Land, we understand the significant impact of climate change and strive to protect the surrounding environment through policies and existing programs. We are a founding corporate member of the non-profit organisation "Green Building Council Indonesia" since its establishment in 2009. Our key role in the council is to ensure that our property development activities are sustainable and environment friendly.

To realise our commitment in implementing developments with an environmental cause, BSD Green Office Park, Indonesia's first green office park, was developed in BSD City with an area of 25 hectares. BSD Green Office Park will feature 11 five-storey buildings and a park-like ambience for its tenants. BSD Green Office Park has complied with international green standards for incorporating advanced green architectures to conserve energy, water and natural resources. All its buildings maximise sunlight penetration while reducing solar heat, thus boosting energy efficiencies and optimising air circulation. For its eco-friendly practices, BSD Green Office Park has received the Green Mark Gold Award from Singapore's BCA.



The Breeze BSD City, a lifestyle retail mall offers a comprehensive array of stores, generous garden-like walkways and alfresco dining options to complement the surrounding BSD Green Office Park, schools and residences. Named as "The mall with no walls", The Breeze BSD City reduces air-conditioning and lighting energy consumption through the use of natural lighting and outdoor common walkways.

In total, the Group currently has 7 buildings within its development with Green Building Certification, three of which are part of the Green Office Park. Going forward, we are looking to increase the quantity of green buildings in our developments.

We have also embarked on a sustainability program with specific responsibilities assigned to staff across all parts of the organisation. As part of this program, we will be able to better calculate and eventually increase the percentage of recycled input materials, reduce the energy required in the construction and operation of our developments, lower our water consumption and carbon emissions, as well as improve our waste management.

ENVIRONMENT

In our inaugural FY2017 sustainability report, only data from three Green Buildings in BSD City's Green Office Park (Sinar Mas Land Plaza – BSD City, MyRepublic Plaza and GOP 9) were included in the scope of our environment section. In this report, we have expanded the scope to include the following buildings and projects within our flagship development BSD City

- Four office buildings,
- Two residential apartment buildings,
- Two retail malls,
- Six business lofts,
- One trade center (ITC BSD), and
- Six development projects.

We will continue to expand our reporting scope to include the other Group operations in our monitoring and reporting processes over the next few years.

Buildings and projects added to our reporting scope in FY 2018:

Non-Green Office Buildings:

- Wisma BCA
- Customer Care Office
- Marketing Office
- BSD Permit and Township Office

Retail Malls:

- Q-BIG
- The Breeze

Trade Center:

- ITC BSD

Residential Apartment Buildings:

- Casa de Parco
- Saveria

Business Lofts:

- Ruko Icon 1
- Ruko Icon 2
- Foresta Business Loft 1
- Foresta Business Loft 2
- Foresta Business Loft 3
- Foresta Business Loft Signature

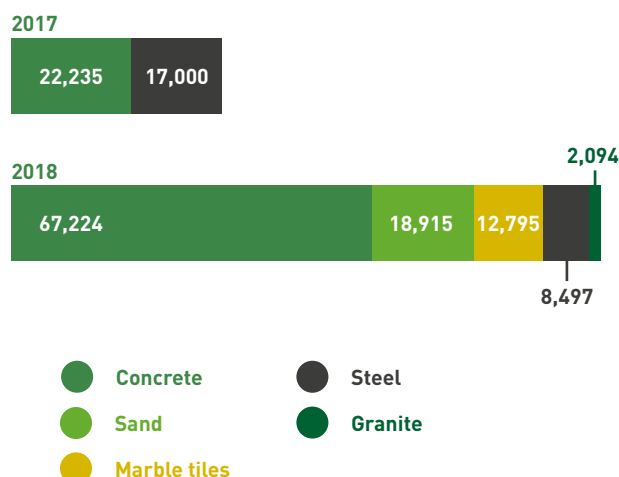
Development Projects:

- Ruko Icon 3
- Ruko East Modern Market
- Ruko Golden Vienna
- Foresta Business Loft 5
- Foresta Business Loft 6
- Cisauk Train Station

MATERIALS

As one of Indonesia's leading real estate developers, we recognised that all of our developments, which include buildings, supporting amenities and infrastructures have significant impact on the environment. In 2018, concrete, sand, and marble tiles are three of the most consumed materials used by us. These three materials are also among the largest contributors to our environmental footprint as they are non-renewable.

MATERIALS USED IN DEVELOPMENT PROJECTS (TONNES)



Note: No data on granite, sand, and marble tiles is available for periods prior to FY2018.

Please note that the above chart represents total annual amounts of materials used in 2017 and 2018. At present, we do not have data on our usage of recycled materials (other than about 3% of fly ash being used in the production of concrete). As we gradually build our internal monitoring capacity, other consumable materials and their respective consumed quantities will be included in our internal watch-list and be subsequently reported, promoting transparency as well as placing greater emphasis on our usage of recycled materials. To facilitate greater transparency and accountability in our supply chain, we will enforce ISO 14001 certification for material vendors and a legality certificate for processed wood vendors in 2019.

ENVIRONMENT

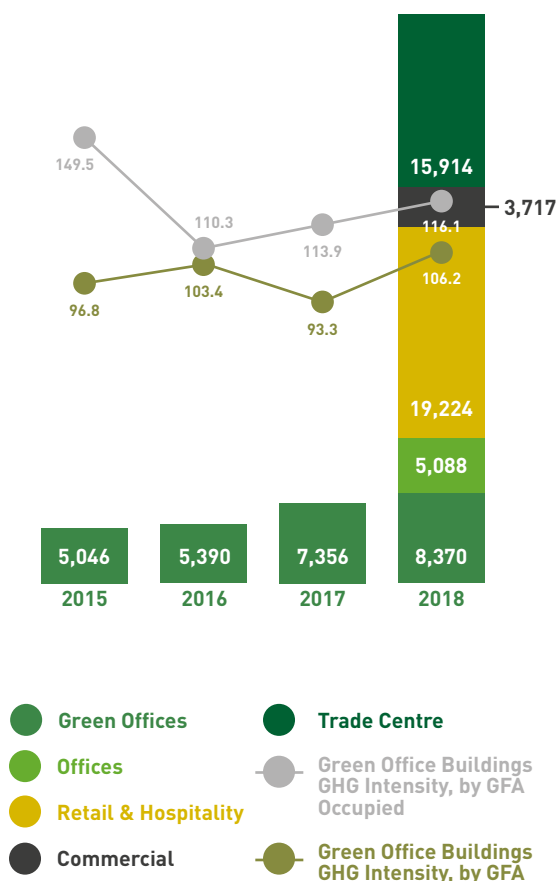


ENERGY

Our developments consume significant amounts of energy. In the region where BSD City is located, energy is predominantly generated from the burning of fossil fuels that contribute significantly to our greenhouse gas emissions. Adhering to internationally recognised green building standards, such as the Singapore BCA Green Mark standard, we are able to direct our effort towards achieving greater energy efficiency and reducing energy usage throughout a project lifecycle.

As we expand the scope of our sustainability data and report this year, our reported buildings energy consumption has likewise increased. Our buildings energy consumption and intensities by Gross Floor Area ("GFA") and GFA Occupied are depicted in the following graph and tables.

BUILDING ENERGY CONSUMPTION AND INTENSITY (MWH & KWH/M²)



BUILDING ENERGY CONSUMPTION (KWH)	2015	2016	2017	2018
Green Offices	5,045,797	5,389,651	7,355,903	8,369,770
Offices	N/A	N/A	N/A	5,088,360
Retail & Hospitality	N/A	N/A	N/A	19,224,062
Commercial	N/A	N/A	N/A	3,716,509
Trade Centre	N/A	N/A	N/A	15,914,409

BUILDING ENERGY INTENSITY, BY GFA (KWH/M ²)	2015	2016	2017	2018
Green Offices	96.8	103.4	93.3	106.2
Offices	N/A	N/A	N/A	197.3
Retail & Hospitality	N/A	N/A	N/A	88.8
Commercial	N/A	N/A	N/A	13.2
Trade Centre	N/A	N/A	N/A	389.3

BUILDING ENERGY INTENSITY, BY GFA OCCUPIED (KWH/M ²)	2015	2016	2017	2018
Green Offices	149.5	110.3	113.9	116.1
Offices	N/A	N/A	N/A	199.3
Retail & Hospitality	N/A	N/A	N/A	110.2
Commercial	N/A	N/A	N/A	57.8
Trade Centre	N/A	N/A	N/A	405.2

In line with Sinarmas Land's Sustainability Vision, the Group is actively encouraging occupancy in our green office buildings as we seek to reduce environmental footprint, mitigate climate change, and improve the well-being of our occupants.

Between 2017 and 2018, the occupancy rates in our green office buildings increased by 12%. Due to the increase in our occupancy rates, the energy consumption and energy consumption intensity by GFA of our green buildings increased by 14% from 7,355,903 kWh in 2017 to 8,369,770 kWh in 2018, and from 93.3 kWh/m² in 2017 to 106.2 kWh/m² in 2018 respectively. This is well below the Energy Consumption Index or Indeks Komsumsi Energi ("IKE") standard stipulated by the Governor of the Capital Region of Jakarta for green office buildings¹.

¹ Based on the IKE by the Governor of the Capital Region of Jakarta, the bottom energy consumption intensity limit for green office buildings is 210 kWh/m²/year while the upper limit is 285 kWh/m²/year. Please refer to Indonesian regulation 'PERGUB DKI NO 38_2012' for more information

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We are pleased to report that our commitment and objective towards the development of green buildings has actualised. Despite the 12% increase in occupancy rates, the energy consumption intensity by GFA occupied in our green office buildings increased by merely 2% from 113.9 kWh/m² in 2017 to 116.1 kWh/m² in 2018.

Apart from the development of more internationally recognised green standards buildings, the Group has undertaken other initiatives to reduce consumption of energy across our developments such as implementation of control timing function for our air-conditioning systems and the usage of energy-efficient LED lightbulbs.

GREEN HABIT PROGRAM

The Green Habit Program was one of our main energy reduction initiatives for FY2018. The competition-based program was initiated by the President's Office ("PO") and the Asset Management Group Division.

The objective of the program is to encourage employees to reduce their energy consumption in their respective workplaces. Some of the steps taken by our colleagues include minimising the usage of unnecessary lighting during office hours, unplugging unused electronic devices from charging cables, and increasing the air-conditioning temperature to moderate and high levels to reduce energy consumption.

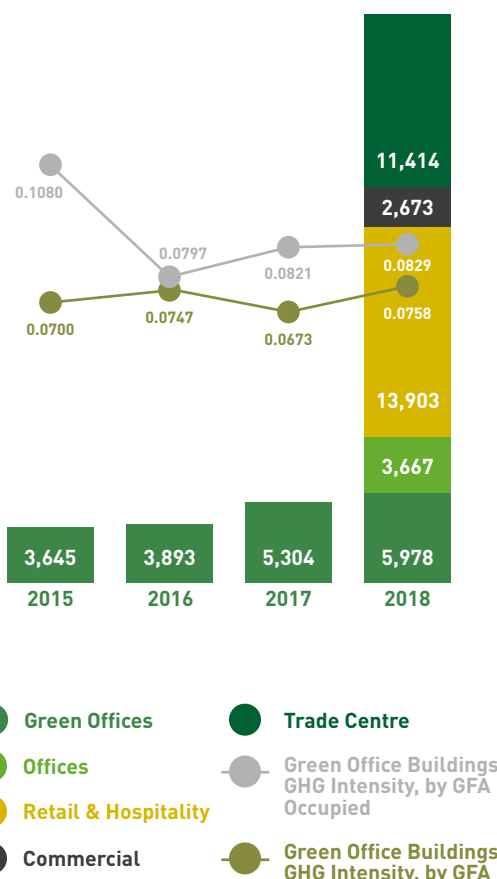
The competition was conducted in two of our green buildings, both of which house Sinarmas Land corporate offices. The energy savings resulting from this program during a 6-month period averages at 20% with the highest and the lowest energy savings at 34% and 7% respectively. These savings came from the reduction of electricity used from our lights and sockets. We are considering to expand this initiative to involve our tenants and other buildings within BSD City.

For our green buildings in BSD City, we target to achieve a further total overall energy intensity reduction of 5% for the next 8 years with 2017 as the base year. These reductions will be achieved mainly through the implementation of our abovementioned Green Habit Program.

EMISSIONS

In line with our reported information on energy consumption and intensities, GHG emissions from the buildings included in this report have increased due to the expanded scope of reporting. Our buildings' GHG emissions and intensities by GFA and GFA Occupied are depicted in the following graph and tables.

**BUILDING GHG EMISSIONS AND INTENSITY
(TONNES OF CO₂E & TONNES OF CO₂E/M²)**



BUILDING GHG EMISSIONS (TONNES OF CO ₂ E)	2015	2016	2017	2018
Green Offices	3,645	3,893	5,304	5,978
Offices	N/A	N/A	N/A	3,667
Retail & Hospitality	N/A	N/A	N/A	13,903
Commercial	N/A	N/A	N/A	2,673
Trade Centre	N/A	N/A	N/A	11,414

BUILDING GHG INTENSITY, BY GFA (TONNES OF CO ₂ E/M ²)	2015	2016	2017	2018
Green Offices	0.0700	0.0747	0.0673	0.0758
Offices	N/A	N/A	N/A	0.1422
Retail & Hospitality	N/A	N/A	N/A	0.0642
Commercial	N/A	N/A	N/A	0.0095
Trade Centre	N/A	N/A	N/A	0.2792

ENVIRONMENT

BUILDING GHG INTENSITY, BY GFA OCCUPIED (TONNES OF CO ₂ E/M ²)	2015	2016	2017	2018
Green Offices	0.1080	0.0797	0.0821	0.0829
Offices	N/A	N/A	N/A	0.1436
Retail & Hospitality	N/A	N/A	N/A	0.0797
Commercial	N/A	N/A	N/A	0.0416
Trade Centre	N/A	N/A	N/A	0.2906

Between 2017 and 2018, we recorded a 13% increase in GHG emissions from our green office buildings due to a 12% increase in occupancy rates. Hence, the GHG emissions intensity by GFA of our green buildings also increased by 13% from 0.0673 tonnes of CO₂e/m² in 2017 to 0.0758 tonnes of CO₂e/m² in 2018.



In line with our energy consumption intensity data, we are pleased to report that our commitment towards the development of green buildings has succeeded in decoupling growth from GHG emissions. Despite the 12% increase in occupancy rates, the GHG emissions intensity by GFA occupied in our green office buildings increased by only 1% from 0.0821 tonnes of CO₂e/m² in 2017 to 0.0829 tonnes of CO₂e/m² in 2018.

Our emissions monitoring has yet to include indirect emissions from the manufacturing of concrete, production of steel, and transportation of raw materials. We are currently focusing our efforts on increasing the asset scope of our sustainability reporting and will not be including indirect emissions (Scope 3) of our GHG emissions reporting in the near future.

The air-conditioning systems installed in all of our new buildings in BSD City use refrigerants that do not produce any Ozone Depleting Substances ("ODS"). Hence, we are pleased to report that none of our buildings produce any ODS.

For our green buildings in BSD City, we target to further achieve a total overall emission reduction of 5% over the next 8 years with 2017 as the base year. These reductions will be achieved mainly through the implementation of our Green Habit Program.

Lastly, we are pleased to report that we completed the upgrading work at Cisauk Train Station in 2018. The renovated station can accommodate a larger number of users and encourage higher train ridership in and out of BSD City. Train transportation is a lower carbon alternative to other modes of transportation.



WATER

BSD City has a significant water footprint. Thus, there is a need for us to monitor our impact carefully in order to avoid and mitigate harmful effects from excessive water consumption, and the discharge of effluents into natural water systems.

Our buildings' main water consumption source is the municipal water supply. In 2018, we started to use collected rainwater² in one of our green office buildings, MyRepublic Plaza. The collected rainwater is mixed with water collected for recycling and is used for gardening activities and flushing of toilets. Through the usage of collected rainwater, we aim to reduce our municipal water footprint, which is critical in water-stressed Jakarta.

We also have systems in place to reuse and recycle used water which is collected from sinks, ablution taps, showers, and air-conditioning systems. In 2018, we recorded 23,438m³ of reused water or 4% of our total water usage.

Meanwhile, our consumption of surface water is subjected to strict environmental impact assessments, and it has been found there are no adverse effects on our stakeholders or on local and downstream biodiversity.

Due to our strict on-site water efficiency initiatives, we are pleased to report an improvement in our water consumption efficiency. Our data on municipal water consumption and intensities compared against our occupancy rates shows a decoupling of growth from resource use. Despite the 12% increase in occupancy rates of our green office buildings, we managed to reduce the municipal water consumption and municipal water consumption intensity by GFA of our green buildings by 3% from 87,391 m³ in 2017 to 84,885 m³ in 2018, and 1.11 m³/m² in 2017 to 1.08 m³/m² in 2018 respectively. We successfully reduced the municipal water consumption intensity by GFA occupied of our green office buildings by 13% from 1.35 m³/m² in 2017 to 1.18 m³/m² in 2018.

² Rainwater reported here is not recorded by actual volume captured. These figures are instead based on the GREENSHIP Rating issued by Green Building Council (GBC) Indonesia. The calculation uses average rainfall multiplied by wet days in one year (derived from data provided by the meteorological agency), divided by the total catchment area across all three buildings.

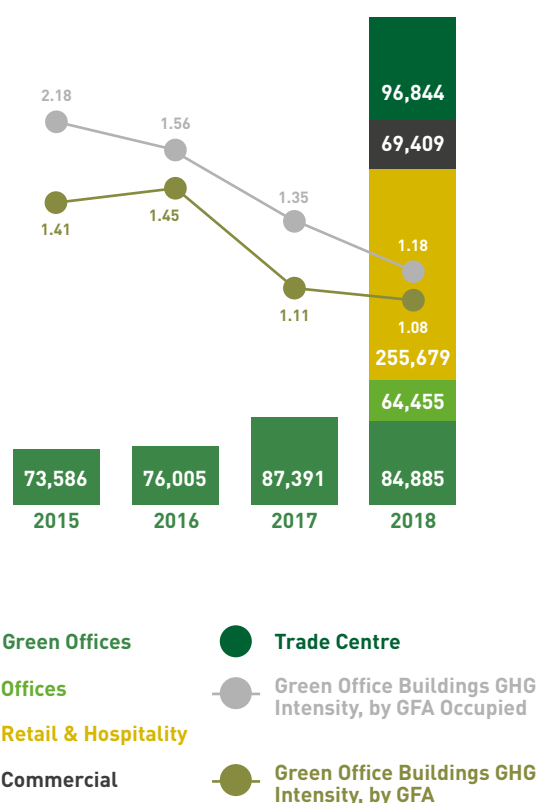


Green Habit Program

ENVIRONMENT

The following chart and tables provide the performance details on our building water consumption and intensities.

**BUILDING MUNICIPAL WATER
CONSUMPTION AND INTENSITY (M³ & M³/M²)**



BUILDING MUNICIPAL WATER INTENSITY, BY GFA (M ³ /M ²)	2015	2016	2017	2018
Green Offices	1.41	1.46	1.11	1.08
Offices	N/A	N/A	N/A	2.50
Retail & Hospitality	N/A	N/A	N/A	1.18
Commercial	N/A	N/A	N/A	0.25
Trade Centre	N/A	N/A	N/A	2.37

BUILDING MUNICIPAL WATER INTENSITY, BY GFA OCCUPIED (M ³ /M ²)	2015	2016	2017	2018
Green Offices	2.18	1.56	1.35	1.18
Offices	N/A	N/A	N/A	2.52
Retail & Hospitality	N/A	N/A	N/A	1.47
Commercial	N/A	N/A	N/A	1.08
Trade Centre	N/A	N/A	N/A	2.47

BUILDING RAINWATER COLLECTED AND STORED (M ³)	2015	2016	2017	2018
Green Offices	0	0	0	4,961
Offices	N/A	N/A	N/A	0
Retail & Hospitality	N/A	N/A	N/A	0
Commercial	N/A	N/A	N/A	0
Trade Centre	N/A	N/A	N/A	0

BUILDING WATER CONSUMPTION FROM ALL WATER SOURCES (M ³)	2015	2016	2017	2018
Green Offices	73,586	76,005	87,391	89,845
Offices	N/A	N/A	N/A	64,455
Retail & Hospitality	N/A	N/A	N/A	255,679
Commercial	N/A	N/A	N/A	69,409
Trade Centre	N/A	N/A	N/A	96,844

WATER RECYCLED AND REUSED IN BUILDINGS	2018
Total volume of water recycled and reused (m ³)	23,438
% of water recycled and reused (compared against the total water consumption from all sources)	4%

BUILDING MUNICIPAL WATER CONSUMPTION (M ³)	2015	2016	2017	2018
Green Offices	73,586	76,005	87,391	84,885
Offices	N/A	N/A	N/A	64,455
Retail & Hospitality	N/A	N/A	N/A	255,679
Commercial	N/A	N/A	N/A	69,409
Trade Centre	N/A	N/A	N/A	96,844

ENVIRONMENT

KEY WATER INITIATIVES IN 2018

WATER INITIATIVES	SAVINGS
Use of recycled water from sinks, ablution taps, showers, and air-conditioning systems	23,438 m ³ equivalent to IDR 297,662,600
Use of collected rainwater	4,961 m ³ equivalent to IDR 63,004,700

For our green buildings in BSD City, we target to achieve a further reduction of 10% in our municipal water consumption intensity by GFA by 2026 with 2017 as the base year. These reductions will be achieved by utilising rainwater and water recycling facilities on every green building to complement water consumption from public utilities. We are currently in the process of installing the required infrastructure to measure the actual use of rainwater and recycled water.

EFFLUENTS AND WASTE

Most of BSD City's water discharge is channelled into our Water Treatment Plant ("WTP") where it is being treated and redistributed to our customers. A very small portion of our effluents are discharged into the surrounding Cisadene River, which was found to not be significantly affected by the discharge. We target to comply with all relevant government regulations on waste and water discharged. Please find the following statistics on water discharge by destination from our buildings in scope. As all these buildings are located within the same area, we are not required to maintain individual records for each building's water discharge. Therefore, we have on-site meters to measure water discharge in only three of our buildings in scope, namely MyRepublic Plaza, Wisma BCA and our retail mall Q-BIG.

As such, the data provided in the table below is based on the assumption that volume of water discharge from a building is approximately 80% of water consumption for each building. This methodology is aligned with international standards and the Indonesian government's Ministry of Public Work and Housing. We have applied this methodology to determine the water discharge volume for the following buildings in scope: SML Plaza BSD, GOP 9, Marketing Office, ITC BSD, and The Breeze.

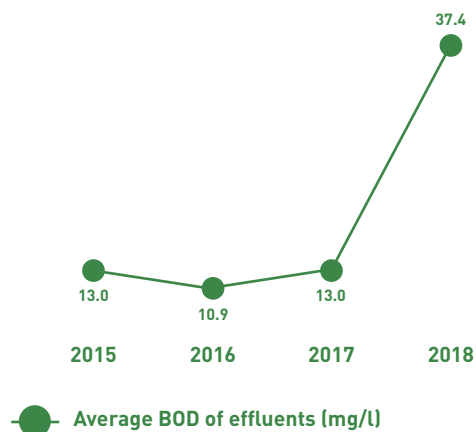
Two of our buildings in scope are currently using septic tanks, hence there are no records of water discharge from the buildings housing the Customer Care Office and the BSD Permit and Township Office.³ Data from our residential apartment and business loft buildings are also excluded as these buildings are tenanted; SML only maintains control of the common area.

³ Septic tanks are ground tanks collecting waste water from the building without going through the Sewage Treatment Plant (STP). The system cannot segregate between solid waste and effluent and it is not common to install meters on these systems. Septic tanks are emptied periodically by authorised vendors and not channelled to the city sewage system or surface water.

WATER DISCHARGE FROM BUILDINGS BY DESTINATION	2018
Discharged into surface water bodies - rivers, lakes, reservoirs (m ³)	188,294
Discharged into external sewage systems or treatment facilities (m ³)	144,087
Total water discharged (m³)	332,381

While there were no incidences of exceeded biochemical oxygen demand ("BOD") thresholds from 2015 to 2017, we regret to report that the BOD of our effluents exceeded the limit as stipulated by the Indonesian government on 12 occasions in 2018. The Indonesian national standard for effluents is a maximum of 30mg/l BOD. Our exceedances were minor and did not affect any local water bodies and related habitat. While these minor exceedances did not result in any penalisation or fines by the government, we take such matters very seriously. These incidents occurred due to issues relating to the tank capacity in three of our buildings, namely Q-Big Mall, ITC BSD, and Casa De Parco Apartments. This matter was discussed in the Enterprise Risk Management Committee (ERMC) meeting and has been resolved at the time of reporting.

BUILDINGS WATER DISCHARGE BY QUALITY



BUILDINGS WATER DISCHARGE BY QUALITY	2015	2016	2017	2018
Average BOD of effluents (mg/l)	13.0	10.9	13.0	37.4
No. of times local regulation limits for COD/BOD exceeded during the year	0	0	0	12

ENVIRONMENT

BUILDING TYPE	AVERAGE BOD OF EFFLUENTS (MG/L) IN 2018
Green Offices	20.2
Offices	23.9
Retail & Hospitality	56.4
Commercial	10.1
Trade Centre	76.3

BUILDING TYPE	NO. OF TIMES LOCAL REGULATION LIMITS FOR BOD EXCEEDED IN 2018
Green Offices	0
Offices	0
Retail & Hospitality	10
Commercial	1
Trade Centre	1

We practice waste segregation in some of our developments and pay special attention in ensuring that no hazardous waste is sent to landfill. Despite our practice, we have yet to find a perfect solution for the disposal of hazardous wastes, such as used oil from construction machinery.

Apart from increasing the types and amounts of material that can be reused and recycled across our operations, we are using our ongoing communications with local government authorities to suggest improvements to the available infrastructure for the processing of non-hazardous waste, which is currently collected, managed, and sent to landfill.

The nine tonnes of hazardous waste materials reported in our 2017 Sustainability Report have been collected and managed by a certified waste management vendor. In 2018, we stored 300kg of hazardous waste which includes old light bulbs and used batteries in a safe on-site facility, while we finalise the engagement of a certified third-party to collect these materials.

We have created a policy which regulates that every commercial and hotel building shall appoint a certified waste management vendor to collect and manage our hazardous waste. This policy will be implemented in 2019.

NON-HAZARDOUS WASTE SENT TO LANDFILL BY BUILDING TYPE (TONNES)	2017	2018
Green Offices	881	1,164
Offices	N/A	608
Retail & Hospitality	N/A	12,407
Commercial	N/A	1,199
Trade Centre	N/A	3,240
Total	881	18,618

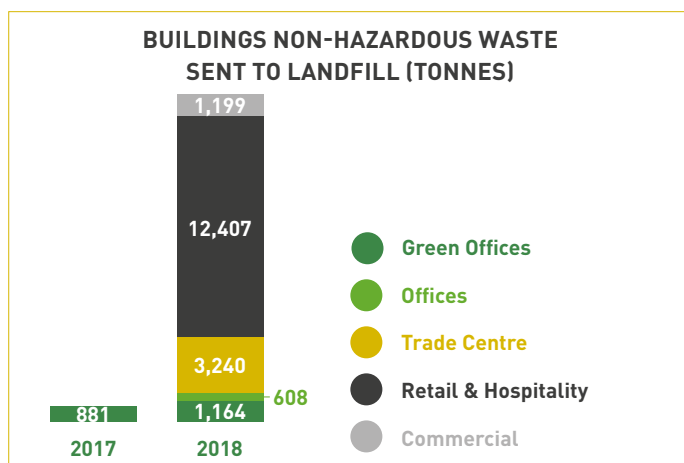
ENVIRONMENTAL COMPLIANCE

Given the scale of BSD City development, we are subjected to the most stringent environmental regulatory frameworks in Indonesia.

As part of our environmental compliance, based on Government Regulation No. 27 in 2012 on Environment Control Permits, we are required to submit an extensive Environment Management and Monitoring Effort (UKL/UPL) report every six months. Within the report, it clearly spells out the specific limits for every aspect of environmental impacts (e.g. water, waste, etc.) and we are to ensure that our operations must not breach these limits. The report is submitted directly to the regional government and subject to government approval.

For its ongoing operational permit, SML also has to comply with several health, safety and environment ("HSE") regulations such as liquid waste management, fire safety certification, and equipment licenses. The related authorities will perform audits on our operational feasibility and issue permit certificates only upon compliance with these requirements.

Other than the minor exceedances in BOD of our effluents which did not result in any penalisation or fines by the government, we are pleased to report that there were no incidents of environmental non-compliance during the reporting period.



PEOPLE

By focusing on our employees' well-being and personal growth, we strive to be an Indonesian employer of choice. We seek to hire the best and provide them with ample opportunities to nurture their talents and enhance their skills. Our workforce turnover figures are testament to our commitment towards our valued employees.

Our commitment to our employees' well-being is demonstrated through our human resource ("HR") policies and initiatives which are driven by our Human Capital team. The team explores and drives initiatives which are geared towards building a conducive and inclusive workplace for our employees' development, well-being and satisfaction.

IN THIS SECTION

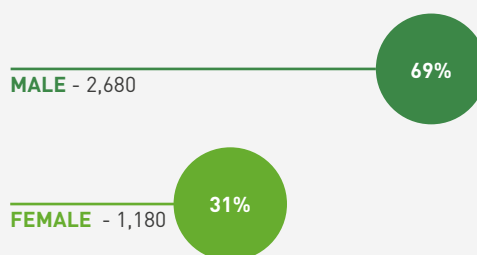
Here, we will be looking at our overall employment statistics for the Group's Indonesian operations (excluding any Joint Ventures), our performance as an equal opportunity employer, benefits and welfare programs, and our investment in training and development as well as employee engagement.

EMPLOYMENT

Our Employees

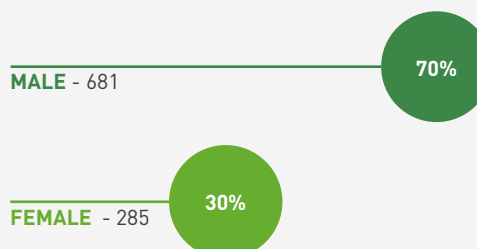
As at 31 December 2018, SML has employed a total of 3,860 (2017: 3,870) employees, of which 2,680 are male (69%) and 1,180 are female (31%). The high ratio of male to female employees is mainly due to the nature of our business (real estate development and construction) and the supply of manpower available to us. Being an equal opportunity employer, we are witnessing a better balanced gender composition of our workforce in middle management and above.

TOTAL NUMBER OF EMPLOYEES, BY GENDER

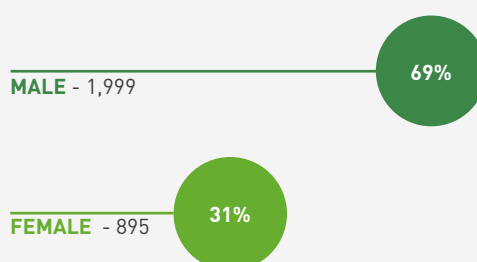


100% of our employees work full-time. Of those full-time employees, 25% are hired on a fixed contract term/temporary basis, with the gender breakdown of permanent and fixed contract term/temporary employees in the charts below. Fixed contracts typically have a term of one year.

NUMBER OF FIXED TERM/TEMPORARY EMPLOYEES, BY GENDER



NUMBER OF PERMANENT EMPLOYEES, BY GENDER



PEOPLE

Some benefits that are provided exclusively to full-time employees of Sinarmas Land include:

- Participation in our House Ownership Program;
- Severance Payments;
- Vehicle Cash Substitution Facility.

Of the total number of 3,860 employed employees, 2,063 employees are based in BSD City, 1,402 in Greater Jakarta or Jabodetabek, and the remaining 395 employees are based in our other operations across Indonesia. The breakdown of employees by employment contract for the three regional groups is shown in the chart below.

TOTAL NUMBER OF EMPLOYEES, BY EMPLOYMENT CONTRACT AND REGION

BSD City - 2,063

1,616

447

Jabodetabek excluding BSD - 1,402

1,000

402

Other - 395

278

117

- Permanent
- Temporary

Diversity and Equal Opportunity

Our commitment to fair labour practices is emphasised in our employee handbook and employment practices. We have an equal opportunities policy on employment, banning any form of discrimination based on race, nationality, origin, religion, disability, gender, sexual orientation, union membership and political affiliation. We believe that our employees should be treated equally, fairly and with respect.

In 2018, our governance bodies consisted of 25% female and 75% male employees. None of our governance bodies' members are below the age of 30. 40% of them are between the ages of 30 and 50, while the remaining 60% are above 50 years of age.

INDIVIDUALS IN GOVERNANCE BODIES, BY GENDER

MALE - 15

75%

FEMALE - 5

25%

INDIVIDUALS IN GOVERNANCE BODIES BY AGE GROUP

> 50 YEARS - 12

60%

30-50 YEARS - 8

40%

< 30 YEARS - 0

PEOPLE

We have 25% female employees in Top Management, 32% females among Senior Managers (Divisional Heads), 35% female employees among Managers (Department and Section Heads), and 40% and 13% female workers in the staff and non-staff categories respectively.

As SML values the diversity of its workforce, we continue to practice the employment of mature workers. During the reporting period, 60% of our employees in Top Management were above the age of 50, while 44% and 24% respectively of our Senior Managers and Managers were older than 50.

PERCENTAGE OF EMPLOYEES PER EMPLOYMENT CATEGORY, BY GENDER

Non-Staff



Staff



Managers (Dept Head and Section Head)



Senior Managers (Div Head)



Top Management (GDH Above)



PERCENTAGE OF EMPLOYEES PER EMPLOYMENT CATEGORY, BY AGE GROUP

Non-Staff



Staff



Managers (Dept Head and Section Head)



Senior Managers (Div Head)



Top Management (GDH Above)



PEOPLE

As an equal opportunity employer, we compensate and remunerate our employees based on merit. The ratio of basic salary and remuneration of women to men can be found in the charts below.

RATIO OF THE BASIC SALARY OF WOMEN TO MEN, BY EMPLOYEE CATEGORY AND LOCATION OF OPERATION

Top Management (GDH Above)*

0.91

Senior Managers (Div Head)*

0.86

Managers (Dept Head and Section Head)

1.03

1.17

1.06

Staff

0.93

0.91

0.96

Non-Staff

1.00

1.12

1.09

RATIO OF THE REMUNERATION OF WOMEN TO MEN, BY EMPLOYEE CATEGORY AND LOCATION OF OPERATION

Top Management (GDH Above)*

0.91

Senior Managers (Div Head)*

0.86

Managers (Dept Head and Section Head)

1.09

1.18

0.89

Staff

0.97

0.89

0.96

Non-Staff

0.84

0.92

0.88

* Top Management (GDH above) and Senior Managers (Div Head) employees are based in BSD City only

● BSD City

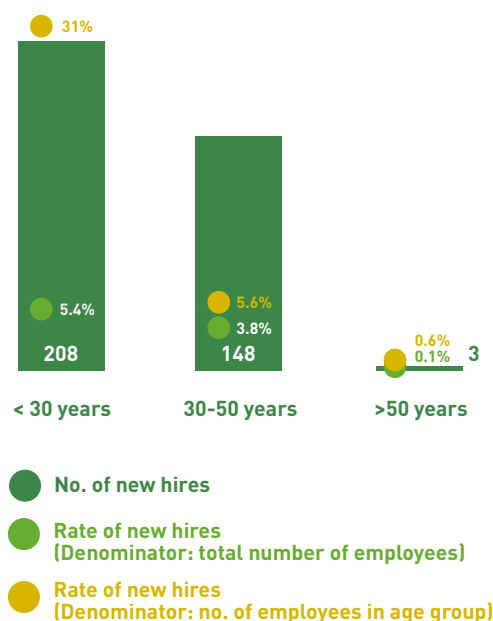
● Jabodetabek excluding BSD

● Other

New Hires and Employee Retention

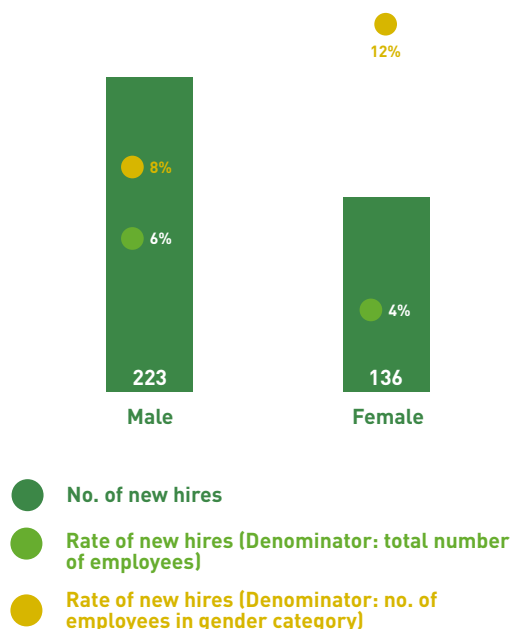
We recognise that welfare and career development contribute significantly to the satisfaction and reputation of a workplace. The results of our proactive engagement with employees show that there are no significant levels of dissatisfaction. During the year, we hired 359 (2017: 541) new employees, which is equal to a new hire rate of 9% (2017: 17%) based on our total staff strength of 3,860. We believe that a diversified team with different age groups, backgrounds, and skillsets will bring enriching perspectives to the workplace. Our new hires vary from different age groups, including the re-employment of employees above the age of 50.

NEW HIRES, BY AGE GROUP

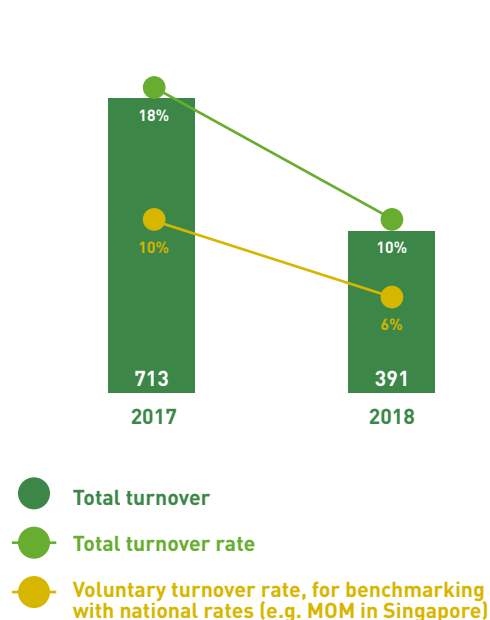


PEOPLE

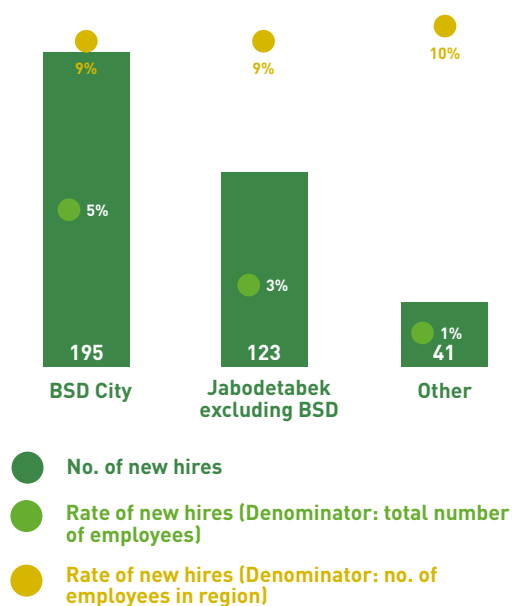
NEW HIRES, BY GENDER



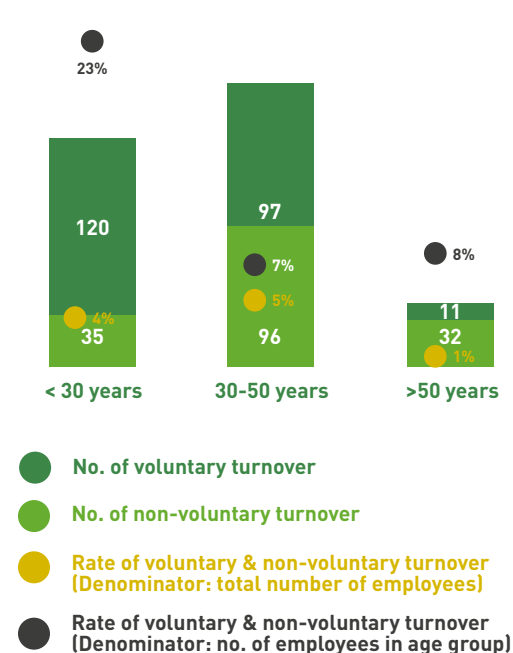
EMPLOYEE TURNOVER



NEW HIRES, BY REGION



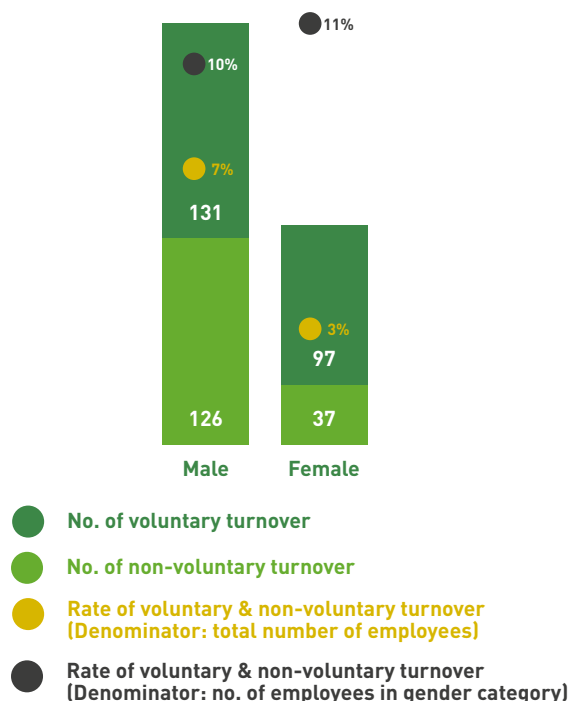
TURNOVER, BY AGE GROUP



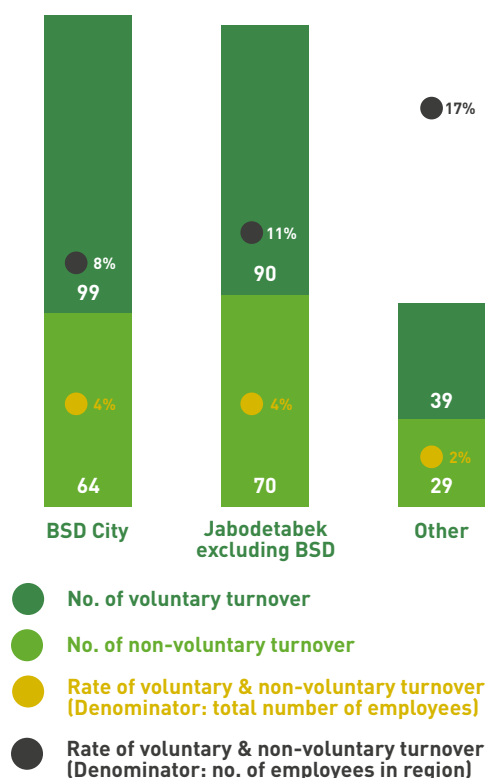
SML recorded a total turnover of 391 (2017: 713) and an overall turnover rate of 10% in 2018. We are pleased to report that the decrease from the turnover rate of 18% in 2017 was a testament of our ongoing effort and initiatives to improve our employee's well-being and satisfaction level. Turnover and turnover rate by age group, gender and region are shown in the following charts.

PEOPLE

TURNOVER, BY GENDER



TURNOVER, BY REGION



BENEFITS AND WELFARE

Beyond competitive remuneration, we care for our employees through welfare and benefit schemes, including but not limited to insurance coverage, healthcare benefits, parental leave, and retirement provision to all our employees. Full-time employees also enjoy a house ownership program, vehicle cash substitution facility, and severance payments.

Family-friendly Employer

SML prioritises our employees' welfare. We support our employees by providing benefits and welfare for employees with family, including parental leave, medical benefits, subsidy of marriage and grievance, etc.

In 2018, 83 eligible female employees and 133 eligible male employees took their maternity and paternity benefits respectively. As at 31 December 2018, 82 of the 83 female employees have returned to work after their maternity leave ended, while one is still on maternity leave, whereas 130 of the 133 male employees have returned to work after their paternity leave, while three were still on paternity leave. Based on our employees that have returned from their respective maternity and paternity leave, we recorded a return to work rate of 100%.

The tables below outline detailed information on male and female employees who took parental leave in 2018 as well as the rate at which employees were still employed 12 months after their return to work from parental leave in 2017.



Fun Bowling & Costume Competition

PEOPLE

RETURN TO WORK RATE IN 2018

Type of Parental Leave	No. of employees who utilised their parental leave in 2018	No. of employees who returned to work in 2018 after their parental leave (as of 31 Dec 2018)	No. of employees who are still on parental leave in 2018 (as of 31 Dec 2018)	Return to work rate
Maternity leave for female employees	83	82	1	100%
Paternity leave for male employees	133	130	3	100%

RETENTION RATE IN 2018

Type of Parental Leave	No. of employees who returned to work after their parental leave in 2017 (as of 31 Dec 2017)	No. of employees who returned to work after parental leave ended and were still employed 12 months later (as of 31 Dec 2018)	Retention rate
Maternity leave for female employees	63	60	95.2%
Paternity leave for male employees	117	117	100%

Respecting Freedom of Association and Collective Bargaining Rights

SML respects all employees' fundamental rights to the freedom of association and the right to be members of trade unions. We are guided by the Indonesian government regulation (as ratified by the ILO) which allows trade unions to represent our employees for collective bargaining, providing our employees with an avenue to seek redress for disputes. A total number of 303 employees (100% of our eligible workforce) from the Le Grandeur Hotel subsidiaries (PT. Sinar Wisata Lestari & PT. Sinar Wisata Permai) are covered by collective bargaining agreements.

Above the minimum wage level

We believe in providing decent work remuneration. As such, our employees are remunerated based on experience, position and competency. We strictly comply with the minimum wage level set by the Government⁴ and ensure that all our employees are rightly compensated for their work. As an equal opportunity employer, there is no variation in minimum wages level between male and female employees.

⁴ The Provincial Wages Council determines any increase of Provincial Minimum Wages. The governor then issues a decree for each province. The current wage increase is based on Government Regulation No. 78 for 2015 stipulating a wage increase of 8.71%.

PEOPLE

Retirement Plans and other Defined Benefits

Sinarmas Land complies with all relevant government regulations in the following ways:

1. Severance pay for retired employees in accordance with UU Tenaga Kerja No.13/2003

In accordance with this Act, an employee is entitled to the following severance payment from the employer upon reaching her or his retirement age, based on their length of service to the company.

Although this is not explicitly mentioned as an employer's retirement plan, this severance payment can still be considered as a 'defined contribution plan'. If the employer has their own defined contribution program, the severance amount payable is equal to the difference between these regulations and the employer's defined contribution program. Only permanent employees are eligible for these severance payments.

For every fiscal period, an independent actuary will assess the provision of severance payments, whose findings are disclosed in our annual financial report.

2. Mandatory Defined Contribution Plan

A mandatory Defined Contribution Plan ("Jaminan Hari Tua") by BPJS Ketenagakerjaan (or Employee Social Security System) is provided for both permanent and non-permanent employees below the retirement age. Normally, an additional 3.7% of an employee's base salary is contributed by the employer and 2% is deducted from the employee's salary. At Sinarmas Land, we have decided to cover both parts of this payment. As of 31 December 2018, all employees have been registered as BPJS Jaminan Hari Tua participants.

A mandatory Defined Benefit Plan ("Jaminan Pensiun") by BPJS Ketenagakerjaan is also provided for both permanent and non-permanent employees below the retirement age. Here, 2% are paid by the employer and 1% is deducted from the employee's maximum salary limit which is determined by the government on a regular basis. As of 31 December 2018, all employees have been registered as BPJS Jaminan Pensiun participants.



PEOPLE DEVELOPMENT

Training and Development

People are our most important asset. It is therefore imperative for us to explore ways to better manage our people and to maintain the best talent pool. We have allocated an annual training budget and developed in-house programs to support the career growth and aspirations of our employees.

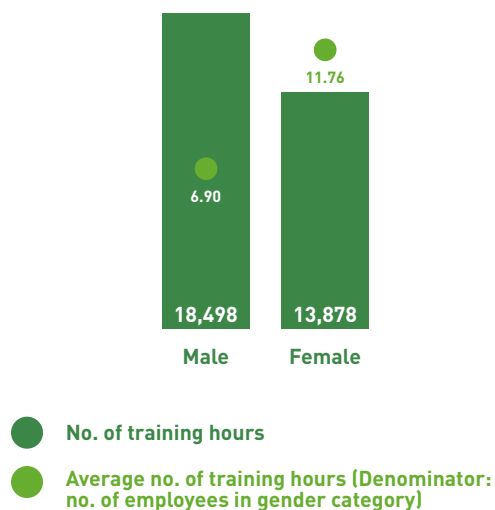
Programs such as our Supervisory Development, Managerial Development, and Advanced Management are opportunities available for our employees who are interested in advancing their skillset or career path. In 2018, we offered an extensive list of training topics for our participants ranging from technical skills (such as Microsoft Office, Sales and Marketing or Building Maintenance) to non-technical skills (such as Emotional Intelligence or Effective Problem Solving).

We believe in equipping our employees with the skills they require in ensuring the future growth of our Group. Furthermore, developing skills and nurturing talents allows employees to grow, leading to better opportunities, thereby helping the communities where they live and work to flourish. We provide on-the-job training opportunities and support sufficiently qualified staff by paying for their relevant professional bodies' membership fees, such as chartered engineers.

All SML employees are required to undergo at least four hours of training as part of their annual skills enhancement that is related to their job function. As of 31 December 2018, each employee has benefitted from an average of 8.39 hours of training, with a breakdown of 6.90 hours for our male employees, and 11.76 hours for our female employees.

PEOPLE

TOTAL NUMBER AND AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE, BY GENDER



Employee Engagement

Our primary engagement with our employees is at Employee Events held several times throughout the year. We invite all employees to rate their satisfaction level in our annual Employee Satisfaction Survey.

The other main pillar of our employee engagement is the semi-annual performance and career development review. This KPI-based formal review is an important milestone in our employees' career as their performances, strengths and areas of improvement are evaluated transparently and objectively, which will then form the basis for our employees' promotion. 100% of our employees received regular performance and career development reviews.

AVERAGE HOURS OF TRAINING PER EMPLOYEE, BY EMPLOYEE CATEGORY

Top Management (GDH Above)



Senior Manager (Div Head)



Manager (Dept Head and Section Head)



Staff



OCCUPATIONAL HEALTH & SAFETY

This is one of our key concerns as a leading property developer: we spare no effort in ensuring occupational health and safety (“OHS”) for all our employees, contractors, and customers. Through various initiatives and engagement programs, we seek to minimise any risks of accidents, injuries or illnesses in our developments.

IN THIS SECTION

Our OHS initiatives include regular assessments in the form of annual property hazard risk assessments by our ERM team; internal audits and safety checks by our Internal Audit team to ensure compliance by our employees and contractors; and the annual OHS equipment certification for compliance with the fire safety standards of the Indonesian Fire Department.

OUR DISCIPLINED APPROACH IN ENSURING OCCUPATIONAL HEALTH & SAFETY

Several layers have been implemented for important OHS related safety checks:

1. Increased frequency of safety inspection by the project safety team (i.e. daily, weekly)
2. Regular technical audits performed by our corporate Technical Advisor
3. Annual assessment on OHS activities' related risk and control by ERM team
4. Internal Audit to perform a specific OHS-related audit as part of its annual audit

In addition, we have developed and implemented OHS guidelines, as well as a policy for Crisis Management. Fire drills and emergency situation simulations are carried out periodically to ensure that these procedures are understood and implemented, ensuring a safety culture being instilled in our operations. Also, we conduct regular trainings and awareness programs on health and safety for our workforce and tenants.

We take OHS incidents very seriously. All incidents are reported to the Safety Department, which will be included in the Monthly Operation Report that is submitted to Division Heads and the Group Division Head (CEO). For certain categories of incidents, such as breakdown of equipment or near misses due to negligence, a thorough investigation report with accompanying follow-up actions will be submitted to the Division Heads.

Resulting from our continuous initiatives, we are pleased to report that there were no fatalities or any work-related injuries in all our buildings under the Asset Management, Commercial, and Retail & Hospitality Group Divisions.

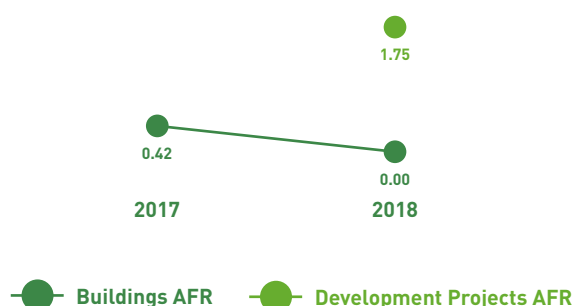
As part of the commitment we made in last year's sustainability report, we have started tracking the lost days and total man hours worked for both our employees and contractors by gender. We have also expanded the scope of our OHS data by including information from development projects carried out in BSD City.

There were eight work-related accidents in FY2018. All eight were sustained by contractors working on our development projects. Out of the eight accidents, seven resulted in minor and moderate injuries which required only first aid level medical treatment with no lost days, while one accident involving a male contractor resulted in nine lost days. As a result of these injuries, we recorded an Accident Frequency Rate (AFR) of 1.75 and an Accident Severity Rate (ASR) of 1.97 for our development projects in FY2018.

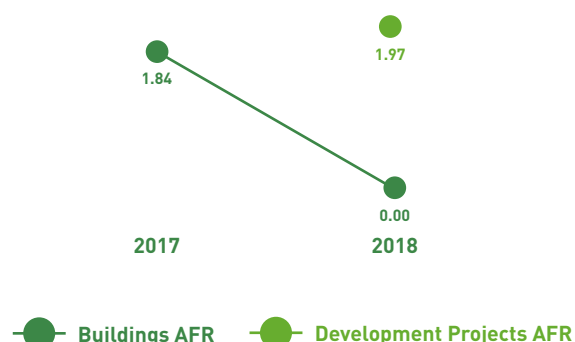
OCCUPATIONAL HEALTH & SAFETY

	2018							
	BUILDINGS				DEVELOPMENT PROJECTS			
	Employees		Other Workers e.g. contractors		Employees		Other Workers e.g. contractors	
	Male	Female	Male	Female	Male	Female	Male	Female
No. of workplace fatalities	0	0	0	0	0	0	0	0
No. of non-fatal workplace injuries	0	0	0	0	0	0	8	0
No. of occupational diseases	0	0	0	0	0	0	0	0
No. of dangerous occurrences/near misses	0	0	0	0	0	0	0	0
No. of lost days	0	0	0	0	0	0	9	0
Total man hours worked	4,471,480	2,123,680	0	0	0	0	4,560,202	0
Accident Frequency Rate (AFR) <i>No. of workplace accidents per million manhours worked</i>	0	0	0	0	0	0	1.75	0
Accident Severity Rate (ASR) <i>No. of man days lost per million manhours worked</i>	0	0	0	0	0	0	1.97	0
Occupational Disease Rate (ODR) <i>No. of occupational disease per million manhours worked</i>	0	0	0	0	0	0	0	0

ACCIDENT FREQUENCY RATE (AFR)
(NUMBER OF ACCIDENTS PER
MILLION MAN-HOURS WORKED)



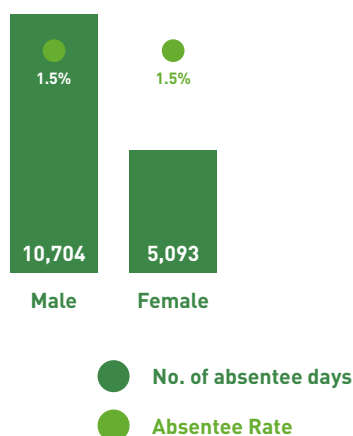
ACCIDENT SEVERITY RATE (ASR)
(NUMBER OF MAN DAYS LOST PER
MILLION MAN-HOURS WORKED)



OCCUPATIONAL HEALTH & SAFETY

We are pleased to report that the overall absentee rate of our employees is 1.5% (2017: 1.8%), with the breakdown by gender and region shown in the charts below.

ABSENTEE RATE, BY GENDER



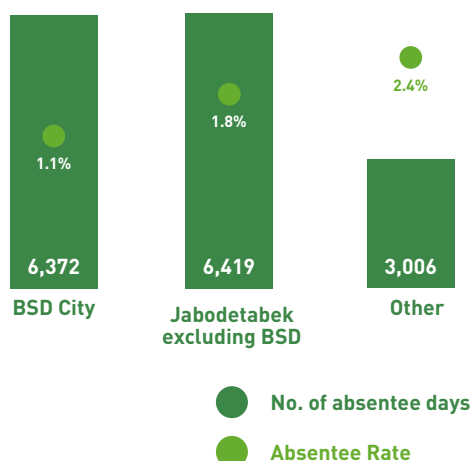
We have implemented various initiatives to promote a healthy lifestyle and the well-being of our employees:

- Discounted gym memberships for permanent employees;
- Employees' Running Club;
- After work sports activities (basketball, futsal, badminton, volleyball, etc.);
- Blood donation events.

For health and safety, the following initiatives by SML are noteworthy:

- Health and safety awareness through SML intranet and socialisation events;
- Regular fire drills involving all employees and tenants;
- Health and safety trainings for emergency response team;
- Installing safety signage in various critical areas of our buildings.

ABSENTEE RATE, BY REGION



PRODUCT QUALITY AND CUSTOMER WELL-BEING

Product quality of the utmost importance to Sinarmas Land. As one of the leading real estate developer and pioneer of green buildings in Indonesia, our emphasis on safety and environmental preservation underpins the huge responsibility and commitment Sinarmas Land undertakes to its stakeholders and Mother Nature.

IN THIS SECTION

SML is committed to leverage on its green building expertise and innovation to improve the well-being of our tenants, hereby playing an instrumental role as one of the founding corporate members of the Green Building Council Indonesia.



BSD GREEN OFFICE PARK

Complying with international green standards, BSD Green Office Park was developed on an area of 25 hectares in BSD City.



GREEN FEATURES OF BSD GREEN OFFICE PARK INCLUDE:

- IA Each building in BSD Green Office Park optimises passive design to reduce thermal heat such as overall thermal transfer value (OTTV) design below 45 Watt/m², and using Computational Fluid Dynamics (CFD) to analyse climate change in this district.
- IA 80% of the buildings have a north-south facing orientation within 22.5 degrees of the east/west axis and are aerodynamically shaped to catch the prevailing west and south-west winds.
- IA Integrated connectivity, supporting facilities and transportation systems (shuttle bus, bicycle tracks, etc.), and the availability of pedestrian tracks.
- IA Every building was developed with high energy and water efficiency, uses LED lamps and photovoltaic panels for street lighting.
- IA Maintenance of large green-open landscape spaces between buildings and green roofs on most buildings to reduce heat island effect.
- IA Zero run-off technology, with rainwater harvesting tanks on each building, natural and modern infiltration wells, and a large lake used for rainwater retention and irrigation. Currently, we are in the process of improving our rainwater harvesting system with the initial design discussion and budget calculations being completed in FY2018. The implementation of this new system will take place in 2019.



Green Office

PRODUCT QUALITY AND CUSTOMER WELL-BEING

In May 2013, BSD Green Office Park was awarded with the Gold Award in the World FIABCI Prix d'Excellence Award in Taiwan under the Category Sustainable Development. In 2012, our BSD Green Office Park received the International Property Award Asia Pacific 2012 for Office Development.

More recently, the following awards were achieved in the reporting period:

- **FIABCI World Prix d'Excellence Awards 2018** - GOP 9 Gold Winner for Conservation
- **MIPIM Award 2018** - Best Urban Regeneration Project for Kalijodo Park
- **BCI Asia Awards 2018** - Sinar Mas Land - Top 10 Developer
- **Asia Pacific Property Awards 2018** - www.nuvasabay.com for Developer Website
- **Asia Pacific Property Awards 2018** - BSD City for Mixed-use Development
- **Asia Pacific Property Awards 2018** - BSD Green Office Park for Office Development
- **Asia Pacific Property Awards 2018** - Kalijodo Park for Public Service Development
- **Indonesia Property Awards 2018** - Best Township Development
- **National Energy Awards (Subroto Award)** - GOP 9 for Green Building Category
- **ASEAN Energy Award** - GOP 9 for New Building Category
- **TOP CSR Award 2018**
- **Best CSR Property Developer** - Top CSR Leader
- **Asia Sustainability Reporting Awards 2018** - Asia's Best First Time Sustainability Report - Highly Commended or 1st Runner Up.

Past awards include:

- **National Energy Awards 2012, 2013, 2014 (Energy Efficiency Award) winner (Sinarmasland Plaza Building)** for energy-efficient, new and existing building category
- **National Energy Awards 2014, 2015 (Energy Efficiency Award) winner (The Breeze Mall)** for energy-efficient building, tropical building category
- **Asean Energy Awards 2015 (Energy Efficiency Award) winner (The Breeze Mall)** for energy efficient, tropical building category
- **Asean Energy Awards 2016 2nd runner up (ICE Convention and Exhibition)** for energy efficient, new and existing building category
- **National Energy Awards 2015 (Energy Efficiency Award) winner (ICE Convention and Exhibition)** for the category of energy-efficient, new and existing building category
- **National Energy Awards 2016 (Energy Efficiency Award) winner (MyRepublic Plaza)** for energy-efficient buildings, new buildings category
- **National Energy Awards 2016 winner (MyRepublic Plaza)** for energy-efficient buildings, green building category
- **Asean Energy Awards 2017 1st runner up (MyRepublic Plaza)** for Energy Efficient Buildings New and Existing Building Category
- **Asean Energy Awards 2017 1st runner up (MyRepublic Plaza)** for Green Building Large Category
- **National Energy Awards 2017 (Energy Efficiency Award) winner** for energy efficiency and new building category
- **The Best Environmental Endeavor**, The 3rd Outstanding Corporate Innovator Indonesia Award
- **Green Property Awards 2017**, Intermoda District BSD City for Green Transportation - TOD Concept - Township category



PR Indonesia Award 2018



Warta Ekonomi Social Business Innovation Company 2018

PRODUCT QUALITY AND CUSTOMER WELL-BEING

We are pleased to report that one of our office buildings, GOP 1, received the 'Gold' predicate for Design Recognition by the Green Building Council Indonesia in FY2018. GOP 1 is part of BSD Green Office Park area, which is the first office district in Indonesia to be certified as a 'Gold' Green district by Singapore's BCA.

The consistent implementation of green building standards in our Green Office Park in BSD City has allowed us to achieve significant improvements in our environmental impact.

We are pleased to report that one of our office buildings, GOP 1, received the 'Gold' predicate for Design Recognition by the Green Building Council Indonesia in FY2018. GOP 1 is part of BSD Green Office Park area, which is the first office district in Indonesia to be certified as a 'Gold' Green district by Singapore's BCA.

Encouraged by these results, we have selected several new office buildings to be certified with the same green standards and look forward to reporting on their progress in our future reports.

For our other existing buildings within BSD City, we will consider implementing parts of these green standards guidelines, wherever feasible.



ENSURING CUSTOMERS' AND THE PUBLIC'S WELL-BEING

We take all incidents relating to our customers' or general public's well-being very seriously. All health and safety incidents involving members of the public such as guests, visitors, occupants, tenants, and customers are reported, and included in our Monthly Operations Report which is submitted to Division Heads and the Group Division Head (CEO).

As part of our HSE awareness program for tenants, we engage in a number of regular activities to promote safety in our buildings. These include HSE socialisation, the placement of safety signage in public spaces, corridors and food courts, and fire drills with tenants and visitors.

In 2018, there were 19 injuries and 76 dangerous occurrences or near misses involving members of the public in our buildings (down from 25 injuries and 97 dangerous occurrences in 2017). Most of the reported incidents were due to human error involving our guests, visitors, tenants, or customers. An investigation is carried out after each incident, the results of which are reported in an incident investigation report, including follow-up actions undertaken. This report will be presented during the respective SBU's Monthly Operations Meeting.

MEMBERS OF PUBLIC SAFETY STATISTICS IN BUILDINGS

2017

97

25

2018

76

19



Number of dangerous occurrences/near misses



Number of injuries

COMMUNITY

Our sustained commercial success depends on the well-being of our local communities in Indonesia and our areas of operation. We work hard to improve the prosperity of our local stakeholders with targeted, strategic investments into infrastructure and community development.



IN THIS SECTION

On the following pages, we provide an overview of the broad range of initiatives undertaken by SML that focus on positive community impact. Our activities to support the local communities fall into the following five categories:

TYPE OF PROJECT	OBJECTIVES
Community Welfare Improvement	To improve community welfare by providing work opportunities, enhancing skills and knowledge for potential talent in the community, and channeling local talent to potential employers
Green Initiatives for Climate Action	To engage communities in responding to climate action and creating a green environment within their neighbourhoods
Education Leverage	To provide communities with access to better education system and facilities
Infrastructure Enhancement	To improve public infrastructure within the community area as part of SML's responsibility to the community
Community Support	To support activities initiated by surrounding communities by providing donations or facilities

Sinarmas Land is committed to integrate our responsibilities with the surrounding communities as part of our Group's business strategy. By improving the socio-cultural environment within our operations' communities through various initiatives, we aim to create significant benefits for local communities on the basis of common shared value and coherent understanding.

Apart from large-scale infrastructure projects, we have also conducted community development programs such as collecting donations, making contributions to the victims of natural disasters, promoting healthy living, and supporting the development of worship facilities.

In addition, we aid in the renovation of school buildings, extend financial assistance towards the purchase of learning equipment and organise a blood donation drive once every three months.

Sinarmas Land, through BSDE and its flagship development BSD City, has developed an entire township equipped with complete facilities and amenities such as residential units, business districts, commercial office buildings, shopping centres, and public facilities – all of which alleviate the living standards of the surrounding communities. Through the development of BSD City, SML has created jobs and work opportunities for surrounding communities in Tangerang, increasing the liveability and income per capita for the region.

As the largest privately developed satellite city located at the fringe of Central Jakarta, BSD City has become one of the most desirable locations to reside. Positioned as an urban oasis surrounded by lush greenery and complete amenities, our city-dwellers are conveniently connected to Jakarta via key pieces of public transport infrastructure.

We are constantly engaging our communities, conducting social impact assessments, as well as Environmental Impact Assessments (AMDAL) for all our projects and development programs in BSD City prior to commencement of development activities.



Gelar Waroeng Culinary Center, Grand Wisata, Indonesia

COMMUNITY



COMMUNITY WELFARE IMPROVEMENT

ACTIVITY	ENTITY / REGION	IMPACT ON COMMUNITY AND LOCAL ECONOMY
<i>Pasar Modern (Modern Market) Intermoda</i>	BSD City	In March 2018, we launched our second modern market in BSD City. Occupying a land area of 2.6 hectares, the double-storey modern market consists of 539 retail kiosks and 220 stalls. The market is an integrated part of the newly renovated Cisauk train station and easily accessible by different modes of public transportation. The traditional market place is the breeding ground for local entrepreneurs, particularly those belonging to MSME group. Currently, Sinarmas Land has developed and is managing four of these markets namely, Pasar Modern BSD, Fresh Market Kota Wisata, Pasar Modern Grand Wisata, and Pasar Modern Intermoda BSD City, benefitting more than 3,000 MSMEs.
<i>Sentra Kriya (Craft Center) at BSD Knowledge House ("Rumah Pintar")</i>	BSD City	<u>Craft Center</u> : these activities focus on improving each individuals' or groups' creativity through lessons such as eco printing (using natural colour from leaves and flowers) and clothes screen printing (sablon).
<i>IT Programming Scholarship with Techpolitan</i>	BSD City	A coding and programming scholarship program for students who live around BSD City to support the development of our Digital Hub project and ensuring that students are well prepared for the growing demand of modern job markets. In 2018, we launched this program for computer programmers in collaboration with Techpolitan, a digital edutainment center in BSD City. All 33 students who have graduated from this program were hired by major government-owned IT companies such as Telkom Sigma, and private company such as GeeksFarm.
<i>Gelar Waroeng (Culinary Centre)</i>	Grand Wisata Bekasi	In 2018, Sinarmas Land launched a culinary centre in Bekasi City, West Java. In view of the large market potential in Indonesia's culinary industry, the 9,000 sqm culinary centre provides training and knowledge to the local community, empowering them to improve their livelihoods and boosting the local economy growth in Bekasi City.
<i>Pasar Rakyat School</i>	President's Office, Group Division	At Sinarmas Land, we believe knowledge and management skills are integral for successful business. To further improve the livelihood of the MSMEs, the Group has been making efforts to develop business acumen of the MSME partners, preparing them to operate their business in a successful and sustainable manner. In 2018, we continue to conduct a series of training programs in partnership with Pasar Rakyat School at BSD City for MSMEs to improve their skills so as to improve their welfare, and for managers to improve their management skill on managing clean and healthy markets.

COMMUNITY



GREEN INITIATIVES FOR CLIMATE ACTION

ACTIVITY	ENTITY / REGION	IMPACT ON COMMUNITY AND LOCAL ECONOMY
<i>BSD Green Festival</i>	BSD City	As part of World Environment Day which is celebrated on the 5 th of June every year, Sinarmas Land held the 15 th Green Festival as its pledge to encourage awareness and action plan to protect our environment. During the Green Festival, we provided opportunities for students to acquire knowledge and insights about our environmental problems and ways to resolve them. Training materials on the following topics were provided: Green House Effect, Biopore Infiltration Wells, Garbage Composting, Greening, Air Pollution, and Wildlife Conservation.
<i>Tree Planting</i>	BSD City, Batam, and Kota Deltamas	Sinarmas Land supports environmental action around its projects by conducting tree planting activities at several locations. In BSD City and Batam we collaborate with local Environmental Services (<i>Dinas Lingkungan Hidup</i>), while in Deltamas City we collaborate with local Indonesia Military and Police Forces to plant trees at Bekasi District, Bojomangu sub-district.
<i>Jagir River Revitalisation</i>	Surabaya	Sinarmas Land completed the revitalisation project in the northern and southern parts of Jagir River in Surabaya. A stretch of 1km along Jagir River was transformed into a green open space with various facilities for the local community, such as a green pedestrian park, cycling area, skate park, and children's playground. The revitalisation project was concluded with a community handover ceremony in May 2018. The project aims to improve the health, well-being, and quality of living of local communities whilst facilitating greater engagement between SML and the local communities.
<i>Telaga Desa Agro Enviro Education Park</i>	Karwang International Industrial City ("KIIC"), Karawang	Designated as a Biological Variety Park spanning over 3 hectares of land near KIIC, Village Lake ("Telaga Desa") Agro-Enviro Education Park is a centre for research and education in agriculture, environment and ecotourism. Please find following some key performance indicators for this program (based on FY2017/2018 data): - 9,428 tourists participated in the eco-tour - 68 training courses were conducted - 3,286 visitors studied the area's biodiversity - 31,360 kg of compost produced - 31,192 seeds produced

COMMUNITY



EDUCATION LEVERAGE

ACTIVITY	ENTITY / REGION	IMPACT ON COMMUNITY AND LOCAL ECONOMY
<i>Gerakan Sekolah Menyenangkan (GSM)</i>	BSD City	GSM aims to equalize ordinary school and superior schools, by changing the mind-set of teachers, students, and society. Cooperating with various stakeholders in South Tangerang City and Tangerang District, this program targets Primary and Junior School students. Under this program, Sinarmas Land has worked together with academic experts to share new teaching methods with Primary and Junior School teachers. These new methods focus on using interaction and fun application to allow students to better understand challenging subject matters.
<i>All Sentra (excluding Sentra Kriya) at BSD Knowledge House ("Rumah Pintar")</i>	BSD City	<u>Computer Center</u>: improves children's ability to use the Microsoft operating system; <u>Book Center</u>: improve children's interest in reading by providing them with an extensive range of books <u>Playing Center (kindergarten)</u>: focus on developing and educating children in their early childhood. <u>Audio Visual Center</u>: Using audio and visual tools, the center focuses on activities such as traditional and modern dance and martial arts (pencak silat) <u>Sign language</u>: trainings were conducted to improve the sign language skills for members of the Deaf and Listen Communities in South Tangerang and Tangerang District. We were pleased to record an increase in the number of members and students for BSD Knowledge House in 2018: - 2017: 7,513 attendants in 620 trainings/activities - 2018: 11,299 attendants in 630 trainings/activities
<i>Educational Scholarship</i>	BSD City	From 2015 until 2018, SML has provided educational scholarship for 100 students (Primary to Senior High School), 300 internal employees (non-staff) and 100 teachers.
<i>Educational Scholarship</i>	KIIC Karawang	KIIC Scholarships were given to 240 outstanding low-income families' students from 6 villages around KIIC (Margakaya, Wadas, Sukalutu, Paseurjaya, Sirnabaya, and Parungmulya).

COMMUNITY

INFRASTRUCTURE ENHANCEMENT

ACTIVITY	ENTITY / REGION	IMPACT ON COMMUNITY AND LOCAL ECONOMY
<i>Road Repair Programme</i>	Kota Deltamas	Repaired around 1.8 kilometres of high-capacity road with a width of 5.5 metres in Kota Deltamas's GIIC. The repair works was jointly undertaken with Muspika, Dinas Binarmarga, Sukamahi as the local coordinators. The new road has provided transportation convenience to the local community.
<i>Renovation of Cisauk Station</i>	BSD City	We completed the upgrading work at the Cisauk Train Station in 2018. The renovated station accommodates a larger number of users and encourages higher train ridership in and out of BSD City. Train transportation is a lower carbon alternative to other modes of transport.
<i>Street Lighting Installation for Village</i>	BSD City	Currently SML has completed 10 street lighting installations in 3 villages in Pandeglang and Cisauk, Tangerang District. This initiative has encouraged the surrounding community to be more productive.
<i>Lapangan Banteng Revitalisation</i>	Jakarta	Revitalization of <i>Lapangan Banteng</i> was funded by Sinarmas Land. Built on 5.2 hectares of land in Jakarta that is owned and managed by DKI Jakarta Government, this project consists of green open space and public space with many facilities such as a jogging track, fountains, sport court, Islamic prayer room, family area and child-friendly facilities.



Cisauk Train Station, Tangerang, Banten, Indonesia



Pasar Modern Intermoda, BSD City, Indonesia

COMMUNITY



COMMUNITY SUPPORT

ACTIVITY	ENTITY / REGION	IMPACT ON COMMUNITY AND LOCAL ECONOMY
<i>Breakfasting event with 75 orphans in celebration of Ramadhan</i>	Kota Deltamas	Held a breakfasting event with 75 orphans during the Ramadhan period. This activity was conducted in cooperation with local authorities to support and care for the orphans around Kota Deltamas.
<i>BSD Ramadhan Festival</i>	BSD City	This activity was held around the BSD City project that includes handing out donations to orphans and mosque's caretakers. We organised health counselling for local community, free haircuts for the orphans, a bazaar, and breakfasting together as a form of hospitality with the local, religious figures, and local government officials.
<i>Gebyar Kemerdekaan</i>	BSD City	<i>Gebyar Kemerdekaan</i> is an annual event to celebrate Indonesia's Independence Day. This event is intended to provide a space for community gathering in BSD City, including performances by children from local communities and socialisation of BSD Knowledge House trainings.



MANAGING OUR IMPACT ON COMMUNITIES

As we continue to develop and enhance the vibrancy of BSD City, there are development activities that might inevitably pose some inconvenience to communities in the immediate or surrounding vicinity. Nonetheless, the Group shall respect the rights of local communities and ensure that both our contractors and employees adhere to the legal requirements stipulated by the Indonesian government.

Every contractor appointed or engaged by Sinarmas Land must be rated by the regional regulator and possess a Construction Service Permit Letter issued by the government. This is part of our internal control procedures to ensure that there is no compromise on the quality of our developments.

In addition, we have included the following initiatives to avoid negative impacts during construction activities:

- Regular communication with the communities surrounding the development project about our construction plans;
- Respect the needs and well-being of surrounding communities (e.g. noise reduction, reasonable construction hours, keeping the environment clean during construction);

Apart from the examples of our work undertaken for the benefit of local communities cited above, we are pleased to share that during the reporting period, none of our operations were found to have any significant or potentially negative impacts on local communities. Based on Government Regulation No. 27 (2012) on Environment Control Permits, prior to commencement of any property development project in Indonesia, every developer must perform an environmental impact assessment (AMDAL) and provide plans to avoid/mitigate the possibility of negative impacts, if any. The content of this assessment is extensive and includes physical, chemical (land, soil, space, etc.), as well as biological aspects (habitats and biodiversity), social factors (economics, safety, culture, etc.) and community health. These regulatory stipulated assessments ensure that developers give due consideration to the potential environmental impacts before embarking on their development. The developer is only allowed to commence the development once they have obtained the approved environmental impact assessment, amongst many other mandatory required approvals, from the local government.

APPENDIX A:

NOTES FOR SUSTAINABILITY PERFORMANCE DATA

GENERAL

1. Buildings (refers to completed buildings):

Environmental and safety data for FY 2017 only consist of the three Green Office buildings in BSD City. Reporting scope for FY 2018 has been expanded to include the following buildings within our flagship development BSD City:

Green Office Buildings:

- HA Sinar Mas Land Plaza – BSD City
- HA MyRepublic Plaza
- HA GOP 9

Non-Green Office Buildings:

- HA Wisma BCA
- HA Customer Care Office
- HA GOP Marketing Office
- HA BSD Permit and Township Office

Retail Malls:

- HA Q-BIG
- HA The Breeze

Trade Center:

- HA ITC BSD

Residential Apartment Buildings:

- HA Casa de Parco
- HA Saveria

Business Lofts:

- HA Ruko Icon 1
- HA Ruko Icon 2
- HA Foresta Business Loft 1
- HA Foresta Business Loft 2
- HA Foresta Business Loft 3
- HA Foresta Business Loft Signature

2. Development Projects (refers to construction and redevelopment activities):

Environmental and safety data for FY 2017 consist of only one development project in BSD City, i.e. GOP 1. Reporting scope for FY 2018 has been expanded to include the following development projects within our flagship development BSD City:

- HA GOP 1
- HA Ruko Icon 3
- HA Ruko East Modern Market
- HA Ruko Golden Vienna
- HA Foresta Business Loft 5
- HA Foresta Business Loft 6
- HA Cisauk Train Station

ENVIRONMENT

1. Buildings' environmental performance data include data of the whole building (common area and tenants' data are included in scope), except for the Commercial buildings where we maintain control of the common area only. Data from tenants is excluded from all Commercial buildings.
2. Buildings' energy consumption, GHG emissions, and respective intensities data include our use of electricity from the grid and diesel fuel for emergency purposes in our back-up generators. Our processes do not use any heating, cooling, or steam consumption.
3. We do not sell any electricity, heating, cooling, or steam energy to other organisations.
4. Gross Floor Area (GFA) for intensity figures: GFA is identified based on the Built Drawing Data and Tenant Relation Data (based on Tenant Agreement).
5. All covered floor areas of a building, except otherwise exempted, and uncovered areas for commercial uses, are deemed to be the gross floor area of the building.
6. We also report our intensity figures on a GFA occupied basis. GFA occupied is calculated by multiplying occupancy rate (simple average of monthly occupancy rates) with the GFA.
7. Building and development site details including property type, approximate net leasable area, project site area, and expected completion date are available in SML's Annual Report 2018 (Property Portfolio, page 74-87).
8. Standards and methodologies used for unit conversion of diesel fuel are based on the Carbon Disclosure Project.
9. Greenhouse gas conversion is based on the Greenhouse Gas Protocol.
10. Emission factors for electricity consumption are sourced from the Standard Pedoman Teknis Perhitungan Baseline Gas Rumah Kaca Sektor Berbasis Energi Republik Indonesia, Area Jamali (Jawa-Madura Bali): 0.725 kg/CO₂/kWh.
11. Greenhouse Gas Protocol Emission Factors from Cross Sector Tools, March 2017 were used for diesel conversions. The gases included in the conversion of diesel are CO₂, CH₄ and N₂O.

APPENDIX A:

NOTES FOR SUSTAINABILITY PERFORMANCE DATA

12. Our water consumption data is based on the standards and methodologies defined by the Indonesian National Standard and Indonesian regulation for water supply.
13. Since all our buildings in BSD City are located within the same area, we are not required to maintain individual records for each building's water discharge. Therefore, we have on-site meters to measure water discharge in only three of our buildings in scope, namely MyRepublic Plaza, Wisma BCA and our retail mall Q-BIG. The water discharge data in our report is based on the assumption that volume of water discharge from a building is approximately 80% of water consumed. This methodology is aligned with international standards and the Indonesian government's Ministry of Public Work and Housing. Data from our residential apartment and business loft buildings are excluded from the scope of water discharge as these buildings are tenanted (SML only maintains control of the common area). Data from the buildings housing the Customer Care Office and the BSD Permit and Township Office are also excluded from this report's scope as these buildings are using septic tanks, hence there are no records of water discharge.
14. Development projects' environmental performance data includes information on materials used. We currently do not report on energy consumption, water consumption, and waste produced in our development projects.

HEALTH AND SAFETY

1. Buildings' health and safety performance data include workplace accidents of employees at building premises.
2. Development projects' health and safety performance data include workplace accidents of contractors at project sites.
3. Safety performance data for members of public include accidents of guests, visitors, occupants, tenants, customers, etc. at building premises.
4. Accident frequency rate (AFR) is defined as the number of workplace accidents for every one million man-hours worked.
5. Accident severity rate (ASR) is defined as the number of man-days lost to workplace accidents for every one million man-hours worked.

PEOPLE

1. Data on our employees include the overall employment statistics for our Indonesian operations (excluding any Joint Ventures).
2. Scheduled workdays are calculated by 5 days x 52 weeks minus public holidays, annual leave and parental leave.
3. There are no significant variations in the total number of our employees. A significant portion of the development projects are performed by our contractors during construction.
4. Average training hours =
$$\frac{\text{total training hours for the year}}{\text{Number of employees as at 31 Dec 2018}}$$
 per employee

APPENDIX B:

GRI CONTENT INDEX

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBER AND REASONS FOR OMISSIONS, IF APPLICABLE
General Disclosures			
Organisational Profile			
GRI 102: General Disclosures 2016	102-1	Name of the organization	About Sinarmas Land, page 3
GRI 102: General Disclosures 2016	102-2	Activities, brands, products, and services	About Sinarmas Land, page 3
GRI 102: General Disclosures 2016	102-3	Location of headquarters	About Sinarmas Land, page 3
GRI 102: General Disclosures 2016	102-4	Location of operations	About Sinarmas Land, page 4-5
GRI 102: General Disclosures 2016	102-5	Ownership and legal form	About Sinarmas Land, page 3-5
GRI 102: General Disclosures 2016	102-6	Markets served	About Sinarmas Land, page 3-5
GRI 102: General Disclosures 2016	102-7	Scale of the organization	About Sinarmas Land, page 3-5; Sinarmas Land Annual Report 2018, page 72-73
GRI 102: General Disclosures 2016	102-8	Information on employees and other workers	People > Employment > Our Employees, page 27-28
GRI 102: General Disclosures 2016	102-9	Supply chain	About Sinarmas Land, page 5
GRI 102: General Disclosures 2016	102-10	Significant changes to the organization and its supply chain	About Sinarmas Land, page 4-5
GRI 102: General Disclosures 2016	102-11	Precautionary Principle or approach	Our Approach > Governance and Risk Management, page 12-13
GRI 102: General Disclosures 2016	102-12	External initiatives	Our Approach > Sinarmas Land's Sustainability Vision, page 11-12
GRI 102: General Disclosures 2016	102-13	Membership of associations	About Sinarmas Land, page 5
Strategy			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Message from the Chairman, page 6-8
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	Our Approach > Governance and Risk Management, page 12-14
Governance			
GRI 102: General Disclosures 2016	102-18	Governance structure	Our Approach > Governance and Risk Management, page 13
Stakeholder Engagement			

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GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Our Approach > Stakeholder Engagement, page 15-18
GRI 102: General Disclosures 2016	102-41	Collective bargaining agreements	People > Benefits and Welfare > Respecting Freedom of Association and Collective Bargaining Rights, page 33
GRI 102: General Disclosures 2016	102-42	Identifying and selecting stakeholders	Our Approach > Stakeholder Engagement, page 15
GRI 102: General Disclosures 2016	102-43	Approach to stakeholder engagement	Our Approach > Stakeholder Engagement, page 15-17
GRI 102: General Disclosures 2016	102-44	Key topics and concerns raised	Our Approach > Stakeholder Engagement, page 16
Reporting Practice			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	a. Our Annual Report 2018, page 44 provides an overview of all our main subsidiaries. b. About This Report, page 9
GRI 102: General Disclosures 2016	102-46	Defining report content and topic Boundaries	Our Approach > Materiality, page 14
GRI 102: General Disclosures 2016	102-47	List of material topics	Our Approach > Materiality, page 15
GRI 102: General Disclosures 2016	102-48	Restatements of information	There have been no restatements of information from the previous report covering the financial year 2017
GRI 102: General Disclosures 2016	102-49	Changes in reporting	Our Approach > Materiality, page 14
GRI 102: General Disclosures 2016	102-50	Reporting period	About This Report, page 9
GRI 102: General Disclosures 2016	102-51	Date of most recent report	Our inaugural report, Sustainability Report for FY2017, was published on 15 May 2018. Our previous report can be accessed via this link: http://www.sinarmasland.com/sustainability-report
GRI 102: General Disclosures 2016	102-52	Reporting cycle	About This Report, page 9
GRI 102: General Disclosures 2016	102-53	Contact point for questions regarding the report	About This Report, page 10
GRI 102: General Disclosures 2016	102-54	Claims of reporting in accordance with the GRI Standards	About This Report > Board Statement, page 10
GRI 102: General Disclosures 2016	102-55	GRI content index	GRI Content Index, page 50-58
GRI 102: General Disclosures 2016	102-56	External assurance	About This Report, page 9
TOPIC SPECIFIC DISCLOSURES			
Category: Economic			
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report 2018, page 46

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GRI 103: Management Approach 2016	103-2	The management approach and its components	Annual Report 2018, page 46
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Annual Report 2018, page 46
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report 2018, page 97-104
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	People > Benefits and Welfare > Retirement Plans and other Defined Benefits, page 34
Market Presence			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People > Benefits and Welfare > Above the minimum wage, page 33
GRI 103: Management Approach 2016	103-2	The management approach and its components	People page 27-35 People > Benefits and Welfare > Above the minimum wage, page 33
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	People > Benefits and Welfare > Above the minimum wage, page 33
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	People > Benefits and Welfare > Above the minimum wage, page 33
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community, page 42-47
GRI 103: Management Approach 2016	103-2	The management approach and its components	Community, page 42-47
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Community, page 47
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Community, page 42-47
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	Community, page 42-47
Anti-Corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach > Governance and Risk Management, page 12-13
GRI 103: Management Approach 2016	103-2	The management approach and its components	Our Approach > Governance and Risk Management, page 12-13
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Our Approach > Governance and Risk Management, page 12-13
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Our Approach > Governance and Risk Management, page 12-13

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GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Our Approach > Governance and Risk Management, page 12-13
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Our Approach > Governance and Risk Management, page 12-13
Category: Environment			
Materials			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment > In this section, page 19 Environment > Materials, page 20
GRI 103: Management Approach 2016	103-2	The management approach and its components	Environment > Materials, page 20
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Environment > Materials, page 20
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Environment > Materials, page 20
GRI 301: Materials 2016	301-2	Recycled input materials used	Environment > Materials, page 20
Energy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment > In this section, page 19 Environment > Energy, page 21
GRI 103: Management Approach 2016	103-2	The management approach and its components	Environment > Energy, page 21
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Environment > Energy, page 21-22
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environment > Energy, page 21-22 Appendix A, page 48 In 2018, our buildings in scope used 63,481 litres of diesel which equals approximately 2,293 GJ or 636,924 kWh for emergency purposes in our back-up generator. Our buildings in scope consumed 51,676,185 kWh of electricity from the grid.
GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	Environment > Energy, page 21-22 Appendix A, page 48
GRI 302: Energy 2016	302-3	Energy intensity	Environment > Energy page 21-22 Appendix A, page 48
Water			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment > In this section, page 19 Environment > Water, page 23-25

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GRI 103: Management Approach 2016	103-2	The management approach and its components	Environment > Water, page 23-25
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Environment > Water, page 23-25
GRI 303: Water 2016	303-1	Water withdrawal by source	Environment > Water, page 23-25 Appendix A, page 48
GRI 303: Water 2016	303-2	Water sources significantly affected by withdrawal of water	Environment > Water, page 23-25 Appendix A, page 48
GRI 303: Water 2016	303-3	Water recycled and reused	Environment > Water, page 23-25 Appendix A, page 48
Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment > In this section, page 19 Environment > Emissions, page 22-23
GRI 103: Management Approach 2016	103-2	The management approach and its components	Environment > Emissions, page 22-23
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Environment > Emissions, page 22-23
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environment > Emissions, page 22-23 Appendix A, page 48
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	Environment > Emissions, page 22-23 Appendix A, page 48
GRI 305: Emissions 2016	305-4	GHG emissions intensity	Environment > Emissions, page 22-23 Appendix A, page 48
GRI 305: Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	Environment > Emissions, page 23
Effluents and Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment > In this section, page 19 Environment > Effluents and Waste, page 25-26
GRI 103: Management Approach 2016	103-2	The management approach and its components	Environment > Effluents and Waste, page 25-26
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Environment > Effluents and Waste, page 25-26
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Environment > Effluents and Waste, page 25 Appendix A, page 48
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Environment > Effluents and Waste, page 26
GRI 306: Effluents and Waste 2016	306-5	Water bodies affected by water discharges and/or runoff	No water bodies are significantly affected by our water discharges and/or runoff

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Environmental Compliance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Environment > In this section, page 19 Environment > Environmental Compliance, page 26
GRI 103: Management Approach 2016	103-2	The management approach and its components	Environment > Environmental Compliance, page 26
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Environment > Environmental Compliance, page 26
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environment > Environmental Compliance, page 26

Category: Social

Employment

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People, page 27
GRI 103: Management Approach 2016	103-2	The management approach and its components	People > Employment > New Hires and Employee Retention, page 30-31 People > Benefits and Welfare, page 32-34
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	People > Employment > New Hires and Employee Retention, page 30-31 People > Benefits and Welfare, page 32-34
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	People > Employment > New Hires and Employee Retention, page 30-31
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People > Benefits and Welfare, page 32-34
GRI 401: Employment 2016	401-3	Parental leave	People > Benefits and Welfare > Family-friendly Employer, page 32-33

Labour-Management Relations

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People, page 27-35
GRI 103: Management Approach 2016	103-2	The management approach and its components	People, page 27-35
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	People, page 27-35
GRI 402: Labour-Management Relations 2016	402-1	Minimum notice periods regarding operational changes	The minimum notice period is currently defined by our business needs. We do not have a formal policy on this matter yet, but are considering establishing one.

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Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety, page 36-38
GRI 103: Management Approach 2016	103-2	The management approach and its components	Occupational Health and Safety > Our disciplined approach to ensuring Occupational Health & Safety, page 36
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Occupational Health and Safety > Our disciplined approach to ensuring Occupational Health & Safety, page 36
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety > Our disciplined approach to ensuring Occupational Health & Safety, page 37-38
Training and Education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People > People Development > Training and Development, page 34-35
GRI 103: Management Approach 2016	103-2	The management approach and its components	People > People Development > Training and Development, page 34-35
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	People > People Development > Training and Development, page 34-35
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	People > People Development > Training and Development, page 34-35
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	People > People Development > Training and Development, page 34-35
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	People > People Development > Employee Engagement, page 35
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People > Employment > Diversity and Equal Opportunity, page 28-30
GRI 103: Management Approach 2016	103-2	The management approach and its components	People > Employment > Diversity and Equal Opportunity, page 28-30
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	People > Employment > Diversity and Equal Opportunity, page 28-30
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	People > Employment > Diversity and Equal Opportunity, page 28-29
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	People > Employment > Diversity and Equal Opportunity, page 30

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Local Communities			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community, page 42-47
GRI 103: Management Approach 2016	103-2	The management approach and its components	Community, page 42-47 Community > Managing Our Impact on Communities, page 47
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Community, page 42-47 Community > Managing Our Impact on Communities, page 47
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community, page 42-47
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	Community > Managing Our Impact on Communities, page 47
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Product Quality and Customer Well-Being, page 41 Product Quality and Customer Well-Being > Ensuring Customers' and the Public's Well-Being, page 41
GRI 103: Management Approach 2016	103-2	The management approach and its components	Product Quality and Customer Well-Being > BSD Green Office Park, page 41 Product Quality and Customer Well-Being > Ensuring Customers' and the Public's Well-Being, page 41
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Product Quality and Customer Well-Being > BSD Green Office Park, page 41 Product Quality and Customer Well-Being > Ensuring Customers' and the Public's Well-Being, page 41
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were zero incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period
Marketing and Labeling			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach > Governance and Risk Management, page 12-14
GRI 103: Management Approach 2016	103-2	The management approach and its components	Our Approach > Governance and Risk Management, page 12-14
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Our Approach > Governance and Risk Management, page 12-14

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GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	Our Approach > Governance and Risk Management, page 14
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	Our Approach > Governance and Risk Management, page 14
Socioeconomic Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach > Governance and Risk Management, page 12-14
GRI 103: Management Approach 2016	103-2	The management approach and its components	Our Approach > Governance and Risk Management, page 12-14
GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	Our Approach > Governance and Risk Management, page 12-14
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Our Approach > Governance and Risk Management, page 14



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