

# Sustainability Statement

Due to the recent divestment of our poultry business in September 2020 and the COVID-19 pandemic, we understand that stakeholder concerns and priorities might have shifted. The Board of Directors (“the Board”) recognises the importance of achieving the sustainable development and taking into consideration all factors that will affect the Group’s business operations in order to create shareholders’ value and safeguard the interest of all stakeholders in the long term.

This is the inaugural sustainability statement of the Group and outlines our approach to manage key risks and opportunities arising from business operations and communicates to our stakeholders on our Economic, Environmental and Social (“EES”) performance and initiatives throughout the financial year ended 31 December 2020 (“FY2020”).

The Company has conducted a materiality assessment to better understand the shift, address changes and retain the trust of key stakeholders. Further information on the materiality assessment can be found on page 23.

We have strengthened our management and monitoring approach of EES matters by establishing a three-tiered sustainability governance structure, which is illustrated and further elaborated on page 19.

## **SCOPE AND BOUNDARY (102-2, 102-3, 102-4, 102-46, 102-50)**

We have fully advanced into the affordable housing sector in October 2020. This report covers the EES performance of the Group’s headquarters in Seri Manjung, Perak and ongoing projects from 1st January 2020 to 31st December 2020.

### Ongoing projects:

- Bandar Baru Setia Awan Perdana, Sitiawan, Perak
- Lagenda Teluk Intan, Teluk Intan, Perak
- Taman Bemban Indah, Batu Gajah, Perak
- Pengkalan Prisma, Batu Gajah, Perak
- Taman Bemban Permai, Perak
- Taman Mulia Phase 5, Sitiawan, Perak



Where possible, we will disclose two (2) years of quantitative data for comparability and to highlight any progresses made.

# Sustainability Statement (Cont'd)

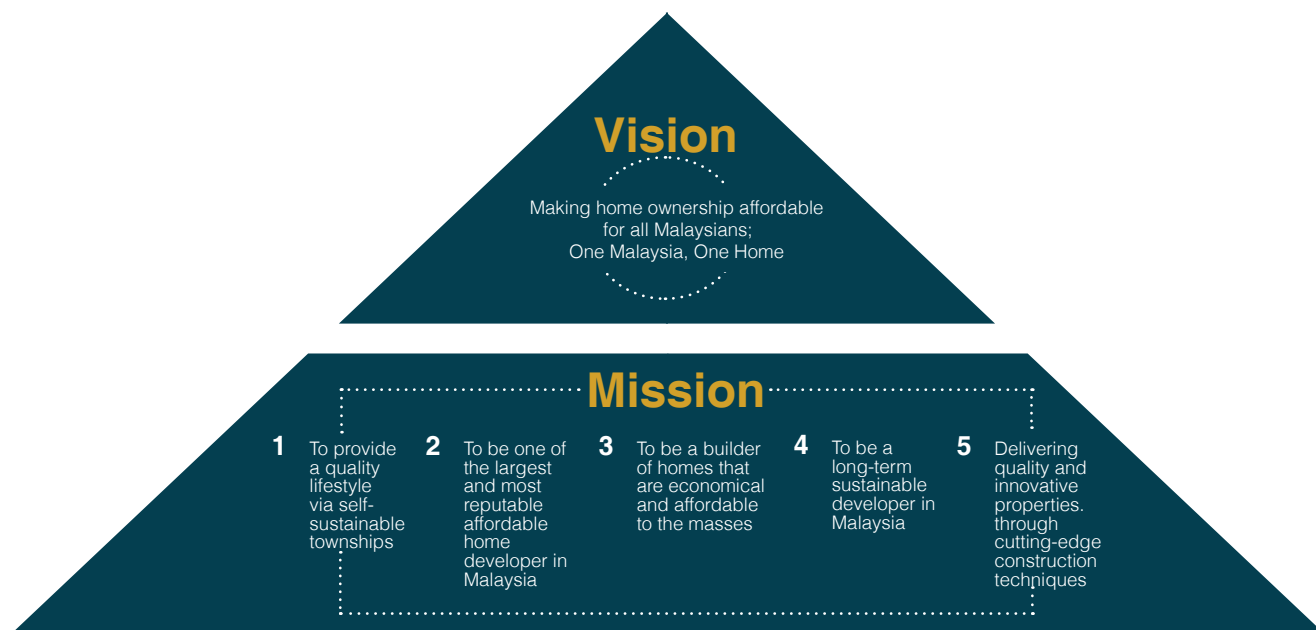


## REPORTING FRAMEWORK

This report is prepared in accordance to Bursa Malaysia’s Main Market Listing Requirements and Sustainability Reporting Guide (2nd Edition), and references the Global Reporting Initiative (GRI) Standards. We have also aligned our sustainability initiatives with the United Nations Sustainable Development Goals (“UN SDGs” and “SDGs”).

## SUSTAINABILITY STRATEGY

The vision and mission statement of Lagenda Properties reflect our commitment and drive towards incorporating sustainability throughout our operations, as we aim towards being included in the FTSE4Good rating. With a strong corporate governance framework, we focus on the material matters and take stakeholders concerns into account when developing a group-wide sustainability strategy.



<i>Economic</i>	<i>Environmental</i>	<i>Social</i>
<ul style="list-style-type: none"> <li>• Business ethics</li> <li>• Market presence</li> <li>• Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>• Water Management</li> <li>• Energy efficiency</li> <li>• Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable Housing</li> <li>• Quality and Customer Satisfaction</li> <li>• Occupational Health and Safety</li> <li>• Training and Development</li> <li>• Diversity and Inclusion</li> <li>• Community Engagement</li> </ul>



## ALIGNMENT WITH THE UN SDGS

As an emerging force in the property development sector, we are cognisant of our role in supporting the development agenda of the Eleventh Malaysia Plan 2016-2020, which is aligned with the UN SDGs. As such, we have streamlined our operations to contribute to six (6) SDGs which resonate with the Group's business direction.



### 1. No Poverty

- Creating employment opportunities
- Provision of paid parental leave

### 3. Good Health and Well-Being

- Provision of insurance for employees
- Provision of food supplies to communities impacted by COVID-19 in collaboration with various government agencies

### 8. Decent Work and Economic Growth

- Provide equal employment opportunities to all, regardless of gender and age
- Provide adequate training and benefits
- Developed a COVID-19 Taskforce Committee to safeguard the health of our employees

### 11. Sustainable Cities and Communities

- Construction of affordable and inclusive housing areas

### 12. Responsible Consumption and Production

- Encourage responsible electricity usage in offices and invest in energy-efficient technology
- Installing rainwater harvesting systems at project sites
- Employ IBS for all projects and manage effluent discharge

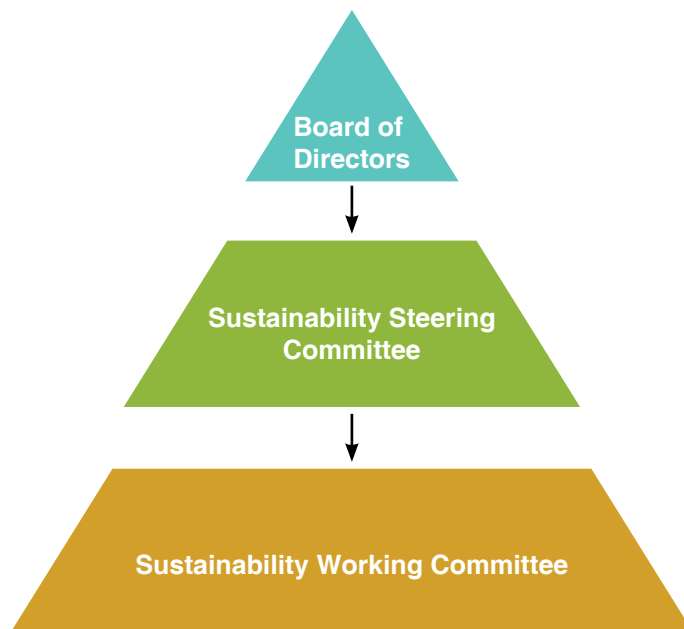
### 16. Peace, Justice and Strong Institutions

- Implemented an Anti-Bribery & Anti-Corruption Policy, and a Code of Conduct and Ethics






## SUSTAINABILITY LEADERSHIP (102-18, 102-19, 102-26, 102-29)

The integration of sustainability into the Group’s decision-making and business processes is governed by a strong sustainability governance structure. The Board sits at the apex of this structure and is assisted by the Sustainability Steering Committee (“SSC”) and the Sustainability Working Committee (“SWC”).







The roles and responsibilities of the Board, SSC and SWC can be found in the table below.

<p><b>Board of Directors</b></p> 	<ul style="list-style-type: none"> <li>• To review and approve sustainability strategies, policies and initiatives.</li> <li>• Responsible for the overall oversight of sustainability across the Group.</li> </ul>
<p><b>Sustainability Steering Committee</b></p> 	<ul style="list-style-type: none"> <li>• To review the reports of sustainability management activities of the departments.</li> <li>• To oversee the SWC for the Group’s sustainability plans and progress.</li> </ul>
<p><b>Sustainability Working Committee</b></p> 	<ul style="list-style-type: none"> <li>• To assist the SSC to prepare the disclosures for the Group’s sustainability report.</li> <li>• To collect and monitor data to evaluate the Group’s sustainability progress.</li> </ul>



## STAKEHOLDER ENGAGEMENT (102-40, 102-42, 102-43, 102-44)





Keeping abreast with stakeholder concerns and being aware of their interests is important for business longevity. As such, we strive to foster good relationships with key stakeholders to make better business decisions and manage their expectations. This is achieved through regular engagement sessions as showcased in the table below. In this reporting period, we have engaged two (2) more stakeholders i.e Fund Providers and Media as we believe that this will strengthen our commitment towards sustainability.

Stakeholder Group	Engagement Methods	Areas of Interest	Legenda Properties' Response
<b>SHAREHOLDERS / INVESTORS</b>  Why we engage: Shareholders/Investors play a major role in business development	<ul style="list-style-type: none"> <li>• Corporate announcements</li> <li>• General meetings</li> <li>• Annual report</li> <li>• Media announcement</li> <li>• Company website</li> <li>• Project launches</li> <li>• Marketing and promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Group's performance</li> <li>• Business strategy and ethics</li> <li>• Governance practice</li> <li>• Current and future project development</li> <li>• Share price performance</li> <li>• Company's prospects</li> </ul>	<ul style="list-style-type: none"> <li>• Profitable returns</li> <li>• Reinforce transparency</li> <li>• Financial sustainability</li> <li>• Continuous updates through quarterly results announcements and board meetings</li> </ul>
<b>EMPLOYEES</b>  Why we engage: Our workforce is a direct representation of the Group	<ul style="list-style-type: none"> <li>• Online training programmes</li> <li>• Corporate activities (festive luncheon and sweet delights)</li> <li>• Team building exercises</li> <li>• Emails/Memos</li> <li>• Induction programme</li> <li>• Intranet communication</li> </ul>	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Training competency</li> <li>• Safety at the workplace</li> <li>• Compensation and employee benefits</li> <li>• Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Manage work environment</li> <li>• Ensure employee benefits</li> <li>• Continuous engagement and motivation of employees</li> <li>• Results driven rewards to the employees.</li> </ul>
<b>REGULATORY BODIES</b>  Why we engage: Regulatory bodies ensure that professional standards are maintained	<ul style="list-style-type: none"> <li>• Inspection by local authority</li> <li>• Meeting with regulatory bodies</li> <li>• Regulatory requirements and compliance reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Standards and certification</li> <li>• Government policies</li> <li>• Economic issues</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with laws and regulations</li> <li>• Gather audit findings and reports from regulatory bodies</li> <li>• Engage with various authorities to discuss matters related to business operations and government policies and regulatory requirements</li> </ul>
<b>CUSTOMERS</b>  Why we engage: Customer support is vital for economic growth	<ul style="list-style-type: none"> <li>• Corporate announcements</li> <li>• Company website</li> <li>• Media announcements</li> <li>• Project launches</li> <li>• Customer satisfaction survey</li> <li>• Customer events</li> <li>• Product brochures</li> </ul>	<ul style="list-style-type: none"> <li>• Product and service quality</li> <li>• Customer satisfaction</li> <li>• Health, safety and environmental compliance</li> <li>• Product features and facilities</li> <li>• Pricing of products</li> <li>• Timely delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Gather feedback through customer satisfaction surveys</li> <li>• Strengthen quality and management system</li> <li>• Customer community events (Hari Raya Haji, Merdeka Day)</li> </ul>

# Sustainability Statement (Cont'd)



## STAKEHOLDER ENGAGEMENT (102-40, 102-42, 102-43, 102-44) (Cont'd)

Stakeholder Group	Engagement Methods	Areas of Interest	Legenda Properties' Response
<b>SUPPLIERS</b>  Why we engage: Supplier performance and input is critical to our business	<ul style="list-style-type: none"> <li>• Suppliers registration</li> <li>• Contact through telephone and email</li> <li>• Periodic meetings and briefings</li> <li>• Project updates and meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent procurement practices</li> <li>• Timely pay-outs</li> <li>• Payment terms</li> <li>• Contract terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Promote transparent and fair pricing</li> <li>• Ensure timely pay-outs</li> </ul>
<b>LOCAL COMMUNITIES</b>  Why we engage: To have a positive impact on the local community	<ul style="list-style-type: none"> <li>• Community engagement activities</li> <li>• CSR programme</li> <li>• Corporate announcements</li> <li>• Media announcements</li> <li>• Annual report</li> <li>• Company website</li> <li>• Festive season celebrations</li> <li>• Project launches</li> </ul>	<ul style="list-style-type: none"> <li>• Social issues</li> <li>• Environmental impacts</li> <li>• Safety and health</li> <li>• Employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Support social events</li> <li>• Organise charity events</li> <li>• Sponsorship</li> <li>• CSR programmes</li> </ul>
<b>FUND PROVIDERS</b>  Why we engage: Fund providers play a crucial role in economic stability	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Corporate announcements</li> <li>• Media announcements</li> <li>• Annual reports</li> <li>• Company websites</li> <li>• Project launches</li> <li>• Marketing &amp; Promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic reporting</li> <li>• Loan covenant compliance reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Timely repayment</li> <li>• Constant communication</li> </ul>
<b>MEDIA</b>  Why we engage: To build community trust and provide transparency on our operations	<ul style="list-style-type: none"> <li>• Corporate announcements</li> <li>• Media announcements</li> <li>• Annual reports</li> <li>• Company website</li> <li>• Project launches</li> </ul>	<ul style="list-style-type: none"> <li>• Impact of operations on surrounding environment and communities</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining strong relationships</li> <li>• Update on accurate information</li> </ul>
<ul style="list-style-type: none"> <li>• Anually</li> <li>• Quarterly</li> <li>• Monthly</li> <li>• Weekly/Periodically</li> <li>• As and when necessary</li> </ul>			





## MATERIAL SUSTAINABILITY MATTERS (102-47)

### Materiality Reassessment

A materiality assessment is vital to understand the importance of material sustainability matters to business operations and stakeholders. This enables the development and further enhancement of appropriate EES management plans. It is conducted when there are significant changes to our business operations or context.

In FY2018, Lagenda Properties identified 14 material matters. Due to the business transition, these were reviewed in FY2019, resulting in the removal of Animal Health and Welfare, and Food Safety as material matters; Four (4) material matters added – Business Performance, Supply Chain Management, Water Management and Affordable Housing; and consolidation of Diversity and Development, Employee Benefits and Protecting Labour Rights into one (1) material matter, Diversity and Inclusion. A total of 14 material matters were identified in FY2019.

For this reporting period, we have decided to maintain the material matters from FY2019 as they continue to be relevant to our current operations. However, in light of the business transition and COVID-19, we revisited the ranking of the material matters. This reassessment was conducted online using Google Forms and was distributed to internal and external stakeholders. Respondents were required to rank the importance of material matters to business operations and stakeholders. Due to time constraints, each respondent was required to respond on behalf of three (3) stakeholder groups to achieve a more all-rounded response that accurately represents areas of interest and concerns. Representation of a particular stakeholder group was determined based on our engagement with them and our understanding of that stakeholder group's interests.

The illustration below describes the step-by step process we undertook to establish the materiality matrix in FY2020.



#### Identification

A list of relevant material sustainability matters and key stakeholders were identified



#### Assessment

An online materiality assessment was conducted to understand the priority of material matters to business operations and stakeholders



#### Mapping

The results of the materiality assessment are mapped on a materiality matrix in order of priority to the business and stakeholders



#### Validation

The materiality matrix is validated by the Board and is reviewed annually

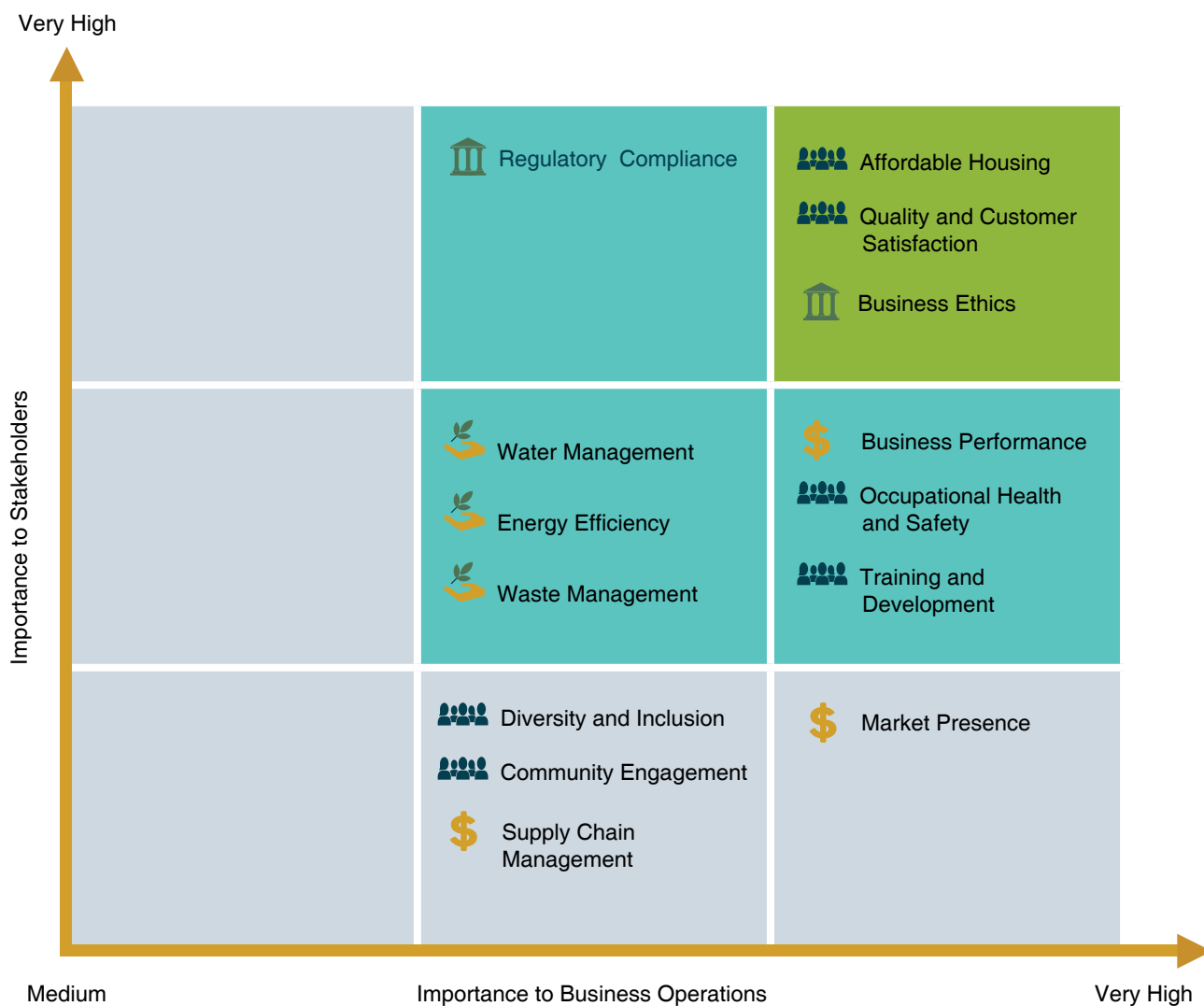


# Sustainability Statement (Cont'd)



## Materiality Matrix

Based on responses from the reassessment, a materiality matrix was generated where each material sustainability matter is plotted based on its priority to business operations and priority to stakeholders. The top right quadrant of the matrix indicates material matters of very high importance to both the Group and its stakeholders. In FY2020, the most important material matters were Affordable Housing, Quality and Customer Satisfaction, and Business Ethics.







## Navigating This Report

Throughout this report, the following legends are used to illustrate connectivity between key sustainability elements:

**Very high priority material sustainability matters**

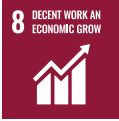

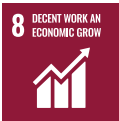

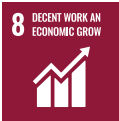
**High priority material sustainability matters**

**Medium priority material sustainability matters**

Each section (Governance, Economic, Environmental and Social) also indicates the SDGs and GRI indicators relevant to that section and the material matters it covers. The GRI content index can be found on page 38.

## Mapping Our Material Sustainability Matters

To create a more holistic approach to sustainability reporting, it is important to understand our material sustainability matters in relation to the GRI Standards, UN SDGs and affected stakeholders. The table below illustrates the relationship between the aforementioned components.

Material Sustainability Matter	GRI Indicator	Stakeholder	UN SDG
<b>GOVERNANCE</b>			
<b>Business Ethics</b>	<b>102-16:</b> Ethics and Integrity <b>102-17:</b> Mechanisms for advice and concerns about ethics <b>205-1:</b> Operations assessed for risks related to corruption <b>205-2:</b> Communication and training about Anti-Corruption Policies and procedures	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Regulatory Bodies</li> <li>Employees</li> <li>Fund Providers</li> </ul>	 
<b>Regulatory Compliance</b>	<b>103-2:</b> Management approach <b>307-1:</b> Non-compliance with environmental laws and regulations <b>419-1:</b> Non-compliance with laws and regulations in the social and economic sector	<ul style="list-style-type: none"> <li>Regulatory Bodies</li> <li>Employees</li> <li>Shareholders</li> <li>Fund Providers</li> </ul>	 
<b>ECONOMIC</b>			
<b>Business Performance</b>	<b>103-2:</b> Management approach <b>201-1:</b> Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Employees</li> <li>Fund Providers</li> <li>Media</li> </ul>	



# Sustainability Statement (Cont'd)


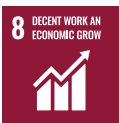

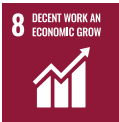






## Mapping Our Material Sustainability Matters (Cont'd)

Material Sustainability Matter	GRI Indicator	Stakeholder	UN SDG
<b>ECONOMIC</b>			
<b>Market Presence</b>	<b>103-2:</b> Management approach <b>202-2:</b> Proportion of senior management hired from the local community	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Employees</li> <li>Fund Providers</li> <li>Media</li> </ul>	
<b>Supply Chain Management</b>	<b>102-9:</b> Supply chain <b>103-2:</b> Management approach <b>204-1:</b> Proportion of spending on local suppliers <b>308-1:</b> New suppliers that were screened using environmental criteria <b>414-1:</b> New suppliers that were screened using social criteria	<ul style="list-style-type: none"> <li>Suppliers</li> <li>Customers</li> </ul>	
<b>ENVIRONMENTAL</b>			
<b>Energy Efficiency</b>	<b>103-2:</b> Management approach <b>302-1:</b> Energy consumption within the organisation <b>302-3:</b> Energy intensity	<ul style="list-style-type: none"> <li>Employees</li> <li>Shareholders</li> </ul>	
<b>Waste Management</b>	<b>103-2:</b> Management approach <b>303-2:</b> Management of water discharge-related impacts <b>306-2:</b> Management of significant waste-related impacts	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Regulatory Bodies</li> <li>Communities</li> <li>Employees</li> </ul>	
<b>Water Management</b>	<b>103-2:</b> Management approach <b>303-5:</b> Water consumption	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Regulatory Bodies</li> <li>Communities</li> <li>Employees</li> </ul>	
<b>SOCIAL</b>			
<b>Affordable Housing</b>	<b>103-2:</b> Management approach	Customers Communities Media	



## Mapping Our Material Sustainability Matters (Cont'd)

Material Sustainability Matter	GRI Indicator	Stakeholder	UN SDG
<b>SOCIAL</b>			
<b>Quality and Customer Satisfaction</b>	<b>102-43:</b> Approach to stakeholder engagement <b>103-2:</b> Management approach	<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> </ul>	
<b>Occupational Health and Safety</b>	<b>403-1:</b> Occupational health and safety management system <b>403-2:</b> Hazard identification, risk assessment and incident investigation (HIRARC) <b>403-4:</b> Worker participation, consultation and communication on occupational health and safety <b>403-5:</b> Worker training on occupational health and safety <b>403-9:</b> Work-related injuries	<ul style="list-style-type: none"> <li>Regulatory Bodies</li> <li>Employees</li> </ul>	 
<b>Diversity and Inclusion</b>	<b>103-2:</b> Management approach <b>401-1:</b> New employee hires and employee turnover rate <b>401-2:</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees <b>405-1:</b> Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>Employees</li> </ul>	
<b>Training and Development</b>	<b>103-2:</b> Management approach <b>404-1:</b> Average hours of training per year per employee <b>404-2:</b> Programmes for upgrading employee skills and transition assistance programmes	<ul style="list-style-type: none"> <li>Employees</li> </ul>	
<b>Community Engagement</b>	<b>103-2:</b> Management approach <b>413-1:</b> Operations with local community engagement, impact assessments and development programmes	<ul style="list-style-type: none"> <li>Communities</li> <li>Employees</li> </ul>	  



## OUR ROBUST GOVERNANCE PRACTICES

Conducting business in an ethical manner is important for us to achieve our business objectives while exhibiting transparent and honest behaviour to our stakeholders.



### **BUSINESS ETHICS (102-16, 102-17, 205-2)**

Establishing and maintaining a robust governance is key to establishing trust between Lagenda and its shareholders. We adopted ethical policies in FY2020 that demonstrate the Group's commitment to responsible governance. Details of the policies adopted are summarised below:

#### **Anti-Bribery & Anti-Corruption ("ABAC") Policies and Guidelines**

- A comprehensive and standardised guideline to manage corruption risks, i.e., abuse of power, bribery, facilitation payments etc.
- Applicable to Directors, employees and external contractors.
- Adopted on November 2020.

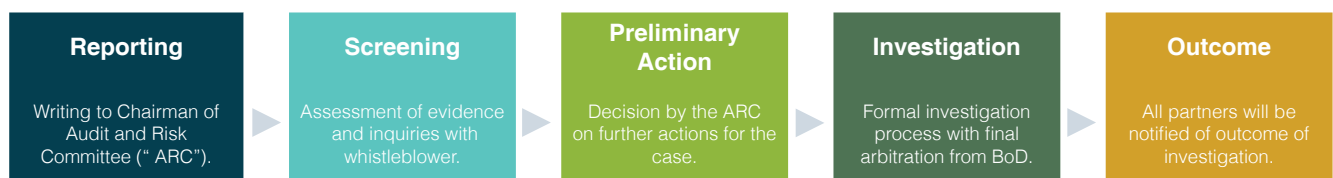
#### **Code of Conduct and Ethics (the "Code")**

- Formal document on the Group's expectations of employee conduct in the workplace.
- Applicable to Directors, officers and employees.
- Revised on February 2020.

The Board plays an integral part in the implementation of the ABAC Policy and the Code. The role of the Board includes:

- Setting commitment towards the prohibition of bribery and corruption in all business conduct within the Group;
- Approves the ABAC Policy and Guidelines and the Code;
- Ensures the alignment of the ABAC Policy and Guidelines to the strategy of the Group;
- Maintains oversight on ABAC governance, to address the Group's bribery and corruption risks;
- Promotes appropriate ABAC culture within the Group.

To provide an avenue of reporting for concerned parties, our Whistleblowing Policy has a grievance mechanism. We ensure confidentiality for all reports made in good faith. The illustration below outlines the procedure we follow for handling whistleblowing cases.



Policies are subject to periodic reviews to ensure they are updated. Any updates made to the policies will be communicated to all relevant stakeholders. The policies are available on the company website (<https://lagendaproperties.com>) for interested parties. We organised induction training for new hires in FY2020. It covered the Group's Terms of Employment, which includes the ABAC Policy and the Code.

### **REGULATORY COMPLIANCE (103-2, 307-1, 419-1)**

From corporate governance to construction safety procedures, we strive to comply with all regulations relating to our operations to provide our customers and shareholders with a sense of security. Below are some of the key regulations that Lagenda complies with.

- Corporate Governance Guide
- Bursa Malaysia Main Market Listing Requirements
- Employment Social Security Act 1969
- Minimum Retirement Age Act 2012
- Town and Country Planning Act 1976
- Environment Quality Act 1974

We recorded one (1) case of environmental non-compliance and one (1) case of social non-compliance in this reporting period, for which we paid RM10,000 in fines. We have taken corrective measures to ensure such incidents do not repeat in the future.



## OUR ECONOMIC TRACK RECORD

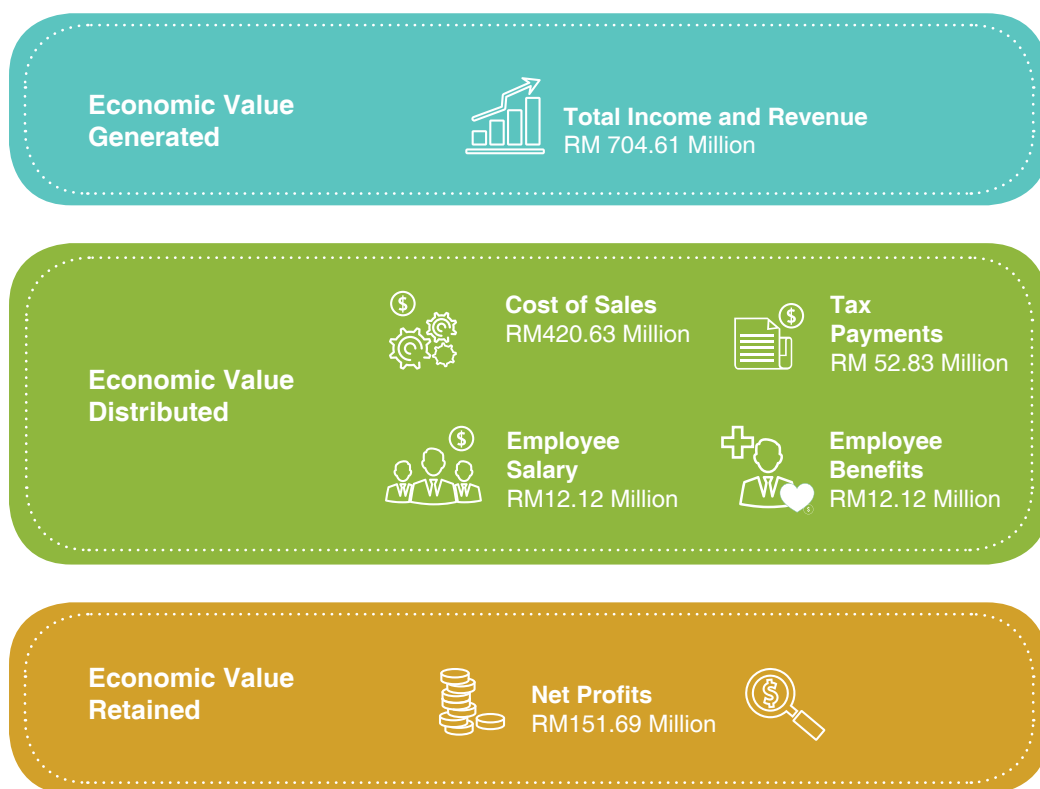
We are committed to creating quality jobs, driving sustainable development, opening doors to economic opportunity and running a profitable business.



## BUSINESS PERFORMANCE (201-1)

FY2020 was a challenging year for Lagenda due to the COVID-19 pandemic and the Movement Control Order (MCO) bringing changes to the way we operate. However, the global pandemic did not significantly impact our financial performance as our main market focus is affordable housing for local clientele.

The Group's FY2020 financial highlights are illustrated below:



Full details of our financial performance can be viewed on page 77 to page 89 of this annual report.

## MARKET PRESENCE (103-2, 202-2)

As a property developer with a focus on the local market, maintaining a viable market presence is important to maintain competitive advantage. We aim to stand out among our rivals by implementing measures to better understand local market demands. The Group has engaged with universities and government agencies to broaden our business presence amongst prospective graduates and authorities.

We seek local talent during the hiring process as they are more knowledgeable of local culture required to perform market research. By providing local candidates employment, we provide them an opportunity to improve their standard of living and socio-economic conditions.

Even at the top, Senior Management in FY2020 was 100% Malaysian.

# Sustainability Statement (Cont'd)



## SUPPLY CHAIN MANAGEMENT (103-2, 204-1)

We seek to integrate sustainability across our entire value chain, from construction supply procurement to client handover, while engaging stakeholders such as manufacturers, dealers and stockists. We achieve this by establishing standard operating procedures (SOPs) for evaluating and grading supplier performance. As of this reporting period, the supplier evaluation criteria only includes price, payment terms and availability of material goods. However, new marking schemes are currently being developed to further refine our efforts to encourage our suppliers to adopt sustainable practices.

All suppliers we engaged in FY2020 were local suppliers, providing many advantages to Lagenda, including lower procurement cost as well as greater control and flexibility over our supply chain.

### OUR ENVIRONMENTAL STEWARDSHIP

The construction sector accounts for high energy consumption to run its operations. Our environmental drive aims to minimise the adverse impacts we create and is focused on three (3) aspects: energy, waste and water.

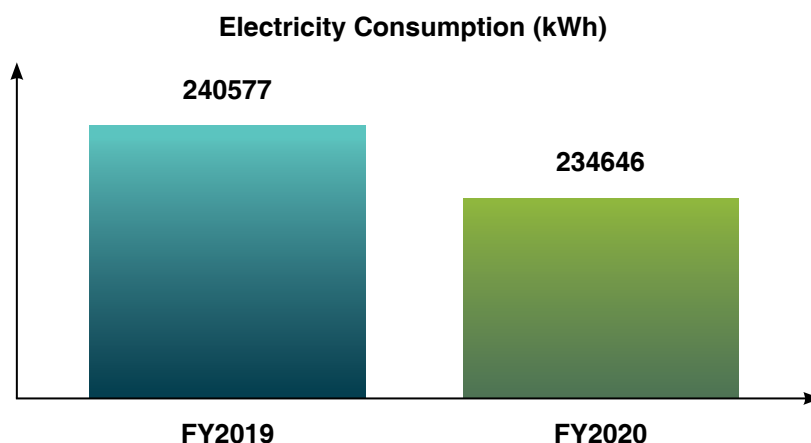


## ENERGY EFFICIENCY (103-2, 302-1)

Electricity from the local power grid remains our predominant source of energy. We recognise the need to reduce the Group's electricity consumption as a measure to curb carbon emissions. We achieve this through two (2) approaches: encouraging best practices in the office and investing in energy efficient technology.

The Office Administration team periodically sends out reminders to our employees on the importance of smart electricity usage as well as ways to reduce energy consumption in the office. The Group's initiatives extend beyond our office headquarters. Our drive for energy efficiency has led us to incorporate green features and designs in our buildings. LED technology is more energy efficient and durable than conventional incandescent lighting. We have expanded the installation of LED lighting since FY2019 to include streetlights in FY2020.

Our drive for energy efficiency has led to a drop in the Group's electricity consumption by 2.5% in FY2020, as illustrated in the figure below.



## WATER MANAGEMENT (103-2, 303-2)

Water has become a precious commodity for Lagenda to meet our growing demand. Although we are blessed with above average rainfall and are not situated in a water stressed location, we are cognisant of the importance of practising water management in our offices and project sites. We strive to minimise our impact on water bodies by reducing the quantity of water withdrawn for operational use and improving the quality of effluents discharged.

Lagenda's primary water source is potable surface water from the state-owned water treatment plant. Similar to electricity, the Office Administration team reminds employees about water saving measures in the office. Furthermore, we have included rainwater harvesting systems in all of our projects. The system serves two (2) purposes: reducing the amount withdrawn from conventional supply as well as reducing the risk of water shortage by diversifying our water sources.

In addition to water reduction initiatives, we ensure any water released from our construction sites do not contain effluents above the permissible limit set by regulatory bodies to prevent environmental contamination. Our sewage treatment plant is maintained to ensure we comply with the Department of Environment's water quality standard. The treatment plant is designed by external specialist and approved by Indah Water Konsortium. Independent consultants were also contracted to analyse our wastewater effluent according to the American Public Health Association (APHA) Standard for examination of water and wastewater 21st Ed. We recorded zero incidents of non-compliance in water quality parameters.

## WASTE MANAGEMENT (103-2)

Population growth and rural to urban migration has led to an increase in construction projects for housing. Certain construction waste contains hazardous chemicals and large amounts of waste places a burden on landfills. To address this risk, we actively employ the Industrialised Building System (IBS) for all projects, where components are prefabricated off-site before being assembled in the construction site.

## OUR CONTRIBUTION TO SOCIAL DEVELOPMENT

As a property developer, we place great emphasis on ensuring a safe workplace that is inclusive and fair to all employees. Our social commitment is to build townships to foster vibrant and sustainable communities



## AFFORDABLE HOUSING (103-2)

Affordable housing has been our business vision since 2018. We prioritise housing and township development for middle to low-income Malaysians. Although our business operations were not significantly affected by COVID-19, the government-imposed lockdown and restrictions have led to economic slowdown and reduced spending by Malaysians. With the implementation of IBS, we are able to enact cost saving measures without compromising on the quality of our designs.

There are six (6) projects under development in FY2020 concentrated in the state of Perak, with future plans to expand our business presence to other states in Malaysia, such as Kedah.



-  **Pengkalan Prisma**
-  **Taman Mulia Phase 5**
-  **Taman Bemban Permai**
-  **Taman Bemban Indah**
-  **Bandar Baru Setia Awan Perdana**
-  **Lagenda Teluk Intan**



## **QUALITY AND CUSTOMER SATISFACTION (103-2)**

At Lagenda, we pride ourselves on the quality of our project delivery. As required by the Construction Industry Development Board (CIBD), we comply with the Quality Assessment System in Construction (QLASSIC) standards across our projects. The quality of workmanship is assessed through site inspections and benchmarking exercises against approved quality standards.

Customer feedback is important to gauge the quality of the Group's after sale services and identify areas for improvements. From the handover of house keys to the expiration of warranty period, we have implemented controls to allow customers to express opinions or complaints. A company representative will accompany the customers to perform a preliminary inspection of the house before any transaction. Photos will be attached for record and future reference.

If a customer encounters any problem during the first 24 months of occupancy, they may lodge a complaint by submitting a Defects Form to the vendor. The vendor will keep track of all complaints lodged and provide a quarterly report to Lagenda for further action to be taken as well as record-keeping purposes. In this reporting period, we recorded a total of 3071 complaints from our residents, of which 95 % were resolved with 30 days as specified in our sales and purchasing agreement.

## **OCCUPATIONAL HEALTH AND SAFETY (403-1, 403-3, 403-4, 403-5, 403-9)**

Worker's health and safety is of utmost importance to Lagenda. Each site is governed by our Occupational Safety and Health (OSH) Policy, which aims to mitigate and minimise health and safety issues. Our OSH Committee is responsible for the management of workplace health and safety. The committee is headed by a Chairman and comprises of both employee as well as employer representatives. All project sites and work equipment are regularly inspected to ensure that safety procedures are adhered to. The committee also reviews the preparedness of emergency resources such as fire extinguishers and first aid supplies as a precautionary measure.

To ensure that best practices are met, the Board ensures that sufficient resources are allocated to the Health, Safety and Environment (HSE) Department by reviewing and approving the yearly budget. All our employees are fitted with adequate personal protective equipment (PPE) and are well versed in safety work measures. We also provide mandatory training and awareness programmes for our employees. In this reporting period, we conducted weekly toolbox meetings to reinforce the safety basics and to keep our workers updated on any new regulations or equipment/materials. Training were also organised for scaffolding and safety harness to instil the proper use and storage of tools to protect employees and others from injuries. As a result of our safety initiatives, out of a total of 14,976 work hours in FY2020, we recorded only two (2) work-related injuries.

### *COVID-19 Response*

To safeguard the health of our employees, additional measures were taken in response to COVID-19. We established a COVID-19 Taskforce Committee comprising three (3) main segments, namely Advisor, Medical and Facilities, and Safety Champions. The Safety Champions were assigned to our headquarters, galleries and other premises. They serve as the focal point for employees to propose appropriate safety precautions and are responsible for ensuring that internal Standard Operating Procedures (SOPs) are adhered to.








# Sustainability Statement (Cont'd)

## OCCUPATIONAL HEALTH AND SAFETY (403-1, 403-3, 403-4, 403-5, 403-9) (Cont'd)

### LAGENDA'S INTERNAL SOPS



Sanitisation 3 times daily



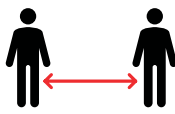
Temperature scan at entrance



MySejahtera code scan at entrances



Face masks must be worn in premises



1 metre social distancing



Number of staff in pantry during lunch is limited



Meetings with external parties are conducted online

## DIVERSITY AND INCLUSION (102-7, 102-8, 405-1, 401-1, 401-2)

We value workplace diversity as it opens us to different perspectives and cultures. Encouraging workplace diversity also allows our employees to feel accepted and included. In our hiring and career advancement process, we provide equal opportunities to all employees regardless of gender, age or race.

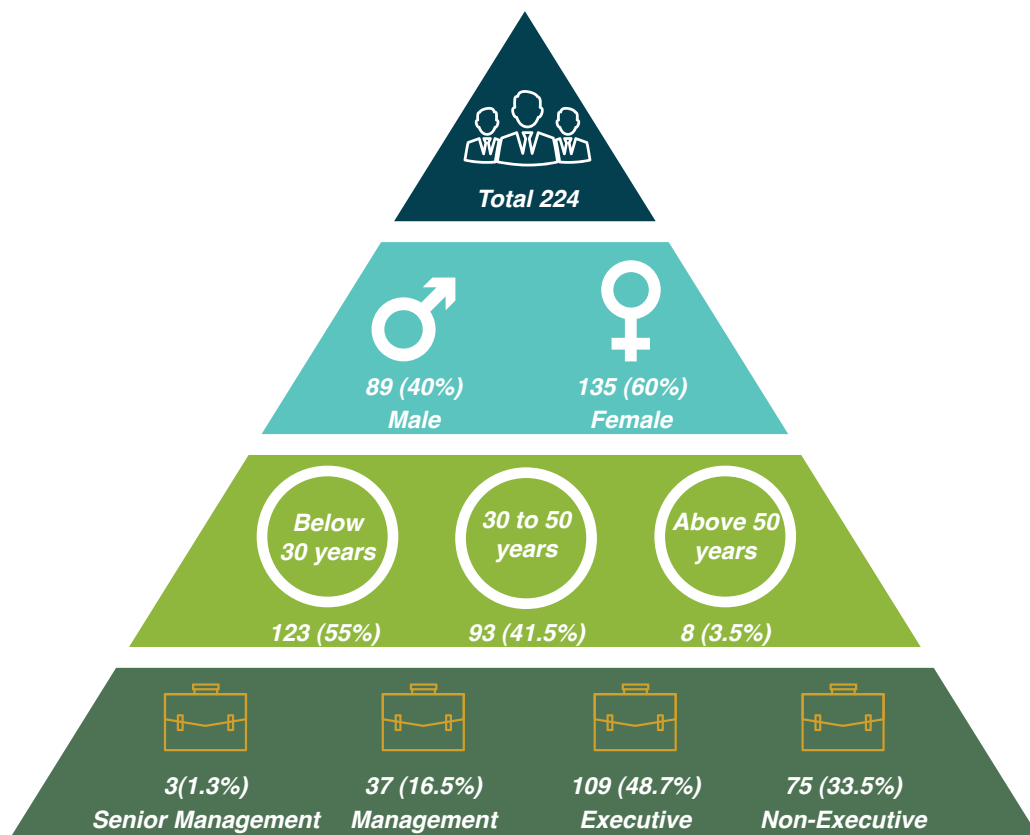
Our total staff strength in FY2020 was 224, of which 60% comprised female employees. The entire team is Malaysian and majority (55%) is below the age of 30. We value their propensity to learn and fresh perspective that this age group offers. However, we value all age groups within our team as our business benefits from the different levels of experience and industry know-how.



# Sustainability Statement (Cont'd)



## DIVERSITY AND INCLUSION (102-7, 102-8, 405-1, 401-1, 401-2) (Cont'd)



### Employee Benefits

Providing employees with an impressive benefits scheme is key to employee satisfaction and retaining talent. As such, we ensure that our employee’s professional and personal needs are met by providing attractive remuneration packages which includes benefits in the form of leave entitlement, allowances, medical provisions and statutory benefits. We are also aware that many of our employees may face challenges with regards to being a working parent while ensuring that their children are taken care off. To support our employees, we provide a kindergarten and child care services, including school holiday programmes, Islamic studies and enrichment classes, at a subsidised monthly fee. Further support was given to our employees through our initiative of providing fresh vegetables during the MCO period.

#### Leave Entitlement

- Annual leave
- Sick Leave
- Maternity/ Paternity Leave
- Compassionate leave
- Marriage Leave
- Training/ Seminar
- Time Off
- Unpaid Leave
- Hospitalisation

#### Allowance

- Replacement leave
- Overtime
- Transport
- Phone
- Outstation
- Meal
- Accommodation
- Car

#### Medical Benefits

- Outpatient
- Dental and annual check-ups
- GPA and GHS covergae

#### Statutory

- EPF
- SOCSO
- EIS



## DIVERSITY AND INCLUSION (102-7, 102-8, 405-1, 401-1, 401-2) (Cont'd)



Lucky Draw Session

Fostering strong relationship among our employees is crucial towards boosting productivity and motivation. As such, we conduct regular engagement activities to build a team-centric environment. In this reporting period, we organised a lucky draw session where our employees stood the chance to win prizes such as phones and tablets. We also encouraged participation in our Lose to Win Challenge 3.0, which saw our employees working together to win the grand prize of RM5,000.



Lose to Win Challenge 3.0



# Sustainability Statement (Cont'd)

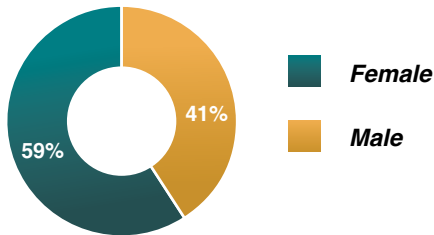


## DIVERSITY AND INCLUSION (102-7, 102-8, 405-1, 401-1, 401-2) (Cont'd)

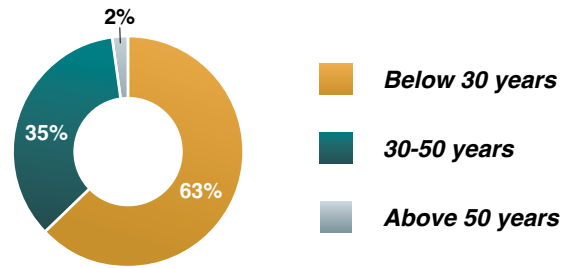
### New Hires and Resignations

In FY2020, we hired 169 new staff and 59% were women. The majority of new hires were below the age of 30. However, majority employees who resigned were also female and below 30.

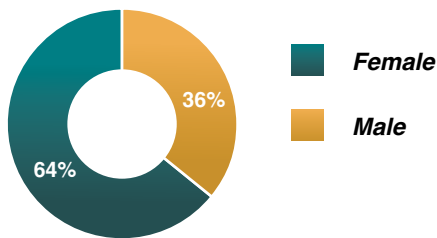
**New Hires by Gender**



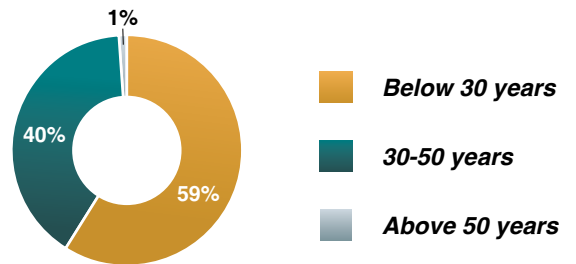
**New Hires by Age Group**



**Employee Resignation by Gender**



**Employee Resignation by Age Group**



## TRAINING AND DEVELOPMENT (404-1, 404-2)

Employees are the backbone of a business operation. We are cognisant of our role as a responsible employer to provide the necessary development opportunities to our employees. We believe that adequate training allows our employees to learn new competencies while strengthening existing ones, which in turn, increases productivity.

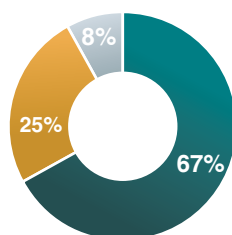
In FY2020, we recorded a total of 316 training hours, with an average of 2 hours per employee. The training provided was conducted by both internal and external organisers, and covered the areas of sales training, product knowledge, time management, Microsoft Excel training and HR training.

### EMPLOYEE TRAINING HOURS

**62%**  
**196 Hours**



**38%**  
**120 Hours**



Management - 13 Hours  
Executive - 105 Hours  
Non-Executive - 40 Hours



## COMMUNITY ENGAGEMENT (413-1)

In addition to contributing to the local economy, we are also committed to giving back to the community in our townships through corporate social responsibility (CSR) programmes. We recognise that creating a vibrant community requires active and ongoing engagement with local residents. Our main focus this year was to help communities affected by COVID-19 by providing food supplies, basic necessities and health essentials in collaboration with various government agencies. Moreover, we conducted various activities to foster and strengthen relationships within the community. In this reporting period, we contributed a total of RM643,000 in our efforts to support and promote societal development.



Providing food supplies, basic necessities and health essentials to communities and frontliners around the Manjung and Hilir Perak districts.



Contribution of cows to various mosques and fire stations in conjunction with Eid al-Adha festivities.



# Sustainability Statement (Cont'd)



## COMMUNITY ENGAGEMENT (413-1) (Cont'd)



Sponsoring back-to-school items such as bags and shoes to children around the Manjung District

Financial sponsorship of Manjung City Football Club – Kejohanan Liga M3



Organise community events at Bandar Baru Setia Awan Perdana in conjunction with Merdeka Day



## CONCLUSION

The existing issues of low market sentiment have amplified within the local property market, mainly due to the lack of incentives and stimulus packages for the property industry, coupled with economic uncertainty and consumer lifestyle changes brought about by the COVID-19 crisis. However, we believe that the short and long-term effects of COVID-19 can be managed by holding true to our sustainability agenda as it strengthens business resilience. Moving forward, we aim to further embed sustainability into the core of our operations and embed transformational sustainability strategies into our business model.



## GRI CONTENT INDEX (102-55)

GRI Disclosure	Description	Section	Page Number
<b>GRI 102: General Disclosure</b>	<b>Organisational Profile</b>		
	102-1: Name of the organisation	About this statement	16
	102-2: Activities, brands, products and services	Scope and boundary	16
	102-3: Location of headquarters	Scope and boundary	16
	102-4: Location of operations	Scope and boundary	16
	102-7: Scale of organisation	Diversity and Inclusion	32 - 35
	102-8: Information on employees and other workers	Diversity and Inclusion	32 - 35
	<b>Ethics and Integrity</b>		
	102-16: Values, principles, standards and norms of behaviour	Business Ethics	27
	102-17: Mechanisms for advice and concerns about ethics	Business Ethics	27
	<b>Governance</b>		
	102-18: Governance structure	Sustainability leadership	19
	102-19: Delegating authority	Sustainability leadership	19
	102-26: Role of highest governance body in setting purpose, values and strategy	Sustainability leadership	19
	102-29: Identifying and managing economic, environmental and social topics	Sustainability leadership	19
	<b>Stakeholder Engagement</b>		
102-40: List of stakeholder groups	Stakeholder engagement	20 & 21	
102-42: Identifying and selecting stakeholders	Stakeholder engagement	20 & 21	
102-43: Approach to stakeholder engagement	Stakeholder engagement	20 & 21	
102-44: Key topics and concerns raised	Stakeholder engagement	20 & 21	
<b>Reporting Practice</b>			
102-46: Defining report content and topic boundaries	Scope and boundary	16	
102-47: List of material matters	Material sustainability matters	22 - 26	
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<b>GRI 103: Management approach</b>	103-2: Management approach	Throughout the report	28 - 31
<b>Economic Performance</b>			
<b>GRI 200: Economic</b>	201-1: Direct economic value generated and distributed	Business Performance	28
<b>Market Presence</b>			
202-2: Proportion of senior management hired from the local community	Market Presence	28	
<b>Procurement Practices</b>			
204-1: Proportion of spending on local suppliers	Supply Chain Management	29	
<b>Anti-Corruption</b>			
205-2: Communication and training about anti-corruption policies and procedures	Business Ethics	27	



## GRI CONTENT INDEX (102-55)

GRI Disclosure	Description	Section	Page Number
<b>GRI 300: Environmental</b>	<b>Energy</b>		
	302-1: Energy consumption within the organisation	Energy Efficiency	29
	<b>Water and Effluents</b>		
	303-2: Management of water discharge-related impacts	Water Management	30
<b>GRI 400: Social</b>	<b>Environmental Compliance</b>		
	307-1: Non-compliance with environmental laws and regulations	Regulatory Compliance	27
	<b>Employment</b>		
	401-1: New employee hires and employee turnover	Diversity and Inclusion	33 - 35
	401-2: Benefits provided to full time employees that are not provided to part time or temporary employees	Diversity and Inclusion	33 - 35
	<b>Occupational Health and Safety</b>		
	403-1: Occupational health and safety management system	Occupational Health and Safety	31 & 32
	403-3: Occupational health services	Occupational Health and Safety	31 & 32
	403-4: Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety	31 & 32
	403-5: Worker training on occupational health and safety	Occupational Health and Safety	31 & 32
	403-9: Work-related injuries	Occupational Health and Safety	31 & 32
	<b>Training and Education</b>		
	404-1: Average hours of training per year per employee	Training and Development	35
	404-2: Programmes for upgrading employee skills and transition assistance programmes	Training and Development	35
<b>Diversity and Equal Opportunity</b>			
405-1: Diversity of governance bodies and employees	Diversity and Inclusion	33 - 35	
<b>Local Communities</b>			
413-1: Operations with local community engagement, impact assessments and development programs	Community Engagement	36 & 37	
<b>Socioeconomic Compliance</b>			
419-1: Non-compliance with laws and regulations in the social and economic area	Regulatory Compliance	27	

