

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

Lagenda is delighted to present our Sustainability Statement ("Statement") that provides a detailed narrative on key achievements throughout our sustainability journey, performance, and our strategic efforts in managing the Economic, Environmental and Social ("EES") matters.

As a socially conscious developer, our business model is built on recognising the importance of the sustainability spectrum. As demonstrated in our Vision and Mission, we provide affordable housing for the B40 and M40 market segments, while embracing the quality and innovation based on ESG principles.

Through this Statement, we convey our commitment to all our stakeholders in ensuring the creation of financial values is balanced with the realisation of non-financial values amidst a fast-changing and dynamic business environment.

### REPORTING PERIOD

This Statement covers activities during the reporting period of 1 January 2022 to 31 December 2022 or FYE 2022. Unless stated otherwise, where relevant, the comparative data from previous years to track year-on-year progress.

### REPORTING SCOPE AND BOUNDARY

The reporting scope and boundary cover major business operations and activities of Lagenda, all major subsidiaries in Malaysia, that Lagenda has direct managerial control.

Lagenda is cognisant that there may be significant ESG impacts from its value chain. The Group is committed to cascading its sustainability commitment, practices and culture to its extended business partners, suppliers, and contractors.

### REPORTING FRAMEWORK

This Statement is developed in accordance with best practice sustainability reporting frameworks. Primarily, the Group has opted to use the Global Reporting Initiative ("GRI") Core Option. Other frameworks as listed below (in full or partial adoption):

- Bursa Malaysia Sustainability Reporting Guide Third Edition
- FTSE4Good Bursa Malaysia Index ("FTSE4Good")
- SASB Sector Specific Disclosures ("SASB")
- Taskforce on Climate Change Financial Disclosures ("TCFD") Recommendations
- United Nations Sustainable Development Goal ("UNSDGs")

## REPORT AND DATA QUALITY

The content of this report is guided closely by the GRI reporting principles, covering four key areas:

### Stakeholder inclusiveness

This Statement identifies the needs and expectations of key internal and external stakeholders on Economic, Environmental and Social ("EES") matters that are important to our business. This ensures that the report is relevant and responsive to the needs of stakeholders.

### Sustainability context

Where relevant, this Statement places the sustainability matters within a wider context when managing our sustainability performance, with reference to UNSDGs, Climate-related risk and opportunities as emphasised by the TCFD Recommendations.

### Materiality

This Statement empirically identify, prioritise and defines the most key sustainability topics of the Group through survey and validated by Board (presented in Materiality Assessment section of this Statement).

### Completeness

This Statement includes the complete reporting boundary and sustainability material topics that are relevant to the Group and its stakeholders. This enables the Stakeholder to assess the performance and EES impacts during the reporting period.

# SUSTAINABILITY STATEMENT

## REPORT AND DATA QUALITY (Cont'd)

All data contained in this Statement has been internally sourced, verified and validated by the respective business division based on the GRI principles of accuracy, balance, clarity, comparability, reliability, and timeliness. The Group is cognisant that data-gathering still exists for certain indicators. We are in the process of implementing better database management and gathering mechanism for improved reporting going forward.

## STATEMENT OF USE

Lagenda's Board of Directors, as the Group's highest decision-making body, acknowledges responsibility for the following statement of use. The information reported for FYE 2022 has been prepared in accordance with the GRI Standards.

The Statement was approved by the Board on 10 April 2023.

## MEMBERSHIP OF ASSOCIATIONS

Lagenda is a member of the following professional bodies and industry associations.

- Corporate Member of FIABCI International Real Estate Federation Malaysia (Malaysian Chapter)

## ASSURANCE

Lagenda has undertaken independent auditing and assurance for financial data presented in this report, where the figures can be cross-referenced with the Financial Statement. Lagenda has not acquired third-party assurance for non-financial, sustainability-related data. However, to increase its credibility and for the purpose of future Green or Sustainability-linked financing and/or capital, the Group shall, when necessary, explore external assurance for the whole or part of the Sustainability Statement or any portions of disclosed data therein. We will continue to enhance the data and its documentation to strengthen disclosures going forward, including the involvement of third parties for assurance.

## FORWARD-LOOKING STATEMENTS

This Statement contains forward-looking statements that discuss Lagenda's targets, future plans, operations and performance based on reasonable and current assumptions and factors. The Group advises readers to refrain from solely relying on such statements as our business is subject to risks and uncertainties beyond our control. Actual results may differ.

## ACCESSIBILITY

The Statement can be accessed via our corporate website, [www.lagendaproperties.com](http://www.lagendaproperties.com) under the Sustainability section which also contains updates on our ongoing ESG activities and relevant policies.

## FEEDBACK AND ENQUIRIES

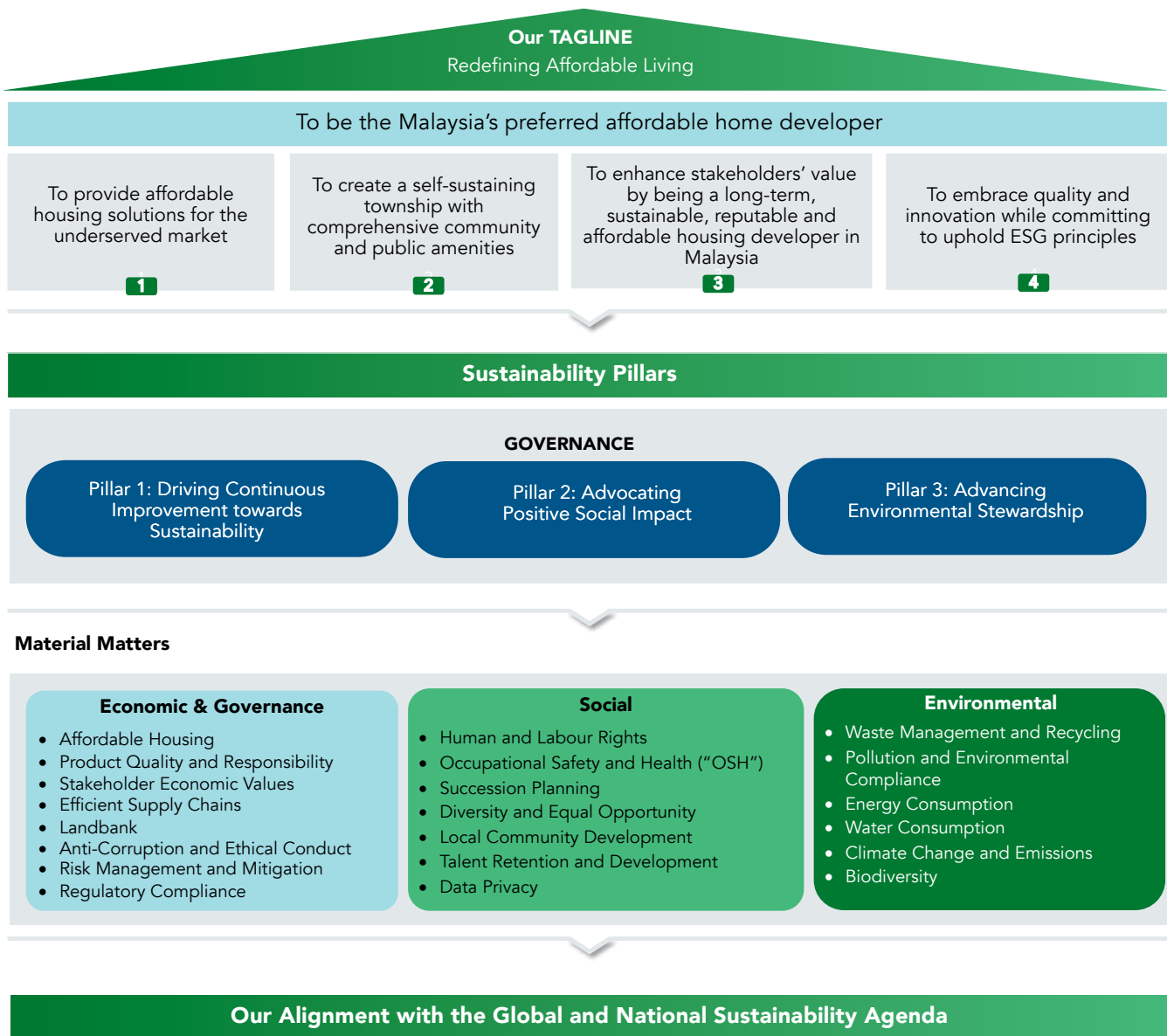
As the Group seeks to continuously improve our sustainability reporting to deliver a meaningful disclosure of our ESG performance, we appreciate questions, comments and suggestions from our stakeholders.

Please direct your inquiries to:  
Ms. Liew See See  
Company Secretary  
[liewseese@lagendaprops.com](mailto:liewseese@lagendaprops.com)  
+605 688 7179

# SUSTAINABILITY STATEMENT

## LAGENDA'S SUSTAINABILITY FRAMEWORK

Lagenda's sustainability approach is driven by the Group's Sustainability Pillars, to support Lagenda's Vision and Mission. It collectively addresses our material matters and support overall sustainability strategic decision making: -



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

# SUSTAINABILITY STATEMENT





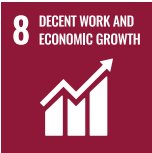
## SUSTAINABILITY ROADMAP AND KEY PERFORMANCE INDICATORS

Lagenda has developed a three-year Sustainability Roadmap that aligns with FTSE Russell’s ESG Ratings as we aspire to showcase our sustainability performance vis-à-vis our market peers. By tracking and measuring progress against the KPIs, Lagenda aims to continuously improve its sustainability performance, reduce negative impacts, and create positive impacts for its stakeholders.

Lagenda’s initiatives in furthering sustainability and creating a wide range of positive impacts for stakeholders are closely aligned with larger, global initiatives and measured against specific KPIs. In its approach to creating stakeholder values and shared prosperity, the Group has closely aligned with 10 of the 17 UNSDGs.

## MANAGING SUSTAINABILITY MATTERS AND ALIGNMENT WITH UNSDGs









The group’s highlights are indicated below:

PILLARS	Material Matters	KPI	Progress	UNSDGs
<b>Economic &amp; Governance</b>	Anti-corruption and Ethical Conduct	<ul style="list-style-type: none"> <li>Zero incidents of Corruption case</li> </ul>	<ul style="list-style-type: none"> <li>No corruption case recorded in 2022</li> <li>All suppliers went through anti-corruption evaluation upon appointment via MACC website and signed anti-bribe and declaration form.</li> <li>New appointed board members went through Anti-Corruption training.</li> </ul>	
	Risk Management and Mitigation	<ul style="list-style-type: none"> <li>Maintain 100% risk management functions and process</li> </ul>	<ul style="list-style-type: none"> <li>Established the Enterprise Risk Management Framework</li> </ul>	
	Product Quality and Responsibility	<ul style="list-style-type: none"> <li>100% of customer complaints were responded to within 15 days with the incorporation of a communication monitoring system to improve the</li> <li>Increase in customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>100% of customers complaints received and responded within 15 days.</li> <li>Customer satisfaction scores 92% in 2022</li> </ul>	
	Efficient Supply Chains	<ul style="list-style-type: none"> <li>100% procurement spending on local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>About RM250 million of local procurement spending</li> <li>100% local suppliers</li> <li>Suppliers’ evaluation criteria of material quality, pollution factors and requirements set in ISO, Environmental Policy along with Human Rights Policy</li> </ul>	 

# SUSTAINABILITY STATEMENT

## MANAGING SUSTAINABILITY MATTERS AND ALIGNMENT WITH UNSDGs (Cont'd)





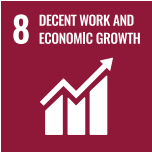

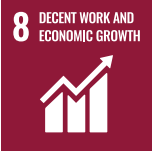
The group's highlights are indicated below (Cont'd):

PILLARS	Material Matters	KPI	Progress	UNSDGs
Economic & Governance	Affordable Housing	<ul style="list-style-type: none"> <li>Provide over 35,000 affordable homes by end of FYE 2030</li> </ul>	<ul style="list-style-type: none"> <li>About 20,000 homes that have been provided</li> </ul>	
	Landbank	<ul style="list-style-type: none"> <li>Minimum of 2,800 acres balance at end of each financial year</li> </ul>	<ul style="list-style-type: none"> <li>Close to 4,800 acres of total remaining land remaining throughout 5 states (Johor, Selangor, Kedah, Pahang and Perak) of Peninsular Malaysia</li> </ul>	
Environmental	Waste Management and Recycling	<ul style="list-style-type: none"> <li>Minimum of 20% construction waste diverted from landfill</li> <li>To promote recycling centre/points throughout our township</li> <li>To engage with organisations/authorities to promote a community garden programme</li> </ul>	<ul style="list-style-type: none"> <li>Introduced 5R initiative (Reduce, Reuse, Recycle, Recover, Refuse)</li> <li>Reduced 26% of construction waste through utilisation of Industrialised Building System ("IBS") technique</li> <li>Recycling points introduced at BBSAP clubhouse, collecting recyclable waste monthly</li> </ul>	 
	Pollution and Environmental Compliance	<ul style="list-style-type: none"> <li>To achieve 80% environmental compliance stipulated by authorities.</li> </ul>	<ul style="list-style-type: none"> <li>100% Compliance of EIA reports</li> </ul>	 
	Energy Consumption	<ul style="list-style-type: none"> <li>To record lower energy intensity by employing 100% LED lighting at operating buildings</li> </ul>	<ul style="list-style-type: none"> <li>18% of increment in electricity consumption for Headquarter building</li> <li>97% increment of data traceability for electricity consumption</li> <li>Disclosure of fuel consumption from operations (company owned vehicles)</li> </ul>	 

# SUSTAINABILITY STATEMENT

## MANAGING SUSTAINABILITY MATTERS AND ALIGNMENT WITH UNSDGS (Cont'd)




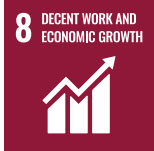
The group's highlights are indicated below (Cont'd):

PILLARS	Material Matters	KPI	Progress	UNSDGs
Environmental	Water Consumption	<ul style="list-style-type: none"> <li>To install more than 3,000 units of rainwater harvesting systems in our townships by the year 2025</li> </ul>	<ul style="list-style-type: none"> <li>Installed a total of 3,663 units of rainwater harvesting system at Bandar Barut Setiawan Perdana Phase 3B and Phase 2D, resulting in 5% volume of water reduction</li> <li>6,999 m<sup>3</sup> of water consumption</li> </ul>	
	Climate Change and Emissions	<ul style="list-style-type: none"> <li>1000 units of residential solar PV systems installed in 5 years.</li> <li>Reduction of 10% of greenhouse gas ("GHG") emissions by 2025 and 45% by 2030</li> <li>Embark to net zero emissions target</li> </ul>	<ul style="list-style-type: none"> <li>Adopted Climate Change Policy</li> <li>The Company collaborated with Solarvest Holdings Bhd as its solar photovoltaic ("PV") systems partner to install 1,000 residential solar PV systems across three township projects in Perak</li> <li>Increment of 418 metric tons of carbon dioxide equivalent ("tCO<sub>2</sub>e") due to data expansion</li> <li>Adopted TCFD Framework &amp; Recommendations</li> </ul>	 
	Biodiversity	<ul style="list-style-type: none"> <li>Plant more than 20,000 plants across all developments by the year 2025</li> <li>To plant and increase 5% of tree species that have conservation significant value</li> </ul>	<ul style="list-style-type: none"> <li>Adopted Biodiversity Policy</li> <li>Planted a total 23,000 of trees within Legenda townships</li> <li>Planted a total of 677 trees of vulnerable and endangered tree species (Hopea Odorata and Agathis Borneensis)</li> </ul>	
Social	Occupational Health and Safety	<ul style="list-style-type: none"> <li>Workplace safety</li> <li>20 annual average number of hours of safety training for site employees</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatality &amp; Injury</li> <li>Zero Lost-time Incident ("LTI") rate</li> </ul>	
	Human and Labour Rights	<ul style="list-style-type: none"> <li>Adhere to Human Rights and Employment Policy, that is in line with Employment Act 1955</li> </ul>	<ul style="list-style-type: none"> <li>Adopted Human Rights and Employment Policy</li> <li>Disclosed nature of non-compliance and corrective actions taken</li> </ul>	 

# SUSTAINABILITY STATEMENT

## MANAGING SUSTAINABILITY MATTERS AND ALIGNMENT WITH UNSDGs (Cont'd)

The group's highlights are indicated below (Cont'd):

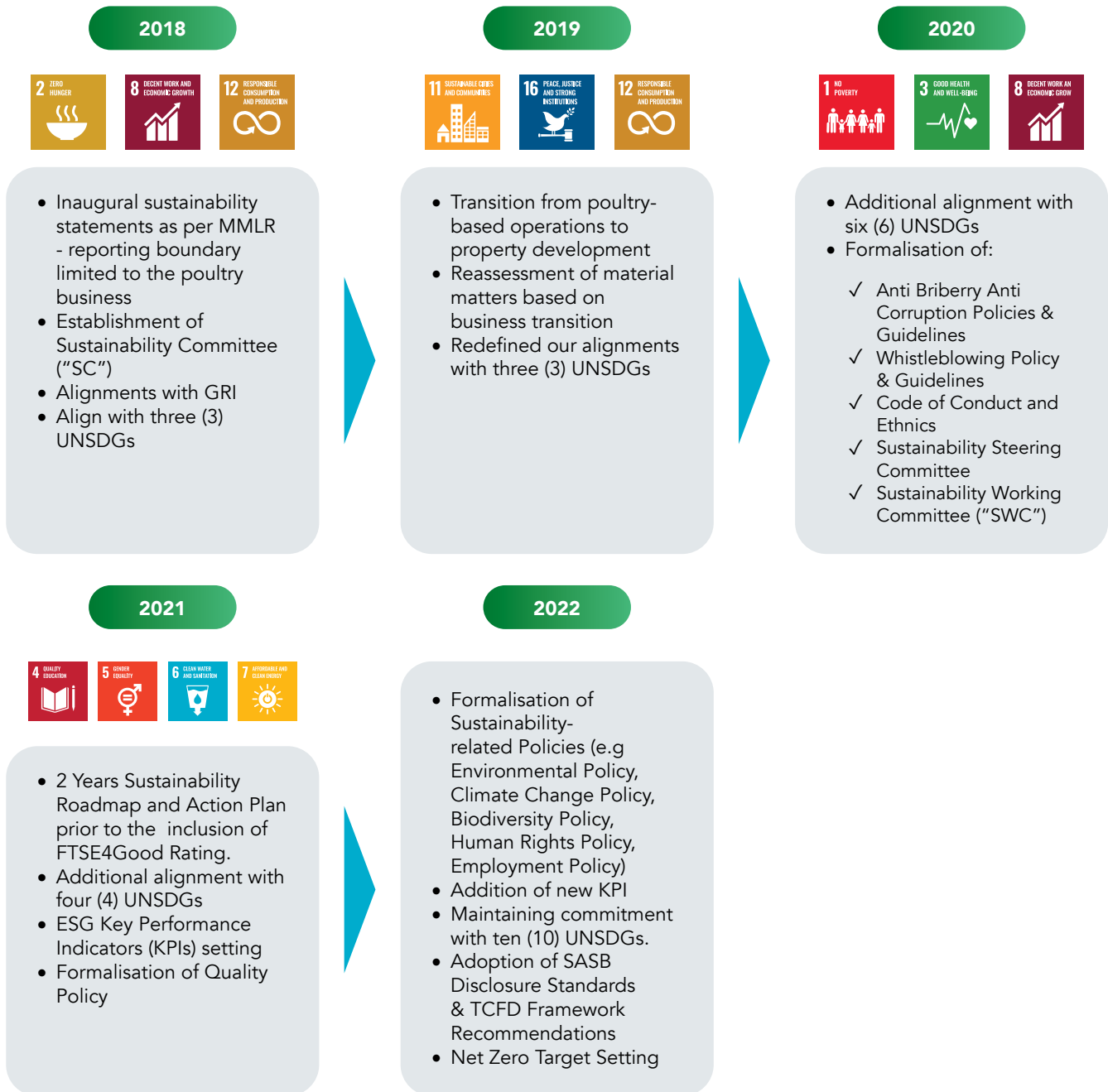
PILLARS	Material Matters	KPI	Progress	UNSDGs
Social	Diversity and Equal Opportunity	<ul style="list-style-type: none"> <li>Maintaining 30% of female board representation that is in line with Malaysian Code of Corporate Governance 2017 ("MCCG")</li> <li>Ensuring diversity, equality, and inclusivity (DEI) is applied as per Human Rights Policy and Employment Policy</li> </ul>	<ul style="list-style-type: none"> <li>33% of female board representation</li> <li>Improvement in diversity in employee category.</li> <li>Disclosed % of staff with disabilities</li> </ul>	 
	Local Community Development	<ul style="list-style-type: none"> <li>Minimum 10 community engagement activities to be organised yearly</li> </ul>	<ul style="list-style-type: none"> <li>Organised more than 10 educational and upskilling programmes focused to the empower local community.</li> <li>Conducted community garden training sessions every month from Dec to February.</li> </ul>	
	Talent Retention and Development	<ul style="list-style-type: none"> <li>Deployed a total of 4,000 training hours annually</li> <li>Integration of succession planning</li> </ul>	<ul style="list-style-type: none"> <li>Deployed a total of 4,067 training hours for employees' skills and personal development, with an average of 6.27 training hours per employee</li> </ul>	



# SUSTAINABILITY STATEMENT

## SUSTAINABILITY JOURNEY AND MILESTONES

Our sustainability journey of ‘a thousand miles’ started with the Group developing our own Sustainability Strategy. We have anchored our ESG and sustainability dimensions not only on the United Nations Sustainable Development Goals and Paris Agreements, but also TCFD recommendations and Net Zero target settings.



Legenda recognises the importance of stakeholder engagement in achieving its sustainability goals. We define stakeholders as individuals, groups and entities that are impacted by the Group’s business operations and/or individuals, groups or entities that are capable of impacting Legenda’s business and operations.

By engaging with stakeholders via various platforms and communication channels, the Board and Management gain a more inclusive and accurate understanding of sustainability as well as valuable insight into how stakeholders can affect the Group’s operations.



# SUSTAINABILITY STATEMENT

## STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder	Needs and Expectations	Engagement Channels	Sustainability Material Matter
<b>Regulatory Bodies</b> Priority: Critical  Management Approach: Manage Closely	<ul style="list-style-type: none"> <li>Standards and certification</li> <li>Government policies</li> <li>Gather audit findings and reports</li> <li>Economic issues</li> <li>Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Inspections by local authority when required.</li> <li>Periodic meetings for policy discussion</li> <li>Periodic reporting for regulatory requirements and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Occupational Safety and Health ("OSH")</li> <li>Stakeholder Economic Values</li> <li>Risk management</li> </ul>
<b>Employees</b> Priority: Critical  Management Approach: Manage Closely	<ul style="list-style-type: none"> <li>Career development</li> <li>Competency training</li> <li>Safety at the workplace</li> <li>Compensation and employee benefits</li> <li>Results-driven rewards</li> <li>Continuous engagement</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Monthly online training programmes</li> <li>Annual corporate activities and teambuilding exercises</li> <li>Monthly emails</li> <li>Memos via intranet communication</li> <li>Induction programme for new hires</li> </ul>	<ul style="list-style-type: none"> <li>OSH</li> <li>Human and Labour Rights</li> <li>Talent Retention and development</li> <li>Diversity and equal Opportunity</li> <li>Succession Planning</li> </ul>
<b>Customers</b> Priority: Very High  Management Approach: Keep Satisfied	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Standards and certification</li> <li>Government policies</li> <li>Gather audit findings and reports</li> <li>Economic issues</li> </ul>	<ul style="list-style-type: none"> <li>Advertisements, Billboards and Marketing Campaigns</li> <li>Project Launches</li> <li>Social Media Networks</li> <li>Sales Brochures</li> <li>Enquiry E-Forms on Websites</li> <li>Defect Feedback Form</li> <li>Sales Previews</li> <li>Sales Launches</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality and Responsibility</li> <li>Stakeholder Economic Values</li> <li>Data Privacy</li> </ul>
<b>Suppliers</b> Priority: High  Management Approach: Keep Informed	<ul style="list-style-type: none"> <li>Transparent procurement practices</li> <li>Transparent and fair pricing</li> <li>Timely pay-outs</li> <li>Payment terms</li> <li>Contract terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly suppliers' registration update</li> <li>Periodic contact through telephone and email</li> <li>Quarterly meeting and briefings</li> <li>Project updates when required</li> </ul>	<ul style="list-style-type: none"> <li>Local procurement</li> <li>Labour standards</li> <li>Resource consumption</li> <li>Efficient supply chains</li> </ul>
<b>Local Communities</b> Priority: Medium  Management Approach: Monitor	<ul style="list-style-type: none"> <li>Social issues</li> <li>Environmental impacts</li> <li>Safety and health</li> <li>Employment opportunities</li> <li>Social and charity events</li> <li>Sponsorships</li> </ul>	<ul style="list-style-type: none"> <li>Annual community engagement activities and CSR programmes</li> <li>Quarterly financial announcements</li> <li>Media announcements and project launches when required</li> <li>Annual report</li> <li>Company website updates throughout the year</li> <li>Annual festive season celebrations</li> </ul>	<ul style="list-style-type: none"> <li>Local community development</li> <li>Climate change and emissions</li> <li>Indirect economic value</li> <li>Local procurement</li> </ul>
<b>Fund Providers</b> Priority: High  Management Approach: Keep Informed	<ul style="list-style-type: none"> <li>Periodic reporting</li> <li>Loan covenant compliance reporting</li> <li>Timely repayment</li> <li>Periodic communication</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting and Annual Report</li> <li>Corporate announcements</li> <li>Media announcements and project launches when required</li> <li>Monthly marketing and promotional events</li> <li>Company website updates throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder economic values</li> <li>Regulatory compliance</li> <li>Product quality and responsibility</li> </ul>
<b>Media</b> Priority: High  Management Approach: Keep informed	<ul style="list-style-type: none"> <li>Impact of operations on the surrounding environment and communities</li> <li>Corporate governance</li> <li>Strong relationships</li> <li>Accuracy of information</li> </ul>	<ul style="list-style-type: none"> <li>Corporate announcements</li> <li>Periodic media announcements</li> <li>Annual Report</li> <li>Company website updates throughout the year</li> <li>Project launches when required</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder economic values</li> <li>Anti-corruption and ethical conduct</li> <li>Local community development</li> </ul>
<b>Business Partners</b> Priority: Very High  Management Approach: Keep Satisfied	<ul style="list-style-type: none"> <li>Group's performance</li> <li>Growth/ Business opportunities</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>Corporate announcement</li> <li>Media announcements and Annual Report</li> <li>Company website updates throughout the years</li> <li>Monthly marketing and promotional events</li> <li>Project launches, meetings and briefings as and when required</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Stakeholder economic values</li> <li>Corporate branding and reputation</li> </ul>

# SUSTAINABILITY STATEMENT

## MATERIALITY ASSESSMENT

In the journey to be more responsible and sustainable Group, we recognise the need to focus and channel our resources for the most materials topics or sustainability material matters. FYE 2022, Lagenda conducted a comprehensive assessment that saw the solicitation of views from both internal and external stakeholders to identify these material topics/material matters.

The following steps provide a detailed overview of the materiality assessment process:

### 1. Identification

We identify the ESG topics for assessment by referring to the common and industry-specific topics provided in the Bursa Malaysia Sustainability Reporting Guide (3rd Edition). In addition, we consider additional topics relevant to Lagenda’s business model as a property developer, such as landbanking

### 2. Stakeholder Engagement

We conducted an online survey to assess the materiality of the final list of approved material topics. The survey sought the opinions of the Board, management, employees, and external stakeholders who were asked to rank and rate the identified topics’ impact on the business and importance to stakeholders. We collected a total of 71 responses from various stakeholders, including internal stakeholders (Board of Directors, Senior Management, Middle Management, Executive/Non-Executive) and external stakeholders.

### 3. Prioritisation

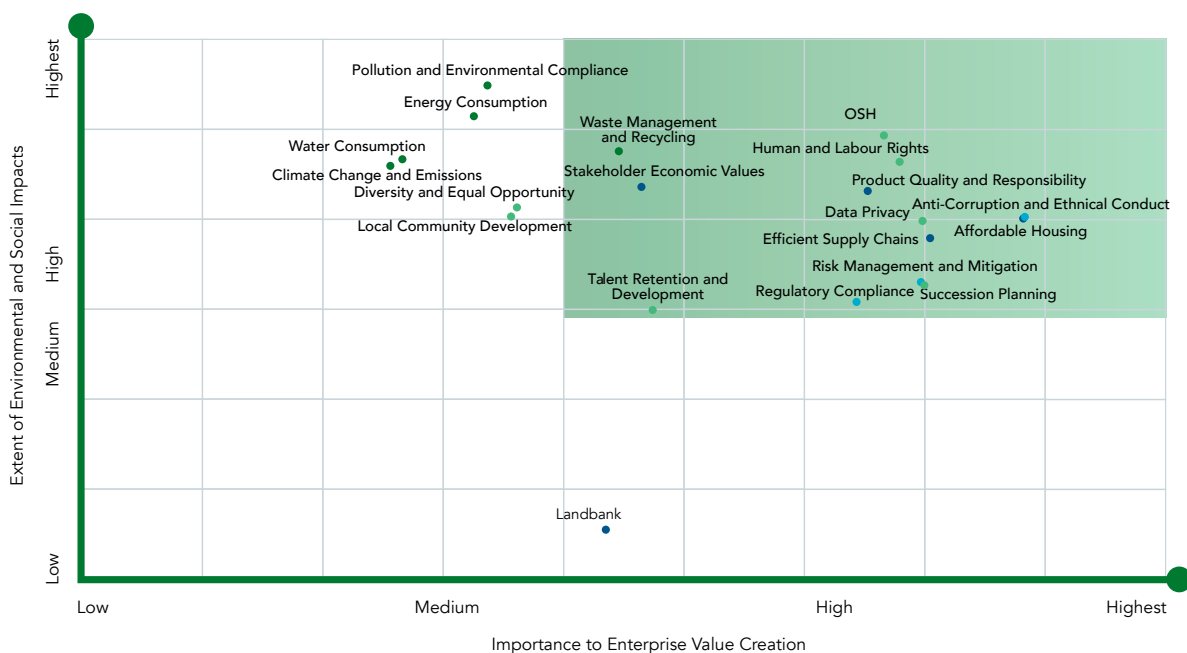
Results from the survey were then processed by an external sustainability consultant and the topics were plotted on a materiality matrix to determine their priority to the sustainability of Lagenda. It is important to note that weightage was applied to stakeholder views using a stakeholder prioritisation scale (e.g., hierarchy of importance of EES impact), developed based on respondents’ feedback collected during the survey exercise. This was done to ensure stronger validity of the results.

### 4. Validation

The materiality matrix and findings were presented to the Board for validation.

The matrix was developed based on a hybrid approach where two materiality perspectives were used. The first perspective focused on the significance of topics in terms of potential / actual impacts to the environment and society. The second being an International Financial Reporting Standard (“IFRS”) based approach where topics are assessed based on their extent of impacts to enterprise value creation.

The views from stakeholders were analysed and the following matrix was developed for FYE 2022:



# SUSTAINABILITY STATEMENT

## MATERIALITY ASSESSMENT (Cont'd)

In the highest quadrant of the chart, the Top Material Topics or Matters for the Group are:

- Anti-corruption and Ethical Conduct
- Affordable housing
- Occupational Health and Safety
- Human and Labour Rights
- Data Privacy
- Product Quality and Responsibility
- Efficient Supply Chains
- Risk Management
- Succession Planning
- Regulatory Compliance
- Waste Management and Recycling
- Stakeholder Economic Value
- Talent Retention and Development

We acknowledge that some topics were not ranked as 'highly material' in the current evaluation. However, we remain committed to disclose our management approach, as well as the required disclosures of other topics in accordance with the GRI Standards and non-GRI, and we consider them as secondary material to the Group.

## SUSTAINABILITY GOVERNANCE

At Legenda, the Group's value-creation aspirations are supported by a robust sustainability governance structure and framework which is integrated into the Group's overall corporate governance structure.

Through this framework, there are distinct roles and responsibilities that have been established which enables necessary controls and oversight when it comes to driving the Group's sustainability agenda.

Legenda's sustainability agenda and performance is managed through a three-tier governance structure whereby sustainability strategies are driven by the Board. The roles and responsibilities of each tier can be seen below:

### Board of Directors

#### Key role and function:

- Develops sustainability strategy and provides oversight on the Group's ESG plans, programmes and initiatives
- Advices on the Group's sustainability roadmap and strategy
- Reviews the effectiveness and approves sustainability strategy

### Sustainability Steering Committee

#### Key role and function:

- Oversees the SSC'S activities relative to the execution of the Group's sustainability plans, initiatives and progress
- Reviews the reports from operational units on their sustainability implementation
- Makes recommendations to the Board on material sustainability issues

### Sustainability Working Committee

#### Key role and function:

- Develops the sustainability initiatives across the Group
- Collects and monitors data on the Group's ESG performance
- Assists the SSC in preparing the disclosures for the sustainability statement

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE (Cont'd)

The current composition of the SSC and SWC can be seen in the table below:

Sustainability Steering Committee	Sustainability Working Committee
<ul style="list-style-type: none"> <li>● Managing Director/ SSC Chairman</li> <li>● Head of Director's Office</li> <li>● Chief Financial Officer</li> <li>● Head of Project Planning and Development</li> <li>● Contract and QS Manager</li> <li>● Head of Investments and Investor Relations</li> <li>● Company Secretary</li> </ul>	<p>Representative from the following departments:</p> <ul style="list-style-type: none"> <li>● Investments &amp; Investor Relations (Sustainability)</li> <li>● Maintenance and Customer Service</li> <li>● Contract and Procurement</li> <li>● Project Planning</li> <li>● Health and Safety</li> <li>● Human Resource</li> <li>● Director's Office</li> </ul>

ESG topics such as biodiversity, climate change, human rights, Occupational Safety and Health ("OSH") and other material topics to the Group's business are periodically escalated to the Board for their review, deliberation, and decision-making.

By doing this, the Board will have a stronger understanding of on-ground realities and are better positioned to provide oversight of the Group's ESG plans and advise the Group's sustainability roadmap.

Recommendations to the Board surrounding material sustainability issues are provided by the SSC. The SSC also regularly convenes to set the direction of the sustainability strategy before conveying this information to the SWC who assesses if the strategy can be executed at a working level.

## BOARD COMPOSITION

Lagenda's Board consists of professionals and entrepreneurs who possess a wide range of backgrounds, technical skills and experience. Having this diversity allows for different opinions, insights, and approaches, which is critical for effective corporate governance and strategic decision-making.

The Group does not practice gender biases and supports the Malaysian government's aspiration and the Malaysian Code of Corporate Governance 2021 ("MCCG") to increase the number of independent directors and achieve at least 30% women directors on the Board of public listed companies.

Appointments to the Board are based on merit, capability, experience, skill sets and integrity. As of this report being published, the board composition of more than 80% of the board members are independent, and more than 30% are women.

## BOARD REMUNERATION AND SUSTAINABILITY TARGETS

Going forward, Lagenda wishes to further investigate potentially linking the remuneration of its Board and Senior Management to the realisation of ESG goals and targets. It is important to mention that this is in line with the aspirations of Bursa Malaysia and other sustainability reporting frameworks.

Providing remuneration is currently being considered

by the Group along the Sustainability KPIs. The aim of this is to provide a form of incentive for annual ESG performance targets to be reached through the prospect of gaining either monetary or non-monetary rewards.

## COMMITMENT TO GOOD CORPORATE GOVERNANCE

In striving to create the greatest value for our stakeholders, we want to maintain our foundation of governance and integrity. We believe that in the long run, having good business ethic and good governance reduces overall risks throughout Lagenda, and increases our credibility and brand value.

Lagenda remains committed to establishing policies that will further reinforce corporate governance within its organisation. The Group does this by pursuing the 3 main principles stated in the MCCG 2021 which include:

1. Board Leadership and Effectiveness
2. Effective Audit and Risk Management
3. Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders

In addition, the Group has taken steps to further align to MCCG2021 practices 4.1-4.5 which outlines further Board involvement within sustainability processes.

The specific details of how the Group has applied specific sustainability related practices of the MCCG2021 can be found in the Corporate Governance Overview Statement of the Lagenda's FYE 2022 Annual Report as well as the standalone Corporate Governance Report FYE 2022 which is available at [68].

# SUSTAINABILITY STATEMENT

## REGULATORY COMPLIANCE

Lagenda stringently adheres to its established policies, protocols, guidelines and industry standards. In FYE 2022 there have been no reports of fines by the authorities for environmental and social non-compliance. The Group has also yet to encounter any regulatory action related to corporate ethics and integrity, corporate governance and anti-corruption matters.

Some of the regulations that we enforce across our business operations are listed below:

- Bursa Malaysia Main Market Listing Requirements
- Malaysian Code on Corporate Governance 2021 (3<sup>rd</sup> Edition)
- Employment Social Security Act 1969
- Minimum Retirement Age Act 2012
- Town and Country Planning Act 1976
- Environment Quality Act 1974
- Housing Development Act 1966
- National Affordable Housing Policy 2019
- Malaysian Anti-Corruption Commission ("MACC")

## RISK MANAGEMENT

Lagenda is aware of the potential risks involved with ESG matters and how issues such as climate change, labour rights, OSH, and other issues can significantly impact business operations and disrupt value creation capabilities. The Group's risks comprise strategic, financial, business, and operational risks.

The linkage between ESG issues and the financial performance of the Group means that risks posed by ESG issues must be integrated into its Enterprise Risk Management ("ERM") which is guided by the COSO's Enterprise Risk Management framework. We committed to maintain 100% risk management functions and process in accordance with the ERM.

The Board and senior management are cognisant of this linkage and are aware of their responsibility when it comes to risk management of the Group. Considerations of ESG topics are increasingly being made in relation to business plans and company objectives by the Board and Senior Management. The Group has established its Audit & Risk Management Committee ("ARMC") who have oversight on overall risk management within the Group and will continue to develop risk management initiatives that will help mitigate risks posed to the Group.

Specific information on Lagenda's Risk Management and Internal Controls can be found in the Statement of Risk Management and Internal Control of this Annual Report.

## GROUP CODE OF CONDUCT

Lagenda's Board, Senior Management and employees are bound by the established Code of Conduct and Ethics ("Code"). The Code sets out expected norms, values and behaviours for which representatives of Lagenda should conduct their professional engagements with stakeholders, especially vendors, suppliers, contractors, business partners and others.

The Code provides clarity on conflicts of interest, rules of engagement between employees and superiors on corrupt or unethical practices and more. In essence, the Code stipulates what constitutes unacceptable behaviour or practices within the workplace environment.

The Board will periodically review the Code of Conduct and Ethics to ensure it remains relevant and appropriate. The Code is made available for employees through the Group's website and intranet. A copy of it also will be shared with new joiner during their orientation.

The link to the code can be found at <https://lagendaproperties.com/wp-content/uploads/2020/12/Code-of-Conduct-Ethics.pdf>

## DRIVING ANTI-CORRUPTION ACROSS THE GROUP AND VALUE CHAIN

Lagenda adopts a zero-tolerance stance on corruption and unethical business practices. In line with Section 17 of the Malaysian Anti-Corruption Commission ("MACC") Act, the Group has adopted the Anti-Bribery and Anti-Corruption Policy and guidelines that have been approved by the Board and cascaded throughout the Group's operations.

A copy of the policy is provided to new employees, suppliers, vendors and business partners. A copy of the Anti-Bribery and Anti-Corruption Policy and guideline is also available on the Company's website which will be reviewed from time to time to ensure its relevance. The Group stances on anti-bribery and anti-corruption is made aware to potential new business partners and all members of the Group's supply chain. Contractors are required to perform anti-corruption evaluations upon their employment via the MACC website and must agree to Lagenda's anti-bribe declaration form.

Currently, anti-corruption training is provided to all employees during their orientation process and are informed of their responsibility in the Employee Handbook. The Group aims to increase the level of training and to eventually cascade anti-corruption training to all employees and subsequently to all suppliers going forward.

In FYE 2022, Lagenda recorded zero cases of corruption or bribery.

# SUSTAINABILITY STATEMENT

## GIFT GIVING AND RECEIVING

Lagenda does not allow for the giving, receiving and soliciting of gifts which follows the guidelines set by ISO 37001:2016. Such gifts may take the form of cash or cash equivalents, favours, entertainment, incentives, travel or other forms of gratification.

However, on rare occasions, exceptions can be made for corporate gifts that are provided in a transparent manner. Such gifts should not have a significant monetary value and must be declared by the receiving individual to his/ her higher authority.

All gifts received or provided must be approved by the Director's office with details such as the value of said gifts and the identity of the giver and receiver being recorded. Any Gifts that are sent or received should bear no impact on any decisions being made or have any expectations of favours to be returned.

## WHISTLEBLOWING POLICY

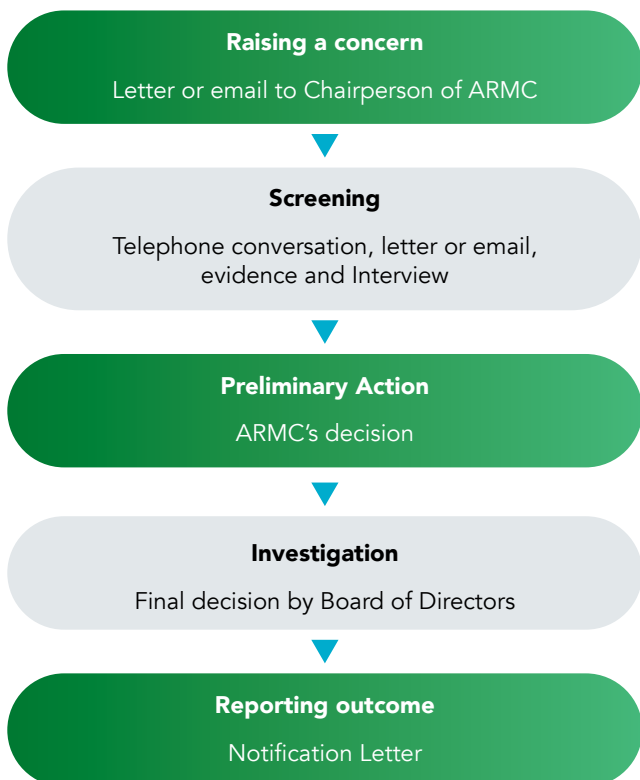
Lagenda has in place its designated whistle-blowing mechanism, which is governed by a Whistleblowing Policy & Guidelines.

Employees and relevant third parties are encouraged to utilise the Whistleblowing mechanism to report any misconduct, fraud, or any other workplace malpractice. The whistle-blowing mechanism serves as a method to prevent corruption within business operations and serves as a grievance mechanism for all employees to raise any concerns or other forms of grievance they may have.

Whistleblowers shall report their concerns using the reporting channels as stated in the Whistleblowing Policies & Guidelines Document, which is available at <https://lagendaproperties.com/wp-content/uploads/2021/05/Whistleblowing-Policy-Guidelines.pdf>. Upon making a report, the whistleblower's identity shall remain confidential and shall be provided immunity from any form of punitive action, intimidation or reprisal, irrespective if the allegation is substantiated or proven to be unfounded, provided that the report was made in good faith.

In cases where the whistleblower's identity is required for the proceedings to continue, the Chairman of the ARMC will discuss with the whistleblower to determine the best available option taking into consideration the request of the whistleblower and to safeguard the interest of the Group.

The protocol for investigating reported incidents can be found below:



In FYE 2022, there were zero cases involving staff, suppliers or other stakeholders for corruption, either reported through the whistleblowing mechanism or any other communication channel.

## POLITICAL POSITION AND POLITICAL CONTRIBUTIONS

Lagenda is an apolitical organisation and hence, has not made any contributions to any political parties in FYE 2022. The Group does not participate in any political activities, advocates or subscribes to any political position.

As provided for in the laws of the country and Lagenda's commitment to freedom of association, staff, value chain partners and other stakeholders have the right to join or support political parties of their choosing or any civil society or non-governmental organisations, so long that these entities are recognised by law to be legal entities. The Group supports the rights of citizens to vote in accordance with their conscience.

However, the Group from time to time may participate in charitable or nation-building events organised by the government of the day or its ministries and agencies. The Group may also support corporate social responsibility ("CSR") events or programmes that could see the involvement of political parties or politicians.

# SUSTAINABILITY STATEMENT

## PILLAR 1: DRIVING CONTINUOUS IMPROVEMENT TOWARDS SUSTAINABILITY

Lagenda creates both direct and indirect economic values through its business model for both the organisation and its stakeholders. The financial success of the Group is shared amongst the community in Lagenda's attempt to aid socio-economic development and empower the local community by making home ownership affordable for all Malaysians and through community development programs. With the increase in affordable housing priced appropriately to match the demographics, this should spur the property market and motivates economic growth of the property sector and at national scale.

However, the ability to create and sustain economic or financial values is also fundamental for ESG development. Strategic plans to drive sustainability agenda through the development of environmental and social-related improvement initiatives require a strong fiscal position.

### DIRECT ECONOMIC PERFORMANCE

Strategic plans to drive the sustainability agenda often goes in tandem with strong fiscal positions and the overall financial health of the organisation. In essence, prioritisation of ESG and its continued progress and development hinges on robust and improving direct economic performance.

The following is a snapshot of Lagenda's economic performance in FYE 2022:

INDICATOR	FYE 2022	FYE 2021	FYE 2020
Group revenue (RM'000)	866,940	835,578	697,612
Group profit before tax (RM'000)	251,502	279,079	215,943
Group profit after tax and minority interests (RM'000)	178,257	201,506	142,487
Total assets	1,776,531	1,448,198	1,162,413
Earnings per share (sen)	0.21	0.25	0.57
Dividends (sen)	6.5	6.25	2.5
Dividends (RM million)	54.43	53.86	20.46
Dividend pay-out ratio to profits (%)	31%	27%	14%
Net Gearing Ratio (times)	Net Cash	Net Cash	0.02

\* Unless stated, otherwise is (RM'000)

### INDIRECT ECONOMIC VALUES CREATED

Besides direct financial values, the Group's business operations also generate a wide range of indirect economic values. These include dividends to shareholders, total of local spending, community investment and pay-outs to employees through salaries and benefits.

These aspects are just as important as direct economic values since ESG assessments on the Group will likely examine the indirect values Lagenda creates.

INDIRECT ECONOMIC VALUES CREATED	FYE 2022 RM	FYE 2021 RM	FYE 2020 RM
Economic Value Generated (PAT) (RM'000)	178,226	201,506	151,687
Economic Value Distributed (Dividend Total in RM million)	54.43	53.86	20.46
Total Local Procurement Budget (RM'000)	250,108	427,323	-
Total pay-out to employees in salaries and benefits (RM'000)	23,500	18,149	11,858
Community investments (RM'000)	400	1,480	643

We also address the value created from our business model, which described in the following section.

# SUSTAINABILITY STATEMENT

## INDIRECT ECONOMIC VALUES CREATED (Cont'd)

### Affordable Housing

Sustainability is ingrained in our business DNA, particularly on promoting the social equity & mobility and it is demonstrated in our vision "to be the Malaysia's preferred affordable home developer" along with the mission to provide affordable housing solution for the underserved markets. We understand that our responsibility goes beyond simply providing homes, but also to create self-sustaining townships that feature comprehensive community, public amenities, all while upholding the highest standards of quality and innovation.

### Scenario of Affordable Housing

Quoted from UN-Habitat (2011) that affordable housing is defined as housing, which is sufficient in quality and location, and is not so expensive that it prevents its occupants from satisfying other basic living needs. In other words, the location, quality and build-up of a house is equally as important as the financial affordability of a house. It is also refined statistically by World Bank and United Nations (UN), that affordable housing is estimated using the median multiple approach. Under this approach, a house is deemed affordable if the house price is not more than 3 times the annual income.

According to the Bank Negara Malaysia (Financial Stability Review, Second Half 2021), house prices in Malaysia are categorised under seriously unaffordable and severely unaffordable for all states (except for Melaka), which the price is 4.7 times higher than annual median incomes. Supported also by the data by National Property Information Centre (NAPIC), Valuation and Property Services Department, only 44.3% of homes were priced below RM300,000 in 2022, indicating that the existing market supply of homes is not catering to the masses. On top of it, most of these affordable homes are high-rise buildings, which create additional financial burdens such as maintenance fees.

### Affordability Rating using House Price-to-Income Ratio

RATING (HOUSE PRICE-TO-INCOME RATIO)	RATING BY STATE
Severely unaffordable (5.1 & above)	Johor, Perak, Sarawak, Sabah, Kelantan
Seriously unaffordable (4.1 to 5.0)	Selangor, Kuala Lumpur, Pulau Pinang, Pahang, Terengganu, Kedah, Negeri Sembilan Perlis
Moderately unaffordable (3.1 to 4.0)	-
Affordable (3.0 & below)	Melaka

Source: Bank Negara Malaysia (2021) Financial Stability Review, Second Half 2021

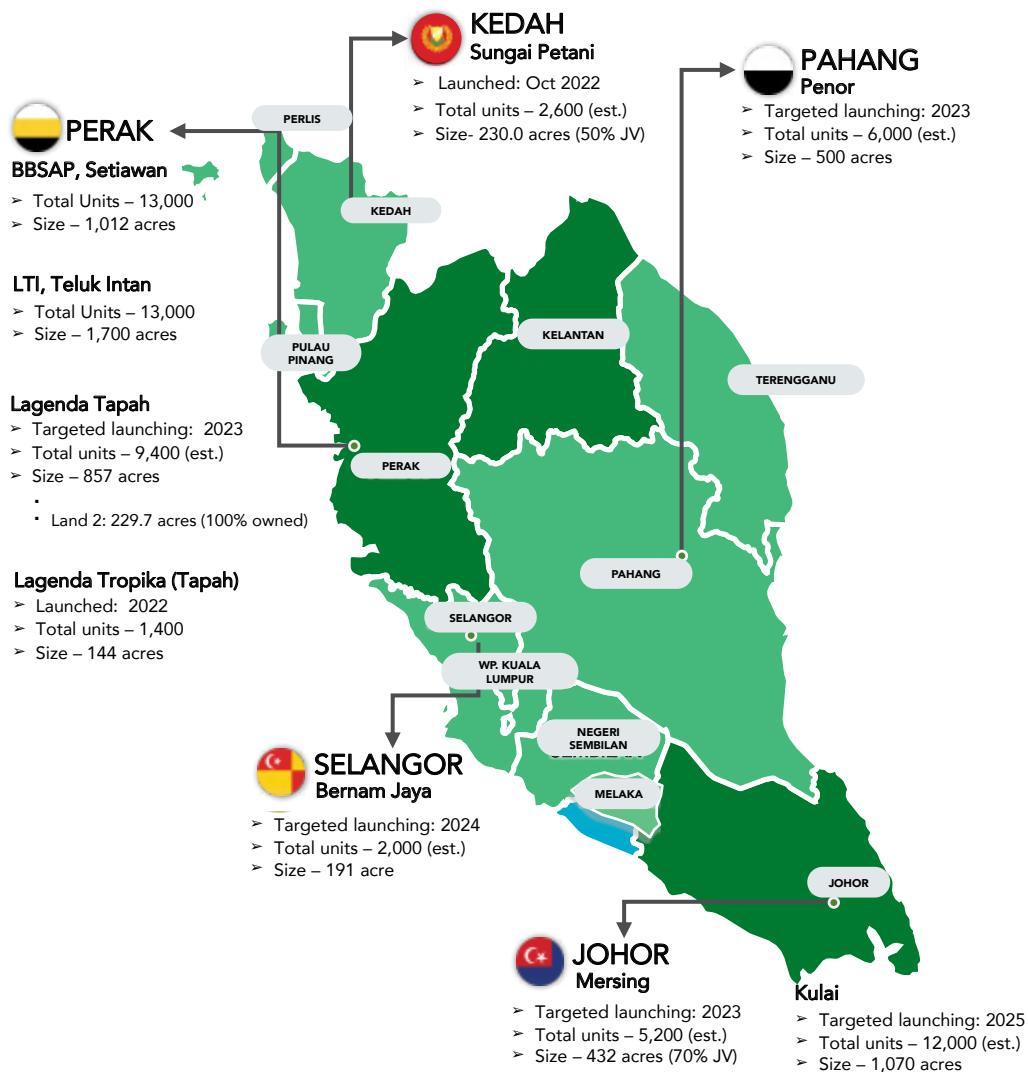
We understand that affordable housing is a critical issue in Malaysia, and we are dedicated to being part of the solution to drive the home ownership. We adopt a reverse engineering pricing method to match the capabilities of B40 groups within the state and proven to be successful. Our housing price is determined based on the affordability of the target buyers, which is determined by the monthly loan repayment over 35 years at 30% of the buyer's median income and 3.5% of interest rate.

Through our sustained market presence across Peninsular Malaysia, particularly in states with serious and severe affordable housing issues. Our Group is committed to developing over 35,000 affordable homes in the next 5-10 years, in addition to the 20,000 homes that have already been provided. We aspire to make a telling contribution by bringing the social impacts to the community and contributes towards nation-building in line with Twelfth Malaysian Plan, 2021-2025 ("MP12th"), which aims to provide 500,000 unit of affordable housing within 2021 to 2025.



# SUSTAINABILITY STATEMENT

## Scenario of Affordable Housing (Cont'd)



### Affordability Rating

- 5.1 & above** Severely unaffordable: Johor, Perak, Sarawak, Sabah, Kelantan
- 4.1 to 5.0** Seriously unaffordable: Selangor, Kuala Lumpur, Pulau Pinang, Pahang, Terengganu, Kedah, Negeri Sembilan Perlis
- 3.1 to 4.0** Moderately unaffordable: none
- 3.0 & below** Affordable: Melaka

Source: Financial Stability Review, Second Half 2021, Central Bank Malaysia

### Our Presense



No. of Homes Provided:  
**>20,000**  
 Since inception <sup>[1]</sup>



More than  
**10 Projects**  
 Launched



**3 Townships<sup>[2]</sup>**  
 Launched

[1] Based on unit launched as of Dec 2022

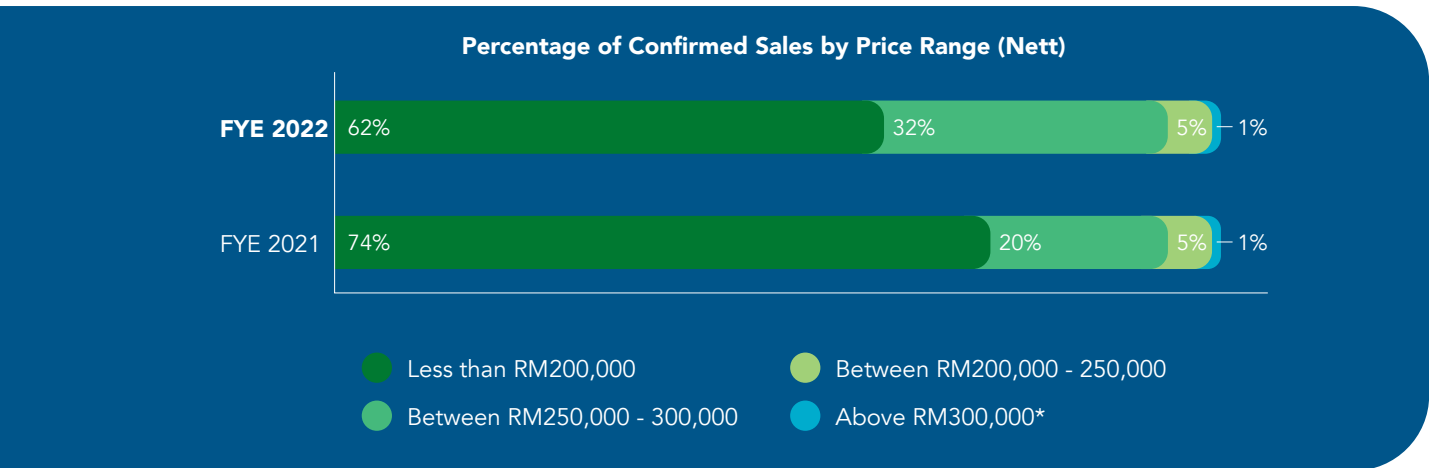
[2] Define as a township with >2,000 homes which are BBSAP, LTI, and Darulaman Lagenda Sg. Petani

# SUSTAINABILITY STATEMENT

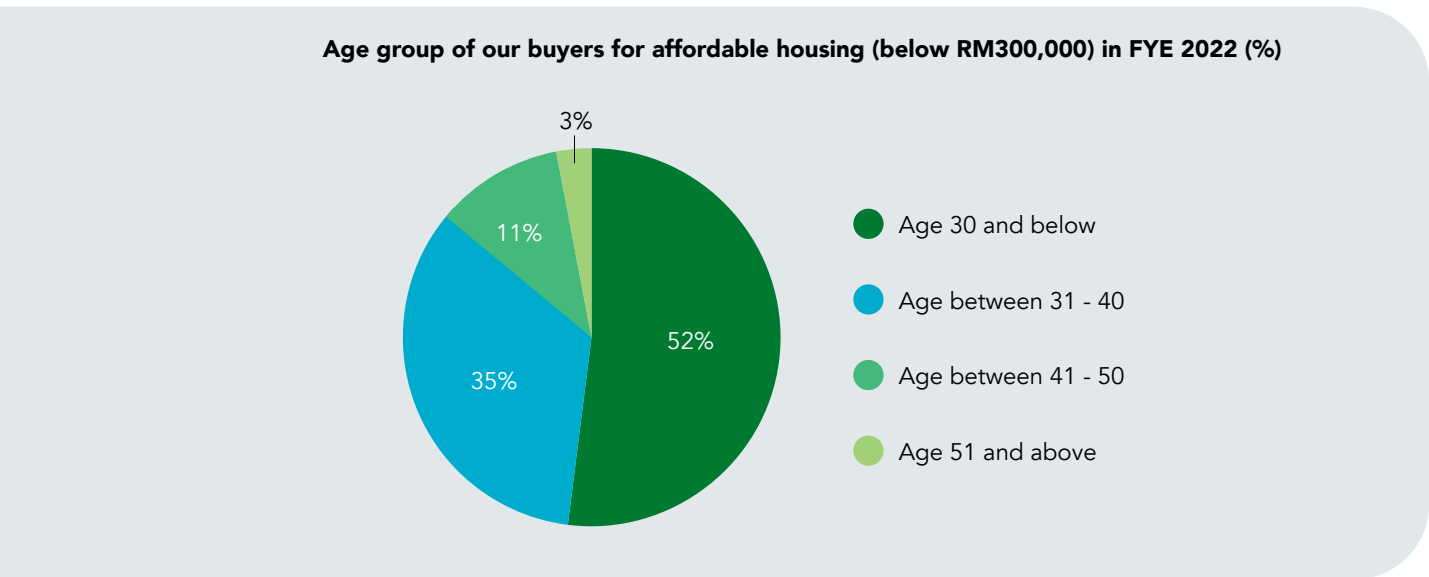
## INDIRECT ECONOMIC VALUES CREATED (Cont'd)

### Affordable Housing (Cont'd)

Lagenda plays a significant role through the development of homes that are priced within the purchasing power of lower and middle income of Malaysian and mostly dominated by the young people below the age of 30 (52%) as illustrated in shown in the data below:



\* The prices for homes may vary due to differences in land size and house type (e.g., semi-detached house), which may result in slightly higher costs and consequently, a higher price point.



### Landbanking

The role of land in facilitating or constraining access to affordable housing has been acknowledged for many years. As such, Lagenda invariably requires land to execute its scalable business model and its commitment to affordability. The Group has developed a robust land acquisition strategy based on previous development frameworks, market insights and knowledge in order to ensure the continuous market presence within the existing states and serving the local buyers.

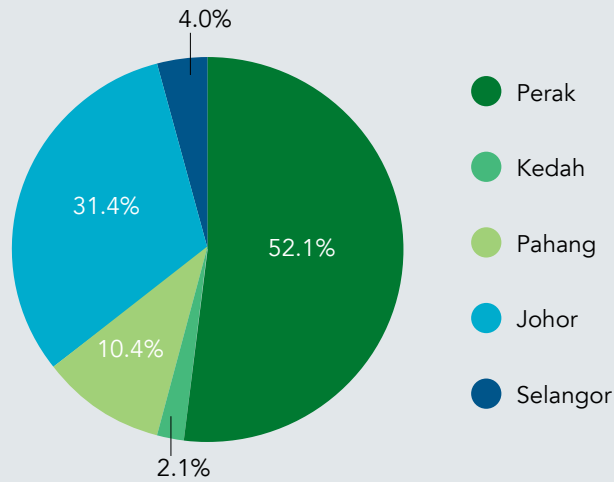
At the end of FYE 2022, we pleased to announce that we have increased our landbank to nearly 4,800 acres across five states in Peninsular Malaysia. Land that purchased outright or through joint venture ("JV") agreements with landowners is acquired in accordance with all laws, including environmental and social regulations. The Group carefully assesses the suitability of land by considering a range of factors, such as existing and future infrastructure, zoning regulations, community needs, land terrains.

# SUSTAINABILITY STATEMENT

## INDIRECT ECONOMIC VALUES CREATED (Cont'd)

### Landbanking (Cont'd)

Remaining Land Composition in FYE 2022 across five states



### Local Community Infrastructure Investments and Services

Lagenda does do its best to support local communities through community service and the development of certain infrastructure for the public.

Lagenda's self-sustaining townships involve facilities such as clubhouses, gymnasium, Olympic swimming pool, and recreational areas. By doing so, facilities are provided to the local community and economic opportunities are also created through these developments.



# SUSTAINABILITY STATEMENT

## INDIRECT ECONOMIC VALUES CREATED (Cont'd)

### Local Community Infrastructure Investments and Services (Cont'd)

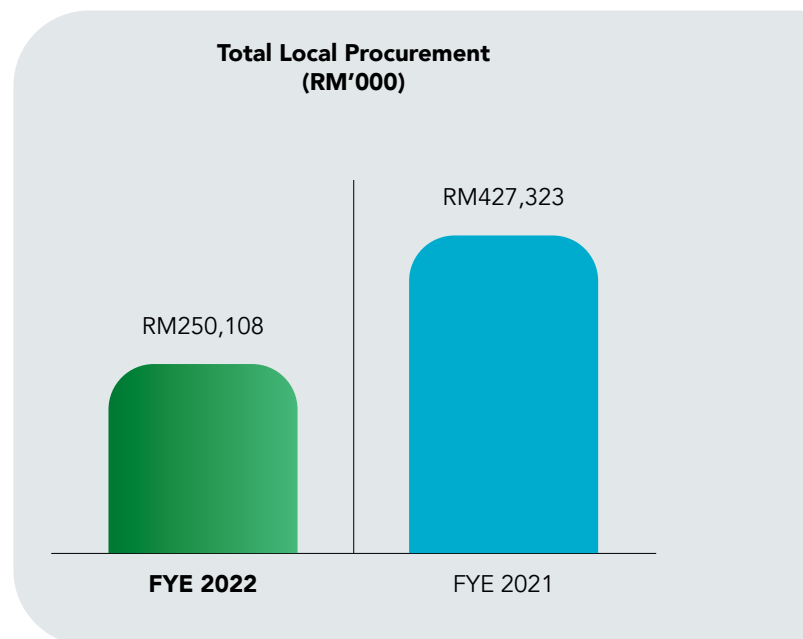
In FYE 2022, Lagenda installed a total of 3,663 nos of rainwater harvesting system at individual units to promote water efficiency, contributing to significant reduction in water resources and water bills. In promoting community development, we have established community garden facilities at our township not only to feed the interest and needs of our local community, but also to promote recreational activity and bring better accessibility in food resources.

Moving forward, the Group plans to install 1,000 residential solar photovoltaic ("PV") systems across three of the Groups townships to reduce the overall carbon footprint produced by Lagenda's townships.

### Efficient Supply Chains

To optimise supply chain efficiency in terms of cost, time, and quality, we are committed to using local procurement and exercising 'local-where-we-operate' across the supply chain. This includes creating job opportunities, promoting technological mobility, sourcing for goods, resources, and services. We believe that a local supply chain promotes more local wealth generation, retains the uniqueness of our communities, reduces environmental impact due to typically shorter transportation cycle and lower energy consumption. In FYE 2022, Lagenda continued to maintain 100% local procurement with total spending of RM250.1 mil for its business requirements.

Additionally, Lagenda requires suppliers to meet strict quality and other standards to bid for contracts, which improves local goods and service quality. The Group uses an ISO-certified evaluation form to annually assess contractor performance and ensure compliance with its standards, financial stability, performance history, quality control, delivery times, including anti-corruption and anti-bribery measures. Beyond ensuring ethical business conduct across its value chain, Lagenda is looking to expand its due diligence to suppliers' social and environmental compliance through its various stipulated policies, such as Environmental Policy, Human Rights Policy and in accordance with ISO implementation.



## PRODUCT QUALITY AND SAFETY

In its pursuit of continuous improvement from an economic perspective, Lagenda prioritises product and service quality since it is essential in ensuring customer satisfaction. Lagenda strives to fulfil a balance between maintaining the affordability of housing units without compromising the quality of the products and customer services provided.

Thus, Lagenda has established a standardised procedure to evaluate purchasers' satisfaction in accordance with the requirements of the ISO 9001:2015 Quality Management System. In detail, the procedure references as below:

- ISO 9001:2015 Clause 9.1.2 Customer Satisfaction
- ISO 9001:2015 Clause 9.1.3 Analysis and Evaluation
- LGD/QM09 Performance Evaluation

Since 2015, Lagenda has been using the Industrialised Building System ("IBS") technique, specifically aluminium formwork, to support its commitment to quality. Compared to conventional timber formwork, this method is easier to use and doesn't require an expert, resulting reduction in labour reliance. It also delivers a higher standard of quality with better finishes and leading to increased customer satisfaction with Lagenda's products.

The Group's Quality Management System ("QMS") has been developed to ensure the design and build quality is attained and maintained throughout all stages of the design and build process. In FYE 2022, Lagenda had zero incidents of non-compliance regarding serious issues of product/service quality and safety that have resulted in a regulatory warning, fine or penalty. This includes fines or censures for misleading advertising, promotions or marketing information.

# SUSTAINABILITY STATEMENT

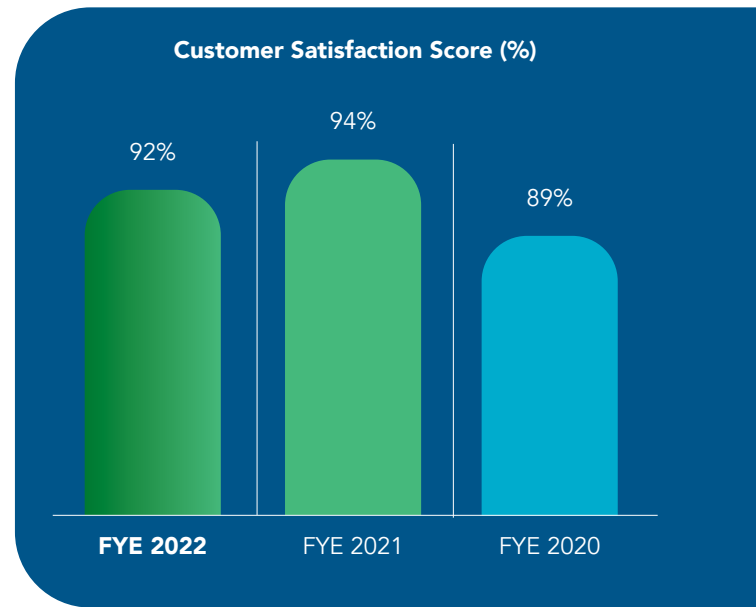
## PRODUCT QUALITY AND SAFETY (Cont'd)

### Customer Satisfaction

Customer satisfaction remains a significant aspect to consider for Lagenda, through Quality Policy and is closely monitored through the Group's annual customer satisfaction survey and other feedback mechanisms. Lagenda's management team recognises its importance and has included customer satisfaction in the Quality Objective Achievement Plan.

Feedback from customers is crucial for improvement as necessary adjustments can be made based on the information and feedback received. Lagenda continues to achieve excellent customer satisfaction scores for the quality of our products. The Group will continue to engage with customers and other relevant stakeholders to gather their valuable feedback.

Lagenda is proactive in addressing customers' inquiries through its yearly satisfaction survey. In FYE 2022, a commendable score of 92% satisfaction rate.



### Defects Management

In FYE 2022, all 8,102 complaints related to property defects within 24 months of occupancy were responded within 15 days and 50% of the complaints were resolved within 30 days.

Lagenda provides a Defect Complaint Form for all our customers where any defects in finished products will be rectified by the Group at no cost to customers. Customer feedback as well as lessons learnt from previous projects continue to serve as opportunities to improve design and build processes. Through this system, the involvement of the vendor ensures the inquiries are orderly tracked and updated in a quarterly basis.



Number of customer complaints received and resolved dropped after FYE 2020 due to the reduced number of launches for both years.

# SUSTAINABILITY STATEMENT

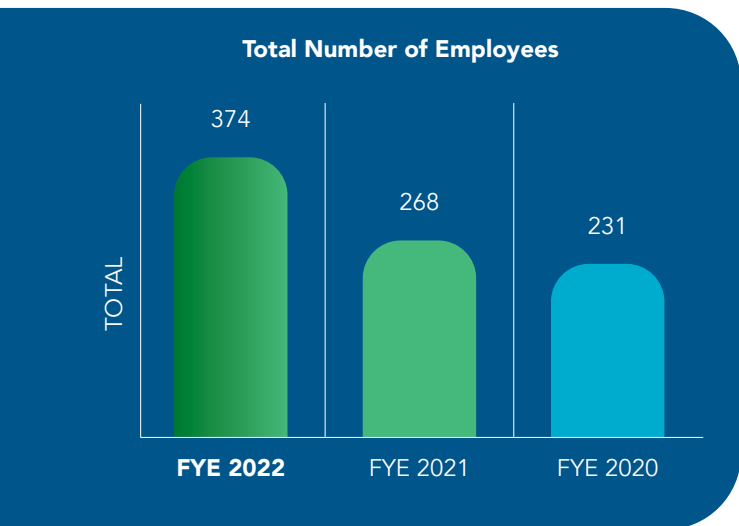
## PILLAR 2: ADVOCATING POSITIVE SOCIAL IMPACTS

We aim to create positive impact with the communities where the company operates, by protecting human rights and adding value to the well-being of employees, partners, and communities, investors, and all other stakeholders. We also champion the social responsibility and believe in giving back to society by creating lasting positive impacts to communities.

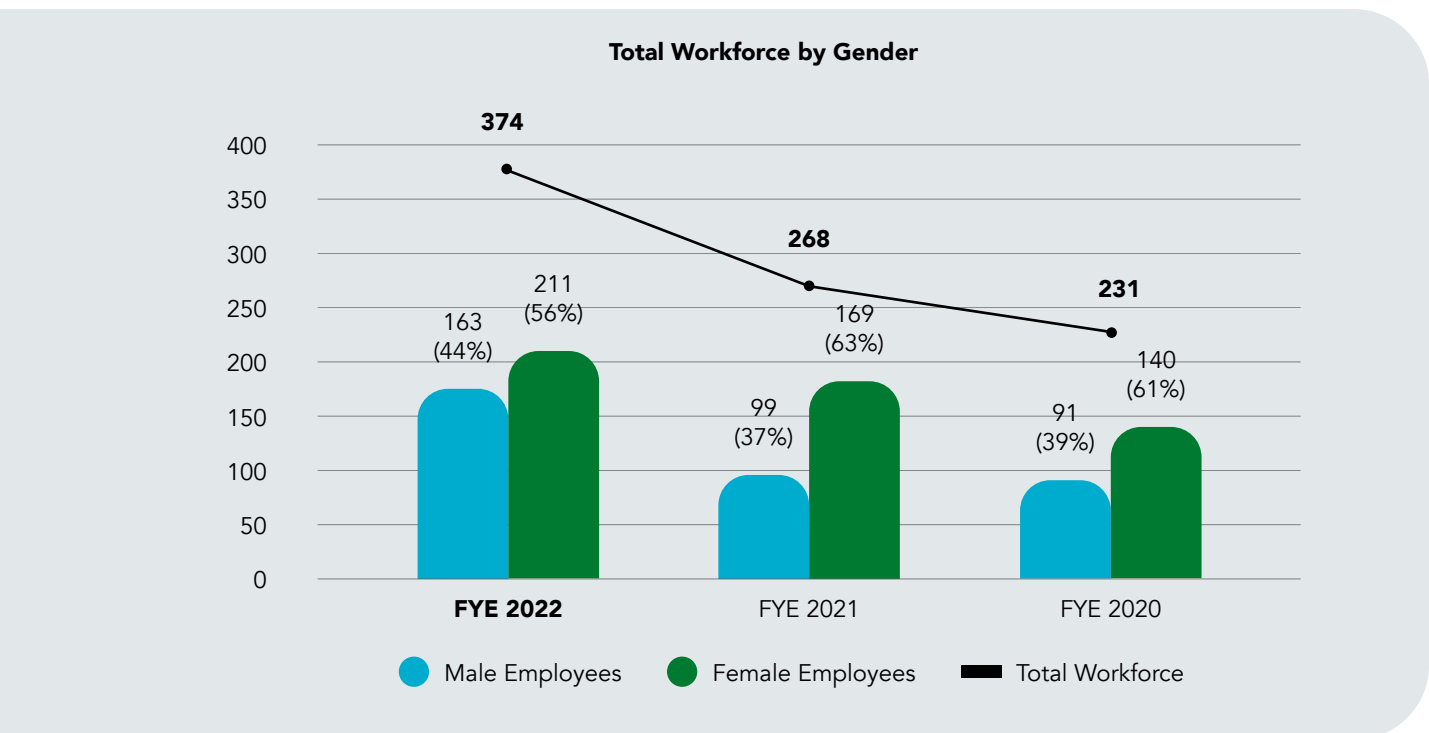
### DIVERSITY AND EQUAL OPPORTUNITY

Legenda contributes to providing job opportunities for Malaysians, especially in the surrounding communities in which the Group operates in. By maintaining a consistent approach to talent management and upholding our human rights commitment, the Group's workforce represents a microcosm of Malaysia's multicultural and multi-ethnic society, including employees from diverse racial backgrounds.

The Group's full-time workforce currently totals 374 employees with an increment of 40% increment as compared from the previous year's headcount. Legenda continues to exclusively employ local talent to align with the government's long-term plan to reduce dependence on foreign workers to 15%. In FYE 2022, there were no disabled staff employed at Legenda.

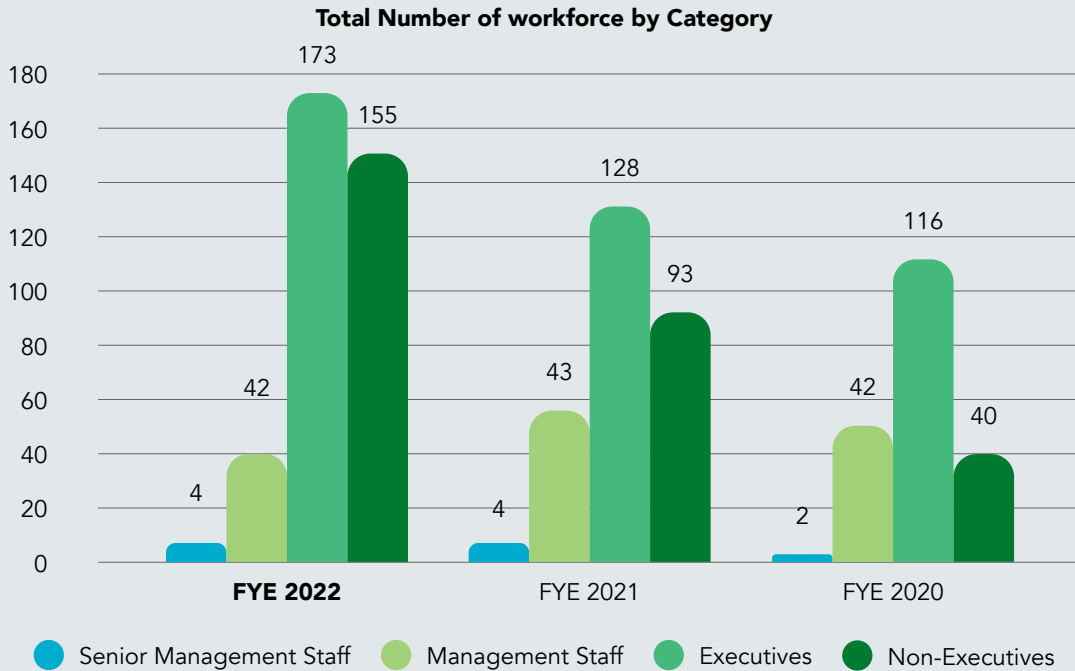
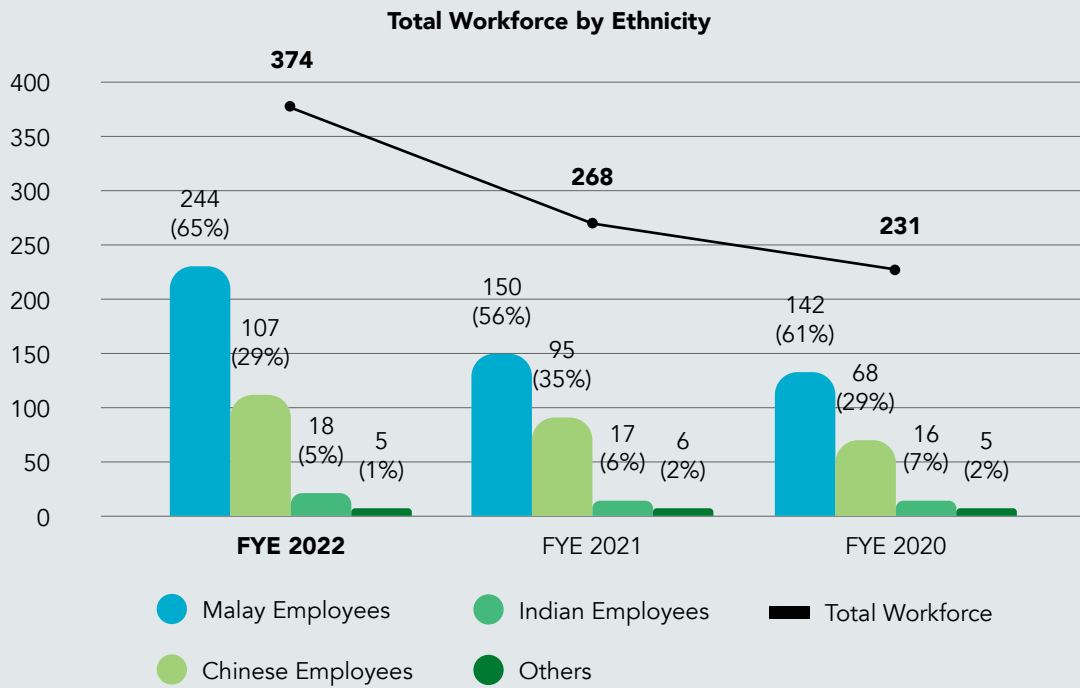


The total workforce is increasing within the three years of data (from 2020-2022) regardless of gender, ethnicity and employment category. The percentage of these three different categories shows the same trend despite there being additional talent recruitment. The percentage of permanent/contract staffs was found to be 50%, which is equivalent to half of the total workforce. We will continue to monitor these metrics over time and promote diversity and inclusivity in the workplace as well as in our hiring.



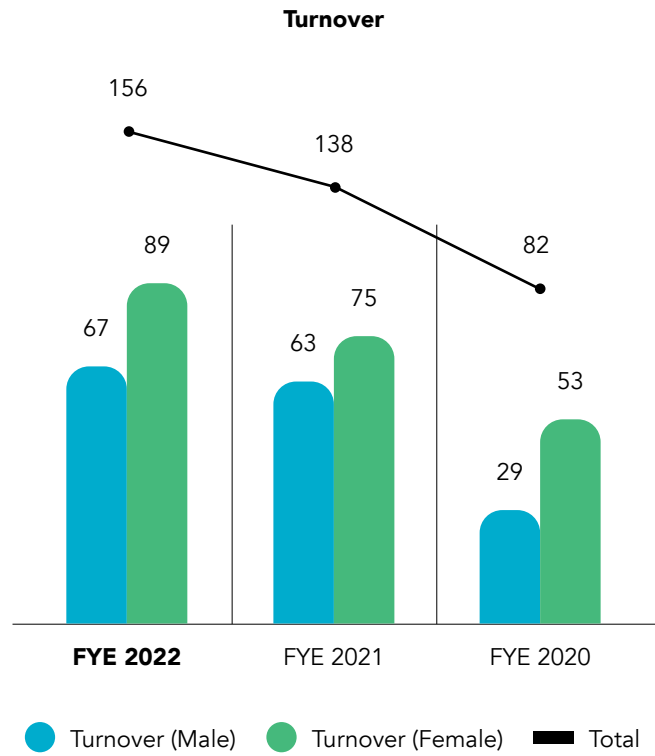
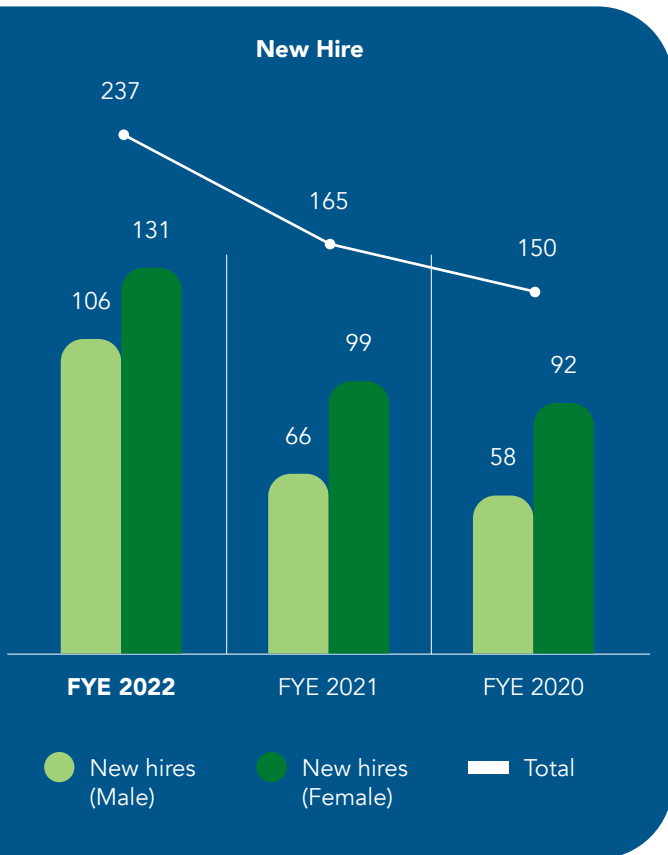
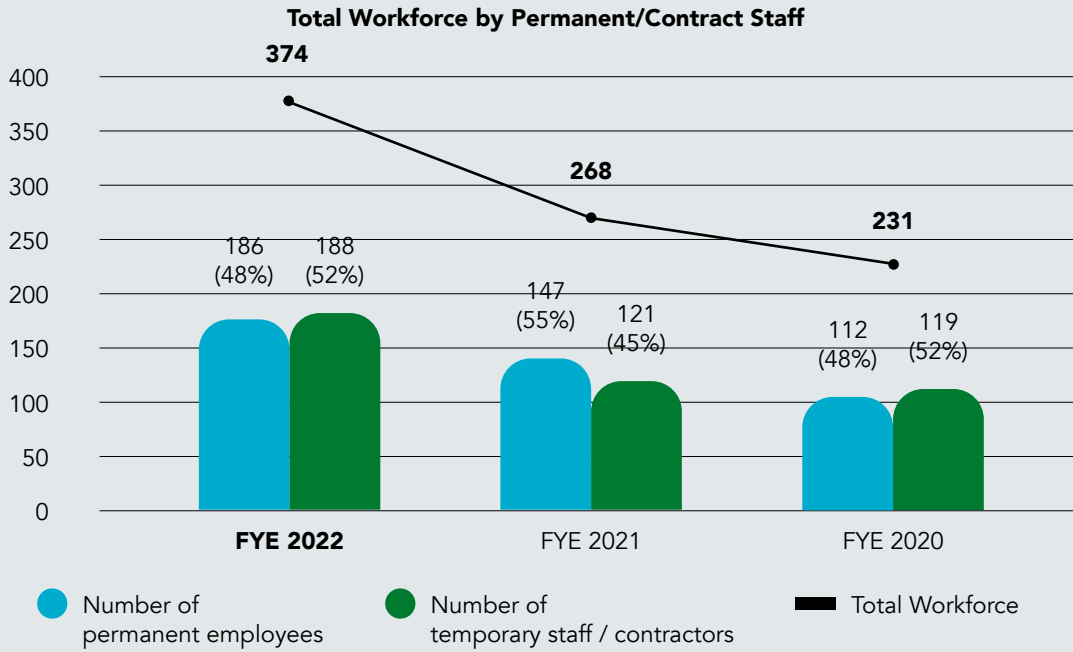
# SUSTAINABILITY STATEMENT

## DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)



# SUSTAINABILITY STATEMENT

## DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)





# SUSTAINABILITY STATEMENT

## DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)

Lagenda's equal opportunity employment practices to all current and future employees are outlined in the Employment Policy, our Human Rights Policy and OSH Policy and Procedures.

As a result of stringent enforcement of internal policies, we recorded zero incidences of discrimination during this reporting period.

## ADVOCATING HUMAN AND LABOUR RIGHTS

Lagenda upholds human rights and its related commitments in every area of employment, and any involved the third-party stakeholders (including our suppliers) as expressed in The United Nations Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights of Work, The United Nations Global Compact Principles on Business and Human Rights, Industrial Relation Act 1967 and Employment Act 1955.

The responsibility to respect human rights as published in our Human Rights Policy, the Group commit with the following principles:

1. Protect the Rights of Children
2. Preventing Forced Labour
3. Respecting Freedom of Association and the Right to Collective Bargaining
4. Eliminating Violence and Harassment

Additionally, Lagenda makes sure all workers have a legal permit to work. In the event any third-party stakeholders are found to infringe on these prerequisites, termination will be automatic and further action may be taken upon reporting to the relevant authorities. This also applies to Lagenda's own employees.

Where the Group identifies that it has caused or contributed to adverse impacts, we strive to provide or cooperate in any remediation actions. With the whistleblowing mechanism in place, any third-party stakeholders will be able to report such social rights issues to the attention of the Board and designated committee. In FYE 2022, there were no incidents reported and we will remain committed to provide relevant training and human rights issue and advocating the culture of respecting the human rights.

## Employee Benefits and Remuneration

Lagenda provides competitive compensation packages to all staffs directly employed by the Group, benchmarked against industry standards. These packages include salaries, bonuses, various types of leave (e.g., parental leave, calamity leave), monetary and non-monetary rewards and healthcare are provided to our workforce and is essential if the Group is to retain and attract talent within this competitive market.

Benefits provided are in compliance with the Employment Act 1955 and match current market standards.

	FYE 2022 (RM)	FYE 2021 (RM)	FYE 2020 (RM)
Total payments made to employees in terms of salaries, bonuses, and benefits (RM'000)	23,500	18,149	11,858
Total statutory payments made for employees' retirement benefits (EPF) (RM'000)	6,698	5,059	3,517
Total payments in medical insurance (SOCSSO) for employees (RM'000)	276	203	135

## Compliance with Social Regulations

As Lagenda continues to ensure the social wellbeing of its workers, there have been zero incidents reported associated with human and labour rights issues in FYE 2022. There has also not been any violation of human rights involving indigenous communities throughout Lagenda's operating history. On the social front, Lagenda constantly identifies potential impacts that the Group's operations and activities might have on human rights. Supported by internal and independent human rights experts, the Group assesses the impacts from the perspective of risk to people rather than risk to the business on a regular basis, particularly before entering a new activity.

# SUSTAINABILITY STATEMENT

## TALENT RETENTION AND DEVELOPMENT

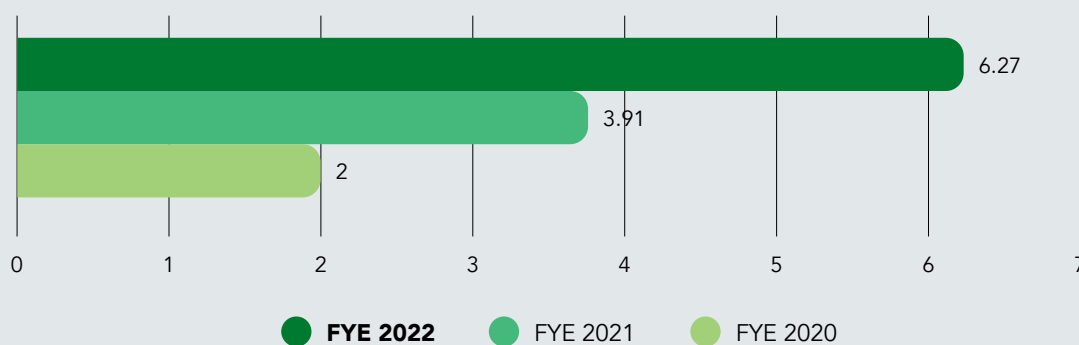
Developing our human capital remains our priority as we strive to maintain our talent, workforce productivity, individual skill sets, and knowledge while ensuring our competencies remain relevant in a rapidly evolving industry. As such, the Group aims to deploy a total of 4,000 training hours every year, providing all employees with constant learning opportunities at all levels of employment. Our commitment to training and professional development serves several purposes, including:

- Address any competency gaps in employees’ skillsets identified through the regular appraisal processes and reflects.
- Supporting the career advancement of its workforce.
- Support succession planning within the organisation.
- Effectively developing the competencies of our employees by involving expert consultation to determine areas for improvement, such as digitalisation skills and capabilities in technology management

Lagenda’s support in training development is reflected through its annual contributions to the Human Resource Development Fund (“HRDF”), which allows all work-related training to be provided free of charge to its employees unless under exceptional circumstances. As the HRDF fund is only claimable for training purposes, Lagenda also allocates additional funding for other upskilling programmes such as seminars, lectures, workshops, and courses. In FYE 2022, a total budget of RM107,288.62 has been allocated for training development, with a deployment of 4,067 hours of training. We are pleased to announce a 60% increase in the average training hours per employee, which is now 6.27 hours per employee.

Training Data	FYE 2022
Total training hours	4,067 hours
Total training spend	RM107,288.62
Total training hours Per Business Unit	581 hours / Division
Total training spend per Business Unit	RM15,688.00
Average Training Hours Per Employee	6.27 hours
Average Training Days Per Employee	1.36 days
Average Training Spend Per Employee	RM707.15

Average training hours per employee



To ensure the quality and effectiveness of our training programs, we require all employees who attend trainings to provide feedback through a designated platform. Despite the challenges posed by the COVID-19 pandemic, most trainings have resumed in FYE 2022 as we transition into the endemic phase.

To maintain high standards of training quality, our Internal Control and Compliance department regularly performs audits to ensure that our training and development activities align with ISO standards. We are proud to report that no non-conformance reports were recorded in FYE 2022 regarding our training and development activities based on the annual review and audit process.

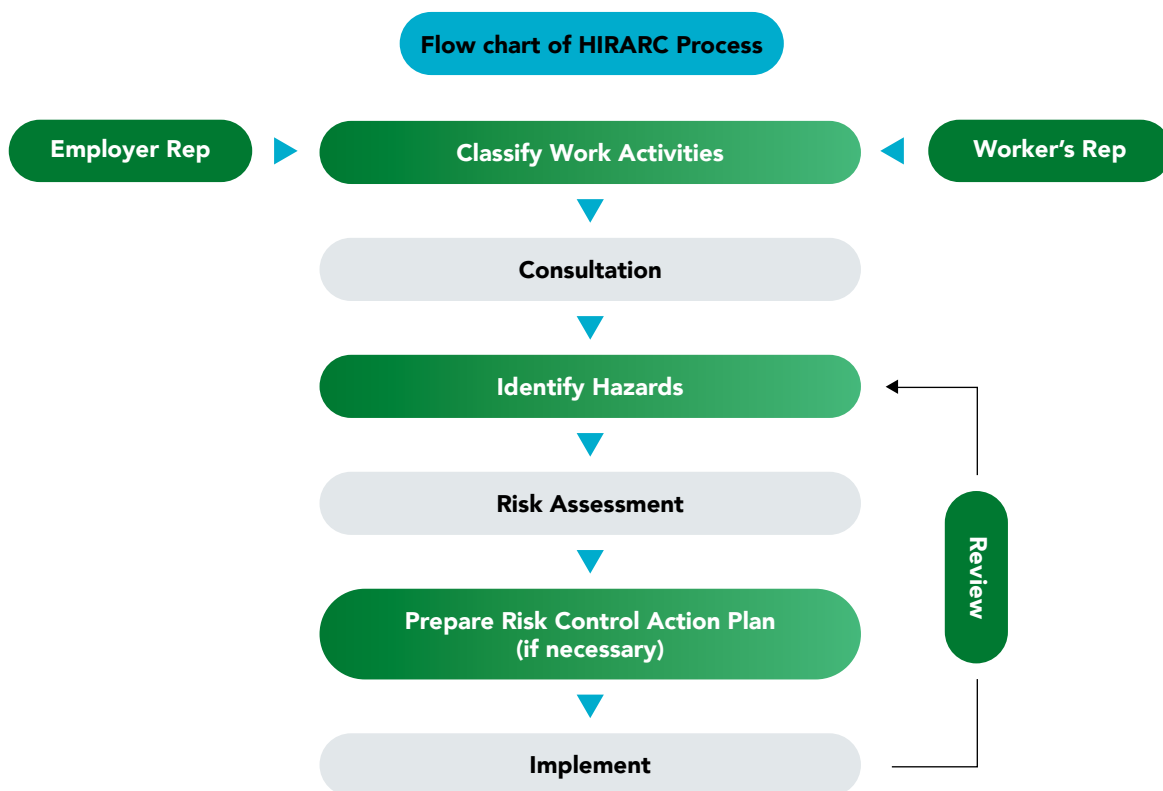
# SUSTAINABILITY STATEMENT

## OCCUPATIONAL SAFETY AND HEALTH

OSH are top priorities for Lagenda, driven by the Board and Management’s commitment to the wellbeing of employees, third-party workers, local communities, and other stakeholders. The Group aims to provide a safe and secure environment in which everyone can work confidently and produce their best quality work while being productive and able to go home to their families and loved ones. Injuries or fatalities are tragedies that must be avoided at all costs.

Operationally, the lead of Health and Safety Department is responsible for oversight of all OSH-related matters in the Group, especially on-site. Some organisational resources such as financial and human resources have been set aside to drive the OSH agenda/ performance to give sufficient support. Any OSH incident is likely to prove disruptive to the progress of works at operational sites. Damages and delays will hamper project completion and also lead to increased costs for rectification. Furthermore, any OSH incident may also affect the Group’s reputation and branding as a safe and reliable operator.

Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) forms the basis of occupational safety and health at Lagenda. It involves the identification and assessment of various hazards that may cause injury or harm to a person when exposed to these risks.



A strong OSH management system drives down compliance costs and minimise risks. A good OSH track record leads to improved productivity and higher worker morale, enhanced brand reputation, increased competitiveness in bidding for contracts, faster project completion and lower costs due to reduced need for property and equipment replacement.

### OSH Committees at Site

All worksites have a comprehensive OSH Committee, comprising a Safety Officer, Site Safety Supervisor and Project Manager. Collectively, all parties strive to achieve and maintain an incident-free work site. Key tasks include organising monthly Safety Committee meetings as well as weekly toolbox meetings, undertaking HIRARC for all jobs activities on site, conducting weekly and monthly inspections, investigating any incidents to identify root causes, conducting lessons learned initiatives to ensure that insights are shared among all worksites and ensuring sufficient employee representation on OSH committees.

In compliance with the Occupational Safety and Health Act (“OSHA”) of 1994, Lagenda has established an OSH policy and procedures that is made easily available to all relevant parties. OSH Policy is cascaded to workers by discussing/ explaining during induction or during Toolbox Meetings. The policy is also posted on the Information Board at sites.

# SUSTAINABILITY STATEMENT

## OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

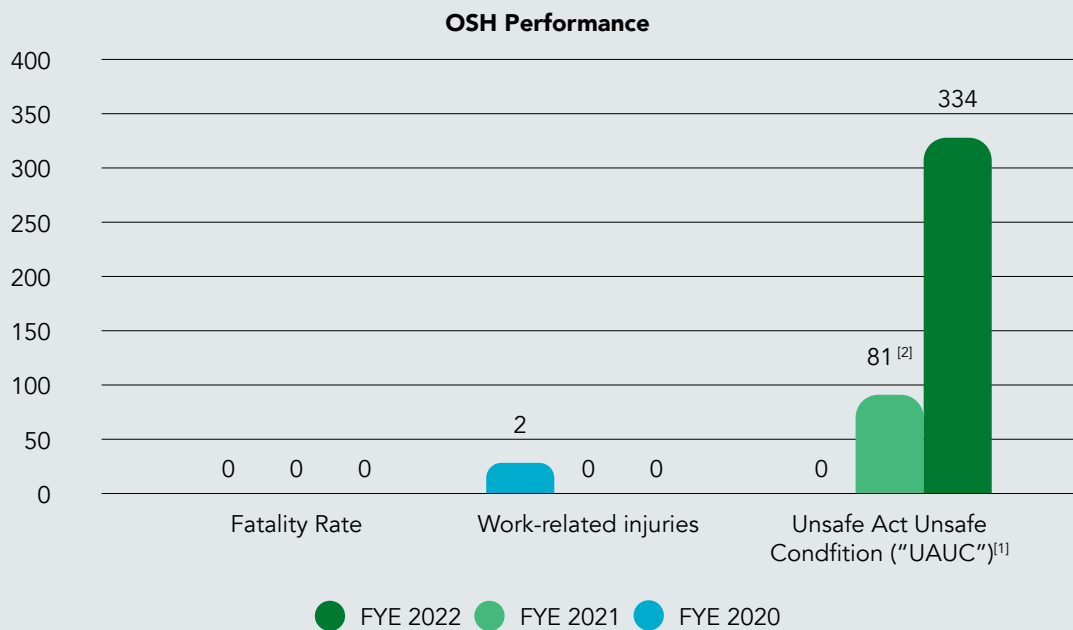
### OSH Incident Investigation

Any incidents are reported to Management immediately. The incident is thoroughly investigated, and any staff involved in non-compliance incidents will be warned by safety personnel through the issuing of a verbal warning/ memo/ penalty or Safety Improvement Notice (SIN), following the Notification of Accident, Dangerous Occurrence, Poisoning and Occupational Disease ("NADOPOD") procedure, which is a protocol for investigating and taking action on reported incidents and accidents.

The findings of the investigation will enable the identification of the root cause for the incident and provide recommendations on how to prevent or reduce the possibility of re-occurrence.

### OSH Performance

In FYE 2022, Lagenda recorded a total of 4,716,189 total of manhours. The Group monitors its OSH performance through monthly report and the results are measured and verified by an internal audit committee. Due to the strict implementation of OSH policy and procedures, Lagenda is proud to report that no incidents or lost time injuries were recorded in FYE 2022.



Note:

<sup>[1]</sup> UIAC are related to the way people handle their tasks and unsafe conditionals are majorly attributed to owners of the workplaces.

<sup>[2]</sup> The site operated in October 2021, thus, the data recording on UIAC started from that point onwards.

Year	Total man-hours
2022	4,716,189
2021	3,253,397
2020	-

# SUSTAINABILITY STATEMENT

## OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

### OSH Training and Education

OSH training is required to ensure a high level of competence and vigilance. Staff are sent for OSH-related training which also equips them with basic knowledge of first aid.

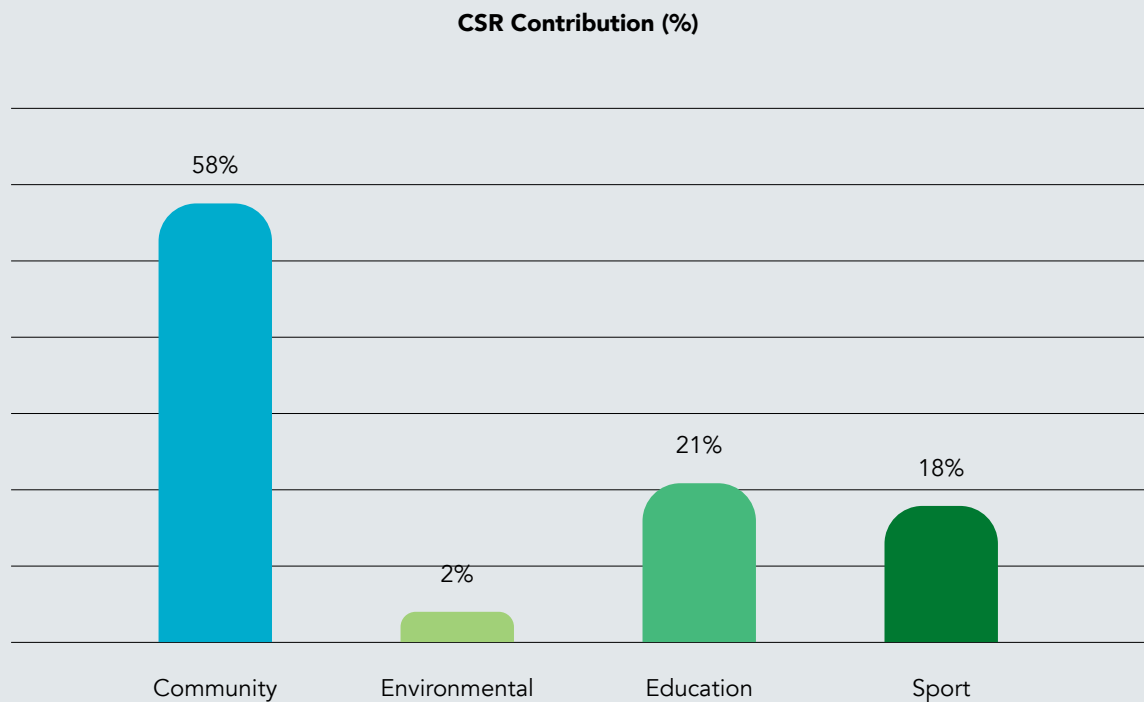
### DATA PRIVACY

We respect the confidentiality of personal information and treat all personal data with integrity. Given the nature of Lagenda's business, large amounts of data and information are received involving employees, officers, and customers. Data collected is safeguarded by strict data controls and an extensive security system to ensure that the data is used for its intended purpose and only seen by relevant parties.

Data that is not required by the Group is purged from its collection. In FYE 2022, zero incidents were recorded involving cases of data breach within the Group's operations.

Lagenda is committed to enhancing the well-being of local communities through Corporate Social Responsibility ("CSR") initiatives and volunteerism activities among its employees. Lagenda has provided support financially and in kind to its local communities for various charitable causes, which range from short to long-term programmes. In FYE 2022, approximately RM400,000 has been contributed for all CSR programme covering a range of activities such as Environmental, Education, Community, and Sport.

Below are some of the salient CSR activities and community engagement conducted in FYE 2022:



# SUSTAINABILITY STATEMENT

## ENRICHING COMMUNITY AND STAKEHOLDER ENGAGEMENT (Cont'd)

Below are some of the salient CSR activities and community engagement conducted in FYE 2022 :

### Community

#### Sponsorship to Build Cabin for BBSAP Residents – Residens 2

Contribution was made to the Residents Association of Residens 2, Bandar Baru Setiawan Perdana for the purpose of purchasing a CABIN to be used as the Residents Association office, a storage space, and a temporary surau for the use of residents in Residens 2.



#### Raya Celebration Donation to Angkatan Tentera Malaysia

This program is organised annually, in which Angkatan Tentera Malaysia (ATM) provides a donation to purchase festive necessities such as sarongs, batik fabrics, festive cookies, and instant food items for military personnel who are required to work at defense camps during the festive season.



#### Food donation

- Food box initiative – Sg Manik, Teluk Intan
- Food Donation to residents in Bota in conjunction with the celebration of Hari Raya Aidilfitri



# SUSTAINABILITY STATEMENT

## ENRICHING COMMUNITY AND STAKEHOLDER ENGAGEMENT (Cont'd)

Below are some of the salient CSR activities and community engagement conducted in FYE 2022 : (Cont'd)

### Environmental



#### Mangrove Reforestation with Persatuan Aktivis Sahabat Alam (KUASA) at Sungai Changkat Keruing, Perak.

Legenda has made an investment in preserving the local ecosystem by planting *Rhizophora apiculata* and *Bruguiera cylindrica* in the Sg. Keruing mangrove forest. These two species are native to the area and are a good source of natural antioxidants with medicinal uses, helping to promote a healthy and thriving environment.

#### Community Garden Project in collaboration with Jabatan Pertanian Perak dan Majlis Perbandaran Manjung

As part of the 5R campaign, Legenda has launched the Community Garden Project in collaboration with the Majlis Perbandaran Manjung and Jabatan Pertanian Perak. The project aims to promote food security and environmental awareness.

The event was attended by 40 participants who witnessed the official handover of the community garden to the local community, providing them with gardening facilities and resources to support their gardening journey.



# SUSTAINABILITY STATEMENT

## ENRICHING COMMUNITY AND STAKEHOLDER ENGAGEMENT (Cont'd)

Below are some of the salient CSR activities and community engagement conducted in FYE 2022 : (Cont'd)

### Sport

- Sponsorship of BBSAP Futsal Competition
- Sponsorship for Bowling Tournament Programme of Department of Occupational Safety and Health, Ministry of Human Resources
- Donation for the Futsal Tournament Ketua Polis Perak, 2022
- Sponsorship from Kejujutan Gold 4 Penjuru KGK 2022



### Education



- Student Travel's Sponsorship to Global English Competition  
  
Legenda sponsored three students from two schools in Perak to compete in the final round of Global Teen Eagle 2022 competition held in London, United Kingdom.
- All three students brought home gold and silver medals for Malaysia in this competition.
- Educational Talk with University of Reading
- Upskilling Training for BBSAP Residents

## EMPLOYEE RELATIONS AND ENGAGEMENT

Legenda acknowledges that job satisfaction is a significant factor that impacts employee retention. To proactively engage our employees, we ensure that they are always kept informed of relevant information. Staff notifications are disseminated via Yammer, and new hires are also briefed on Group policies through the Welcome Aboard email. In FYE 2022, we organised several employee engagement activities, including departmental domestic travel, annual dinner, Chinese New Year celebration, and sports events.



## PILLAR 3: ADVANCING ENVIRONMENTAL STEWARDSHIP

Legenda continues to embrace sustainable development as a core value of its business philosophy. The Group aims to progressively embed within its business model the key concepts of resource stewardship, environmental preservation, and reduction in environmental footprint (impacts such as carbon emissions, waste production and others).

These shall be progressively realised through new strategies and action plans as well as changes to business processes that promote reduced consumption of resources. This includes energy and water management, building materials, reduced waste production and increases in waste recycling (to reduce quantities sent to landfills).





# SUSTAINABILITY STATEMENT

## PILLAR 3: ADVANCING ENVIRONMENTAL STEWARDSHIP (Cont'd)

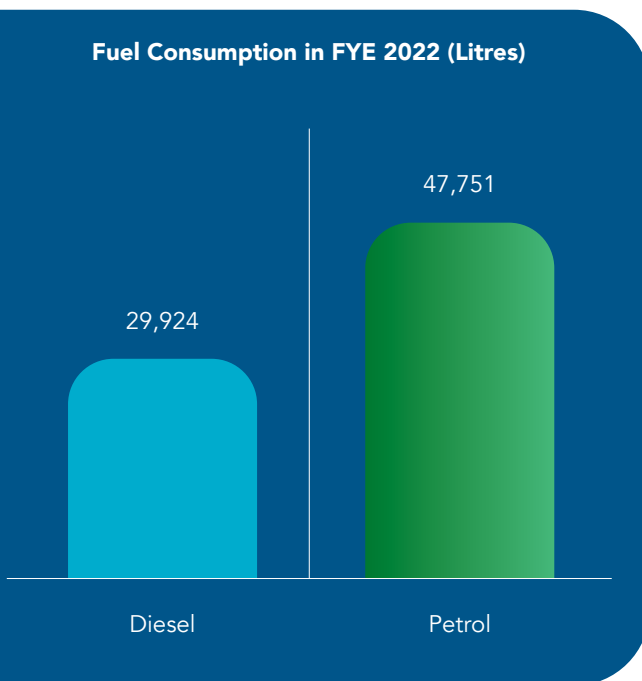
The Group's commitment is reflected through its effort in all environmental aspects which identifies its focus areas with supporting goals, KPIs and targets. The targets are set to ensure the Group's sustainability efforts continue to progress well on track.

### ENERGY CONSUMPTION

The Group is cognisant that energy management is the key to conserving energy and bringing about cost savings by implementing energy efficiency initiatives. Lagenda remains committed to monitoring its fuel and electricity consumption to determine the efficiency of its operation usage.

#### Fuel Consumption

To pursue energy efficiency across the Group, Lagenda has extended the scope of energy resources to consider fuel usage throughout the business operations. In FYE 2022, the Group initiated a new accounting method to keep track of fuel consumed by the company-owned vehicles using the distance travelled metrics.

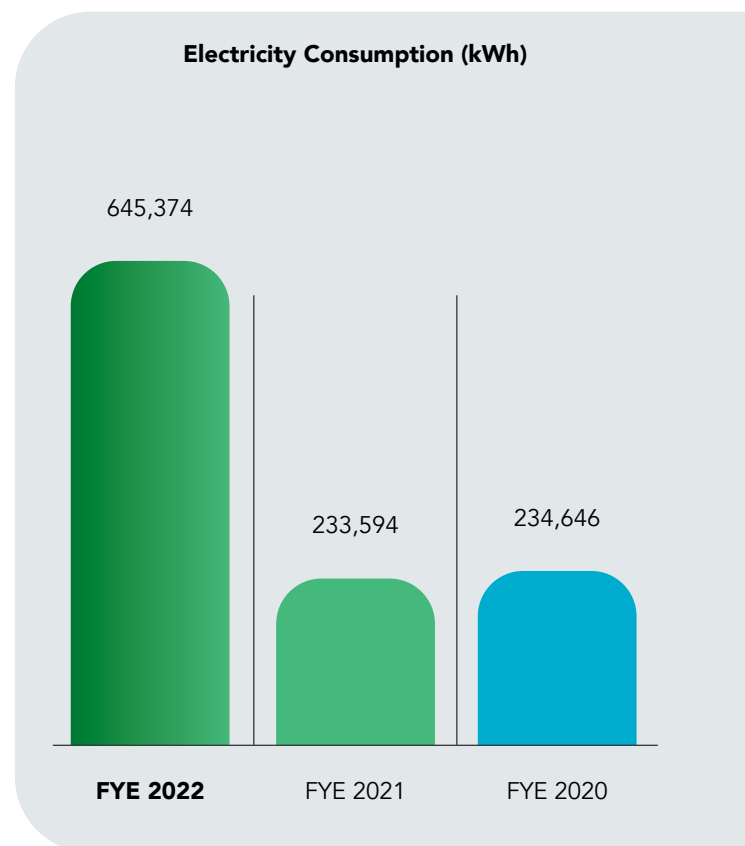


Note: Fuel consumption is calculated based on the fuel efficiency of the company-owned vehicles and the distance travelled for FYE 2022.

#### Electricity Consumption

Through the Group's Climate Change Policy, we continuously encourage efficient energy consumption in our operations. Starting from FYE 2021, the Group has implemented various measures to reduce energy consumption, such as installing 100% LED lighting in operating buildings and raising awareness among employees to promote behavioural changes, such as turning off lights when not in use and limiting the use of air conditioning.

We believe in the adage that "we can best manage what we can measure," and this is why we have made ongoing efforts to manage our consumption. As part of our commitment to sustainability, we have expanded our scope of electricity monitoring for other facilities and buildings across Lagenda's business operations. In FYE 2022, our electricity consumption recorded an increment trend due to this expanded scope, with an additional 33 of the units/buildings being monitored and disclosed compared to FYE 2021.



# SUSTAINABILITY STATEMENT

## ENERGY CONSUMPTION (Cont'd)

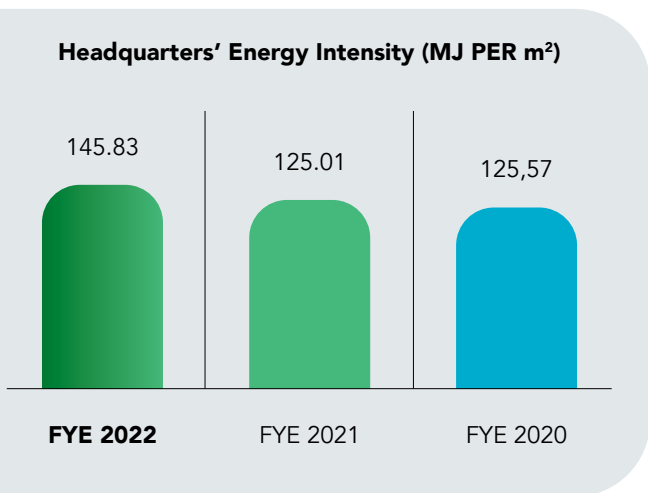
### Electricity Consumption (Cont'd)

Facilities/Buildings	Electricity Consumption (kWh)		
	FYE 2022	FYE 2021	FYE 2020
Headquarters	274,371	233,594	234,646
Hostels	11,613	-	-
Office Buildings	179,133	-	-
Sales Gallery	123,070	-	-
Customer Service Centres	35,869	-	-
Facilities, e.g., Gym	21,319	-	-

### Energy Intensity

In monitoring the energy efficiency performance prior to year-to-year target and KPI settings, the Group utilised the energy intensity formula by indicating the energy used per meter square area (m<sup>2</sup>) of the building. In FYE 2022, the energy intensity has increased to 145.01 MJ, compared to FYE 2021 (125.01 MJ), which may be attributed by increased capacity and occupancy within the floor space area.

Moving forward, Lagenda plans to extend the energy intensity quantification covers other facilities and buildings within the Group's business operations.



Note: Conversion of 1 kWh equivalent to 3.6MJ. Energy Intensity is calculated based on Headquarter (HQ) sizing of 6,725 m<sup>2</sup>.

We are also committed to increase the energy efficiency within our project. Apart from the energy efficiency performance at headquarters, 187 units of LED lighting are installed at the BBSAP project. Lagenda recognises the need to reduce emissions and promote renewable energy by committing to install 1,000 residential solar PV systems across three projects will be installed that were developed by Lagenda in the state of Perak.

## RESOURCE AND WASTE MANAGEMENT

With regard to waste management, Lagenda's focus is on minimising construction waste and introducing recycling facilities in compliance with the requirement from authorities such as the Department of Environment ("DOE") and all sites are practicing the guideline of ISO 14001.

In FYE 2022, approximately 6,000 homes planned for launch will require bulk commodity purchases and hence, could possibly increase the construction waste. To mitigate this, Lagenda has improved the efficiency and productivity of its construction segment by harnessing technologies such as the previously mentioned IBS system comprising the use of aluminum formwork since year 2015.

As to date, Lagenda has purchased approximately RM33 million worth of aluminium formwork which are designed and manufactured locally in Malaysia. The aluminium formwork can be re-used up to 150 times. This reduces its reliance on manual labour and construction waste production, subsequently reduced resource consumption throughout the manufacturing process. This effort has aligned with UNSDG's Sustainable Cities (Goal 11) and Responsible Consumption and Production (Goal 12).

As Group-wide sustainability initiative, we have implemented a Waste Management Project and Strategy based on the 5R approach to minimise waste and maximise resource efficiency. Specifically, our initiative at Lagenda has involved reducing resource consumption, reusing the waste, recycling waste, and recovering waste materials, and refuse.

# SUSTAINABILITY STATEMENT

## RESOURCE AND WASTE MANAGEMENT (Cont'd)

As such, Lagenda has set its KPI and targets on waste management as below:

1. Minimum of 20% of construction waste diverted from landfill
2. To promote recycling centers / points across all developments
3. To engage with organisations/ authorities to promote a community garden programme

### Reduction of Construction Waste Diverted from Landfill

Within the 5R approach of waste management strategy, Lagenda continues to use prefabricated materials (cast in situ wall) on its current and future development which will greatly reduce the volume of waste that will be sent to landfills.

75,724 m<sup>2</sup> of prefabricated materials has been used for the project Bidoria Tapah 144a in FYE 2022, which also contributed to a total of 371,034 m<sup>2</sup> of prefabricated material used within the development year.

Roof truss, window frames, door frames and door leaves are all prefabricated materials that have increased the efficiency of the construction work and avoids unnecessary on-site wastes. Some projects using IBS to reduce waste generation with the materials used at site such as timber formworks are being recycled and reused to minimise waste generation.



## WATER MANAGEMENT

Water is a finite resource and therefore, must be carefully used and preserved. As such, Lagenda recognised the shared responsibility on efficient water consumption between the Group and its stakeholder by adopting sustainable practices across the operation and value chain in line with the UNSDG Goal 6 (Clean Water and Sanitation).

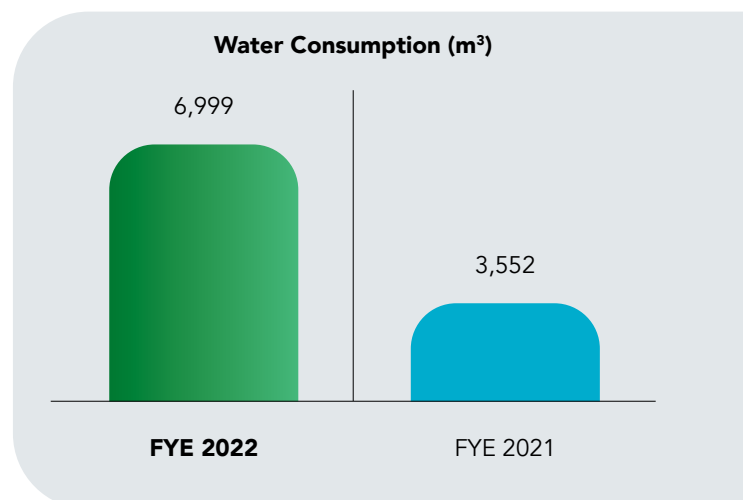
Internally, Lagenda has implemented a sustainability awareness campaign aimed at encouraging behavioral changes among employees and site personnel to reduce water consumption. For operational usage, Lagenda primarily relies on municipal potable water, which is monitored and recorded based on monthly water bills. In FYE 2022, the Group recorded a total water usage of 6,999 m<sup>3</sup>, representing a significant increase of about 35% compared to FYE 2021. However, this increment was primarily due to the expansion of data collected from buildings/facilities covered in Lagenda's reporting boundary. As we consistently collected data for the Headquarters Building since FYE 2021, Lagenda has demonstrated its commitment by decreasing its water consumption by 2.34% compared to FYE 2021, reflecting the company's effort against its baseline year.



### Reduction of Waste in Our Township

The Group has strategised its action plans to promote waste reduction and efficiency by introducing recycling facilities at BBSAP clubhouse and implementing more intensive practice of prefabricated materials in construction work.

In the future, the Group plans to engage with contractors to obtain the necessary data to report on volumes and types of waste generated at the development sites. Lagenda has also engaged with an external recycling consultant to collect data on recycled waste at BBSAP, which will contribute to the waste management programme of the Manjung district.



# SUSTAINABILITY STATEMENT

## WATER MANAGEMENT (Cont'd)

Facilities/Buildings	Water Consumption (m <sup>3</sup> )	
	FYE 2022	FYE 2021
Headquarters	3,318	3,552
Hostels	1,303	-
Office Buildings	1,466	-
Sales Gallery	719	-
Customer Service Centres	193	-
Facilities, e.g., Gym	-	-

For our township, Lagenda has set a target of reducing water consumption by 5% by 2025 through the installation of 3,000 unit of rainwater harvesting systems. In FYE 2022, Lagenda has made significant progress towards this goal by installing a total of 3,663 units of rainwater harvesting systems. This represents an increase of 1,170 units as compared to the previous year and is a testament to our ongoing efforts from 2020 to promote water efficiency and sustainability. As we move forward, we remain committed to monitoring and evaluating the effectiveness of our initiative.

Year	FYE 2022	FYE 2021	FYE 2020
Rainwater Harvesting Installed within township	3,663 units	2,493 units	1,476 units

## Effluent Discharge

Lagenda is cognisant that the activities at project sites within the project area are expected to contribute some water pollutants to the waterways. At all project sites, the Group actively monitors effluents at the outlet from the silt trap on a quarterly basis at minimum four locations of the project area, especially on water quality.

Field observations and measurements are to be conducted once every three months with ad hoc measurements being carried out on an as-needed basis. An environmental programme is designed to ensure minimum impact of the project on the environment with a mitigation plan in place for when there is a serious and chronic environmental problem.

Thus far, all operating sites have achieved compliance with guidelines stipulated in Environmental Impact Assessment ("EIA") under the Environmental Quality Act.

## BIODIVERSITY

Lagenda's landbank and its existing townships or standalone developments are being considered for biodiversity enhancement whenever possible. The continued effort to encourage biodiversity is intertwined with social responsibility as it is believed that every Malaysian family should own a home with a good environment to live in. The Group commits to ensuring the liveability of the community and hence, they find that it is critical to facilitate a quality environment with features to encourage social productivity.

As outlined in Lagenda's Biodiversity Policy, Lagenda carefully selects land that requires minimal intervention in its environmental profile. This involves the assessment of long-term land productivity where Lagenda only permits land conversion from the non-primary forest and unproductive land.

It is known that most of Lagenda's landbank is former monoculture farmland. As such, BBSAP was built in a monoculture farming, an unproductive land with low biodiversity quality. The development of BBSAP on a monoculture plantation brings minimal impact on the degradation of biodiversity. In fact, with more species planted within the township, it brings the probability to attract fauna and hence, enhances the ecosystem.

In FYE 2022, a total of 5,240 trees have been planted across different project areas with various types of species. Two species considered by Identification of International Union for Conservation of Nature's ("IUCN") Red List of Threatened Species were selected to be planted in these projects. In total, 292 Hopea Odorata, a vulnerable plant and 30 Agathis Borneensis, an endangered plant species have been planted.

# SUSTAINABILITY STATEMENT

## BIODIVERSITY (Cont'd)

Lagenda has set its KPI and target on biodiversity as below:

- To plant and increase 5% of tree species that have conservation importance
- To plant more than 20,000 plants across all developments by the year 2025
- To initiate community garden projects at other townships

As of FYE 2022, Lagenda has successfully executed its target of biodiversity with spending disclosure as shown below:

Number of trees planted	Budget spent on biodiversity
23,000 trees planted at the township	RM2,000 from CSR activities
1,000 trees planted during the mangrove CSR program	RM8,000 from the community garden project

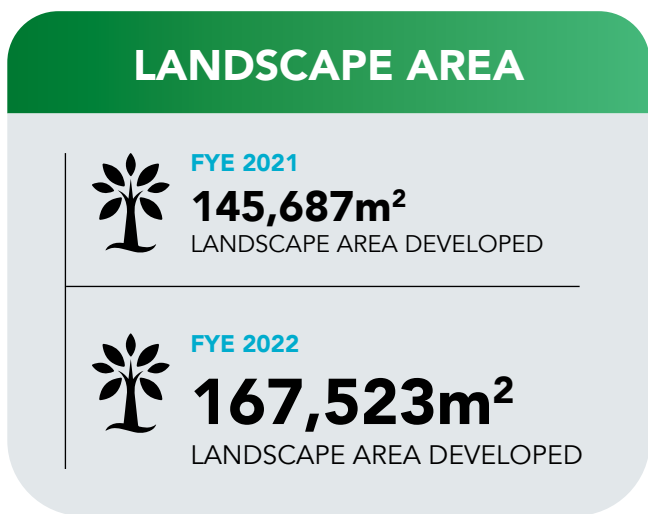


Lagenda has its own financial resource that is allocated to managing biodiversity. Currently, it is used for tree procurement from the nursery which is also a part of the phase development budget.

The Group takes the responsibility to keep track of and monitor its performance through data collection, including the number of trees and type of species with conservation importance. These data will be compiled in a data monitoring template and kept by sustainability analysts to measure the progress of trees planted and landscape area developed by year.

# SUSTAINABILITY STATEMENT

## BIODIVERSITY (Cont'd)



The Group is committed to its Climate Change Policy to overcome the challenges posed. Lagenda has pledged to take several actions to mitigate its impact, these include:

- Encourage measures for efficient energy consumption in our operations
- Set targets to reduce our operational carbon emissions
- Monitoring of the Group's energy and carbon emissions to track our sustainability performance
- Collaborating with relevant stakeholders for climate change prevention initiatives
- Encourage supply chain partners to implement best practices for reducing emissions.

In FYE 2022, we captured our Scope 1 and Scope 2 of GHG emissions. This enables us to set a comprehensive target, monitor the performance and ensure that climate change aspects, especially risks and opportunities, are considered in our business (in line with TCFD). The Group also plans to expand our data traceability of GHG emission throughout the business operations in Malaysia.

## ENVIRONMENTAL PERFORMANCE MONITORING

Lagenda monitors its environmental performance to ensure compliance with standards set out by the DOE.

At all sites, the project proponents are required to submit an EIA report to the DOE for approval when this study is being carried out in order to fulfil the requirement. Beyond that, environmental monitoring is conducted on noise levels, quantity, types of effluent discharge and air emissions to control pollution from construction work.

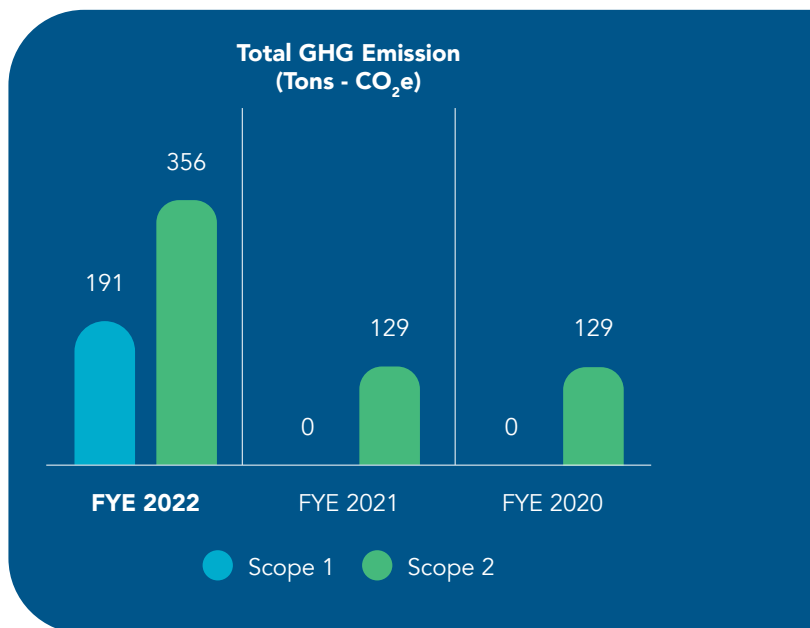
Lagenda complies with the environmental standards, regulations and guidelines that are relevant to the proposed housing scheme such as approval condition for the EIA, National Land Code 1965, Factories and Machineries Act 1967, MASMA guideline and EQA 1974. Apart from that, the Group has published its Environmental Policy to minimise the environmental impacts and commit to follow.

The Group has not been fined or served with notices of site shutdowns due to poor environmental performance in FYE 2022.

## CLIMATE CHANGE

The impact of climate change on Malaysia and the world continues to intensify, making it imperative for businesses to address their carbon emission.

As a responsible developer, we recognize the need to lower emissions and support the target of limiting the rise in global average temperature to 2°C, preferably 1.5°C, as per the Paris Agreement. In this regard, the Group has aligned its responsibilities on climate action by reducing carbon emissions through a strategic and concerted approach. We support the UNSDG 13 (Climate Action) with its statement 'to take urgent action to combat climate change and its impact' through ongoing efforts in regulating emissions, mitigating, and adapting climate change through sustainable elements in our township, and engaging people with the Group's climate strategy.



Note: Global Warming Potential (GWP) values, if and when necessary, refer to IPCC Fifth Assessment Report 2014 (AR5), while the emission factor for electricity consumption – 0.551 kgCO<sub>2</sub>e/kWh, is in accordance with the UNFCC Harmonised Grid Emissions Factor 2021.

In tandem with our energy performance, our GHG emissions also recorded an increment with a total of 547 tons-CO<sub>2</sub>e. This is mainly because of the expanded disclosures for Scope 2 emission in considering the electricity consumption for other buildings operated in Malaysia and the inclusion of fuel consumed by company-owned vehicles as Scope 1 emission.

# SUSTAINABILITY STATEMENT

## CLIMATE CHANGE (Cont'd)

The Group has also started planning for its decarbonisation agenda as part of its sustainability pathway in mitigating and adapting the climate change through establishment of strong baseline. Moving forward we are conducting assessment to ensure that we have quality data collection and measurement system in place to manage our carbon emissions and progressively improve our data to also include Scope 3 emissions once our systems and process are well established. Moving forward, Lagenda targets to reduce our carbon emissions intensity by 10% by 2025, and to achieve 45% reduction intensity by 2030 (Baseline year 2022), which is in line with Malaysia's Nationally Determined Contribution (NDC).

### Low Carbon Initiatives

Beyond energy conservation, Lagenda is also committed to using renewable energy alternatives to substitute the use of fossil fuels moving forward. By doing so, it reduces the negative impacts on the environment.

Moving forward, Lagenda has looked into various initiatives to substitute fossil fuels with RE alternatives. We hope to do this through installing 1,000 PV systems in the future at development sites in Perak. Designed to promote renewable electricity in the township, it will also provide homeowners with long-term savings on utility bills.

The PV systems potentially produce approximately 2.8 Gigawatt hours (GWh) of clean electricity, which neutralises about 1,950 tonnes of carbon emissions per year.

Besides pursuing RE adoption, tree planting is another simplest and most effective way to remove carbon dioxide from the atmosphere by creating long-term carbon sinks. Lagenda has planted another 5,240 trees across its current township projects in FYE 2022, which has more than 23,000 plants in total over three years of development.

FYE 2022 mark another milestone in our climate change journey as commenced adopting the TCFD recommendations. These recommendations provide guidance to assess risks and opportunities and improve the quality of climate-related disclosures with regards to governance, strategy, risk management, metric, and targets.

## TCFD ALIGNMENT

The Group has decided to align its sustainability reporting to the TCFD in FYE 2022. The rationale behind this is to further drive the Group's commitment to continuously monitor its performance and progress in accordance with climate change whilst also strengthening the Group's capabilities in terms of management, governance and ability to address impacts caused by climate change.

The Group's approach to TCFD adoption will be centered around the 4 pillars which are:

1. Governance- To disclose Lagenda's governance surrounding climate-related risks and opportunities which include Board oversight on climate change or management's role in assessing and managing climate-related risks and opportunities.
2. Strategy- For Lagenda to disclose the actual and potential risks and opportunities presented by climate change on the Group's businesses, strategy, and financial planning in the short, medium, and long term.
3. Risk Management- For the Group to disclose the process of how we identify, assess, and manage climate-related risks and how this is integrated into overall risk management.
4. Metrics and Targets- Discuss the metrics and targets used to manage and assess relevant climate-related risks and opportunities which are in line with the Group's strategy and risk management process. This could include disclosure of Scope 1, Scope 2, and eventually Scope 3 GHG emissions.

# SUSTAINABILITY STATEMENT

## TCFD ALIGNMENT (Cont'd)

The table below provides a succinct but detailed explanation of how Lagenda has adopted the specific TCFD themes and recommended disclosures.

PILLAR	ADOPTION BY LAGENDA
<b>Governance</b>	<p>The establishment of the SWC and SSC which includes Senior Management members, enables efficient development of strategies that focus on climate-related risks and opportunities.</p> <p>In addition, the Board maintains oversight on sustainability related matters and are involved in the development processes of climate-related strategies. The SSC also helps keep the Board informed about sustainability matters which includes climate change.</p>
<b>Strategy</b>	<p>Risks posed by climate change:</p> <ol style="list-style-type: none"> <li>1. Extreme weather conditions may impact the availability of suitable land.</li> <li>2. Extreme weather may impact developed properties and damage them resulting in financial loss.</li> <li>3. Delays to projects may occur due to bad weather conditions.</li> <li>4. Construction costs may increase to mitigate the potential damage climate change may cause.</li> </ol> <p>Opportunities posed by climate change:</p> <ol style="list-style-type: none"> <li>1. Chance to seek government/regulatory support to provide incentives for sustainable development.</li> <li>2. Easier to integrate eco-friendly practices as the need to prevent climate-change will increase.</li> <li>3. Presents opportunity to cascade the potential impacts of climate change throughout Lagenda and increase the Group's overall awareness.</li> <li>4. Potential of using natural capital as climate change adaptation measures with selling point value.</li> </ol> <p>Lagenda aims to substitute the use of fossil fuels with renewable energy. The Group will aim to install 1000 PV systems in development sites in Perak which neutralizes about 1950 tonnes of carbon emissions per year.</p> <p>Beyond RE alternatives, tree planting is another simplest and most effective way to remove carbon dioxide from the atmosphere by creating long-term carbon sinks. Lagenda has planted another 5,240 trees across its current township projects in FYE 2022, which has more than 23,000 plants in total over three years of development, with 677 nos of endangered and vulnerable tree species.</p>
<b>Risk Management</b>	<p>The ESG-related risks including climate change is driven by a comprehensive materiality assessment process. Where applicable, the risk is to be evaluated within "Enterprise Risk Management (ERM)" framework, which is guided by standards set by the COSO framework. The framework is presented to the board for advice.</p>
<b>Metrics and Targets</b>	<p>Lagenda has set the following KPIs to manage climate change:</p> <ul style="list-style-type: none"> <li>• To record lower energy intensity by employing 100% LED lighting at operating buildings</li> <li>• Plant more than 20,000 plants across all developments by the year 2025</li> <li>• To have 1000 units of residential solar PV systems installed in 5 years</li> <li>• To have a minimum of 20% construction waste diverted from landfill</li> <li>• To reduce our carbon emissions intensity by 10% by 2025, and to achieve 45% reduction intensity by 2030 (Baseline year 2022).</li> </ul> <p>The Group also discloses Scope 1 and Scope 2 emissions and will eventually disclose Scope 3 emissions moving forward</p>



# SUSTAINABILITY STATEMENT

## BURSA SUSTAINABILITY DISCLOSURE INDEX

SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE REFERENCE / EXPLANATION
<b>COMMON INDICATORS</b>			
<b>Anti-corruption</b>	C1 (a)	Percentage of employees who have received training on anticorruption by employee category	31
	C1 (b)	Percentage of operations assessed for corruption-related risks	31
	C1 (c)	Confirmed incidents of corruption and action taken	31
<b>Community/ Society</b>	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	48-50
	C2 (b)	Total number of beneficiaries of the investment in communities	48
<b>Diversity</b>	C3 (a)	Percentage of employees by gender and age group, for each employee category	40-41
	C3 (b)	Percentage of directors by gender and age group	30
<b>Energy management</b>	C4 (a)	Total energy consumption	51
<b>Health and safety</b>	C5 (a)	Number of work-related fatalities	46
	C5 (b)	Lost time incident rate	46
<b>Labour practices and standards</b>	C6(a)	Total hours of training	44
	C6 (b)	Percentage of employees that are contractors or temporary staff	42
	C6 (c)	Total number of employee turnover by employee category	42
	C6 (d)	Number of substantiated complaints concerning human rights violations	43
<b>Supply chain management</b>	C7 (a)	Proportion of spending on local suppliers	38
<b>Data privacy and security</b>	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	47
<b>Water</b>	C9 (a)	Total volume of water used	53
<b>Waste management</b>	C10 (a)	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	Information unavailable.
<b>Emissions management</b>	C11 (a)	Scope 1 emissions in tonnes of CO <sub>2</sub> e	56
	C11 (b)	Scope 2 emissions in tonnes of CO <sub>2</sub> e	56

# SUSTAINABILITY STATEMENT

## BURSA SUSTAINABILITY DISCLOSURE INDEX (Cont'd)

SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE REFERENCE / EXPLANATION
<b>SECTOR-SPECIFIC INDICATOR</b>			
<b>Biodiversity</b>	S1 (a)	Percentage of existing operations or projects accessed for diversity risks	Information unavailable.
	S1 (b)	Size and location of all habitat areas protected or restored	54-55
	S1 (c)	Total number of International Union for Conservation of Nature ("IUCN") Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company	55
<b>Materials</b>	S5 (a)	Total weight or volume of materials that are used to produce and package products and services	53
<b>Supply Chain (Environment)</b>	S6 (a)	Percentage of new suppliers that were screened using environmental criteria	Information unavailable.
	S6 (b)	Number of suppliers accessed for environmental impacts	Information unavailable.
<b>Supply Chain (Social)</b>	S7 (a)	Percentage of new suppliers that were screened using social criteria	Information unavailable.
	S7 (b)	Number of suppliers accessed for social impacts	Information unavailable.
<b>Effluents</b>	S8 (a)	Total volume of water (effluent) discharge over the reporting period	Information unavailable.

## GRI CONTENT INDEX

<b>Statement of use</b>	Legenda Properties has reported in accordance with the GRI Standards for the period of 1 January 2022 to 31 December 2022
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
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### General disclosures

<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	1-4
	2-2 Entities included in the organization's sustainability reporting	3,19
	2-3 Reporting period, frequency and contact point	19
	2-4 Restatements of information	-
	2-5 External assurance	20
	2-6 Activities, value chain and other business relationships	19
	2-7 Employees	40-42
	2-8 Workers who are not employees	42
	2-9 Governance structure and composition	4
	2-10 Nomination and selection of the highest governance body	75

# SUSTAINABILITY STATEMENT

## GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
<b>General disclosures</b>		
<b>GRI 2: General Disclosures 2021</b>	2-11 Chair of the highest governance body	69
	2-12 Role of the highest governance body in overseeing the management of impacts	69
	2-13 Delegation of responsibility for managing impacts	69
	2-14 Role of the highest governance body in sustainability reporting	29
	2-15 Conflicts of interest	30
	2-16 Communication of critical concerns	69
	2-22 Statement on sustainable development strategy	21
	2-23 Policy commitments	26
	2-24 Embedding policy commitments	26,22-25
	2-27 Compliance with laws and regulations	31
	2-28 Membership associations	20
	2-29 Approach to stakeholder engagement	27
	2-30 Collective bargaining agreements	43
<b>Material topics</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	28
	3-2 List of material topics	28
<b>Economic performance</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	33
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	33
	201-3 Defined benefit plan obligations and other retirement plans	43

# SUSTAINABILITY STATEMENT

## GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
<b>Indirect economic impacts</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	33
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	37-38
	203-2 Significant indirect economic impacts	34-38
<b>Procurement practices</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	38
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	38
<b>Anti-corruption</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	31
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	85
	205-2 Communication and training about anti-corruption policies and procedures	31
	205-3 Confirmed incidents of corruption and actions taken	31
<b>Materials</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	52-53
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	53
	301-2 Recycled input materials used	53
<b>Energy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	51-52
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	51-52
	302-3 Energy intensity	52
	302-4 Reduction of energy consumption	Not applicable. No energy reduction reported in FYE 2022.
	302-5 Reductions in energy requirements of products and services	

# SUSTAINABILITY STATEMENT

## GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
<b>Water and effluents</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	53
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	53
	303-2 Management of water discharge-related impacts	54
	303-5 Water consumption	53-14
<b>Biodiversity</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	54-55
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable. Most of Lagenda's landbank is former monoculture farmland with low biodiversity Quality.
	304-2 Significant impacts of activities, products and services on biodiversity	
	304-3 Habitats protected or restored	56
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	54-55
<b>Emissions</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	56
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	56
	305-2 Energy indirect (Scope 2) GHG emissions	56
	305-4 GHG emissions intensity	58
	305-5 Reduction of GHG emissions	Not applicable. No reduction in GHG emission for FYE 2022.
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable.

# SUSTAINABILITY STATEMENT

## GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
<b>Waste</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	52-53
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	52-53
	306-2 Management of significant waste-related impacts	52-53
<b>Supplier environmental assessment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Information unavailable.
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Information unavailable.
	308-2 Negative environmental impacts in the supply chain and actions taken	Information unavailable.
<b>Employment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	40-42
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	42
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	43-44
	401-3 Parental leave	Information unavailable.
<b>Labor/management relations</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43
<b>GRI 402: Labor/Management Relations 2016</b>	GRI 402: Labor/Management Relations 2016	43

# SUSTAINABILITY STATEMENT

## GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
<b>Occupational health and safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	45-46
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	45
	403-2 Hazard identification, risk assessment, and incident investigation	45
	403-3 Occupational health services	Information unavailable.
	403-4 Worker participation, consultation, and communication on occupational health and safety	45
	403-5 Worker training on occupational health and safety	47
	403-6 Promotion of worker health	43
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45
	403-8 Workers covered by an occupational health and safety management system	45
	403-9 Work-related injuries	46
	403-10 Work-related ill health	Information unavailable / Not applicable
<b>Training and education</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	44
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	44
	404-2 Programs for upgrading employee skills and transition assistance programs	44
<b>Diversity and equal opportunity</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	40-42
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	40-42
<b>Non-discrimination</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	43

# SUSTAINABILITY STATEMENT

## GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
<b>Freedom of association and collective bargaining</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information unavailable.
<b>Child labor</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Information unavailable.
<b>Forced or compulsory labor</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Information unavailable.
<b>GRI 409: Forced or Compulsory Labour 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Information unavailable.
<b>Security practices</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Information unavailable.
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	Information unavailable.
<b>Rights of indigenous peoples</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Information unavailable.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	Information unavailable.
<b>Local communities</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	48-50
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	48-50
	413-2 Operations with significant actual and potential negative impacts on local communities	Not applicable.



# SUSTAINABILITY STATEMENT

## GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
<b>Supplier social assessment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Information unavailable.
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Information unavailable.
<b>Public policy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	32
<b>GRI 415: Public Policy 2016</b>	GRI 415-1 Political contributions	Not applicable. Lagenda is an apolitical organisation and hence, has not made any contributions to any political parties in FYE 2022.
<b>Customer health and safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	39
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	39
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	39
<b>Customer privacy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	47
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	47