

CLIMATE RISK REVIEW – 2024

Environmental Stewardship

As a property developer, Lagenda is dedicated to environmental stewardship, focusing on preserving ecosystems and mitigating the environmental impacts of our projects. We achieve this through responsible resource management, carbon emission reduction and innovative practices to combat climate change and biodiversity loss, while ensuring regulatory compliance and reducing our ecological footprint.

Below are the key environmental metrics used:

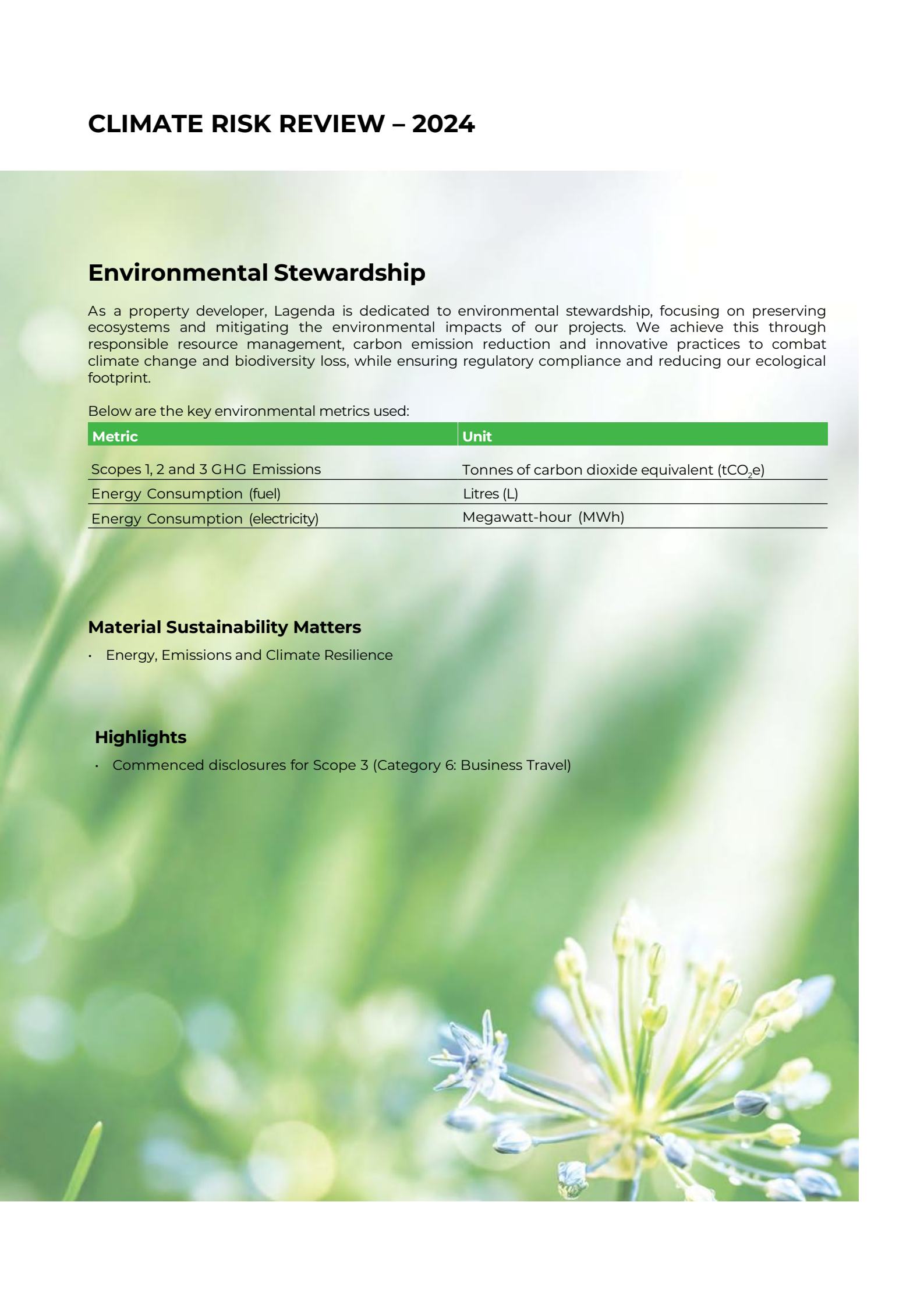
Metric	Unit
Scopes 1, 2 and 3 GHG Emissions	Tonnes of carbon dioxide equivalent (tCO ₂ e)
Energy Consumption (fuel)	Litres (L)
Energy Consumption (electricity)	Megawatt-hour (MWh)

Material Sustainability Matters

- Energy, Emissions and Climate Resilience

Highlights

- Commenced disclosures for Scope 3 (Category 6: Business Travel)



Energy, Emissions and Climate Resilience

The Group focuses on reducing our environmental impact by implementing efforts to manage energy consumption, reduce emissions and enhance climate resilience. We believe these efforts will collectively lower our carbon footprint and generate long-term value for people and planet.

Energy Management

Lagenda recognises the importance of managing energy consumption to enhance efficiency and reduce our environmental footprint. We consistently monitor and optimise energy consumption across our developments to ensure our projects are energy-efficient and support a greener future.

Our approach to reducing our GHG emissions is guided by our Environmental Policy and Climate Change Policy (can be found in our corporate website), which has led to the implementation of initiatives to reduce energy consumption and minimise emissions.



Mobility

- Transitioned 19% of our vehicle fleet to battery electric, plug-in hybrid and hybrid vehicles, reducing fuel consumption
- Provided shuttle transport to encourage employees to use public transport



Utilisation of Renewable Energy

- Expanded our solar energy project to all operational buildings, with 70 Kilowatt Peak (kWp) of solar capacity installed at our clubhouse at BBSAP



Energy Reduction at Properties

- Installed Light-emitting diode in our properties
- Adopted energy-efficient equipment, including Energy STAR-rated refrigerators and ovens in the pantry area
- Utilised natural ventilation and maximised natural lighting during the design phase



Case Study:

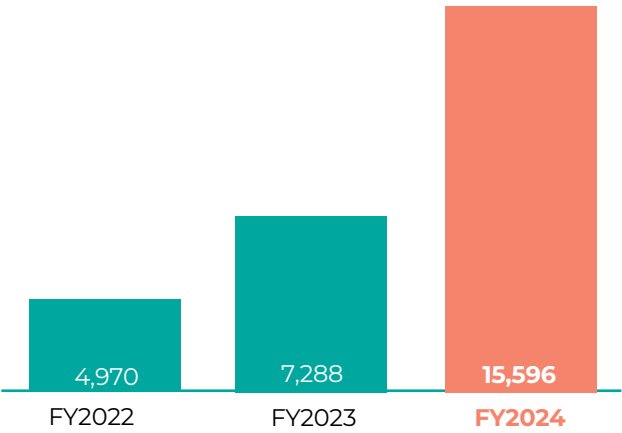
In line with the Group's commitment to transition towards a low-carbon future, a solar photovoltaic system was installed at the Clubhouse in Bandar Baru Setia Awan Perdana (BBSAP). The installation was commissioned in June 2023.

- **Estimated annual renewable energy generation:** 90,011 kWh
- **Estimated annual carbon emissions avoided:** ~57 tonnes CO₂e
- **Capital investment:** ~ RM180,000

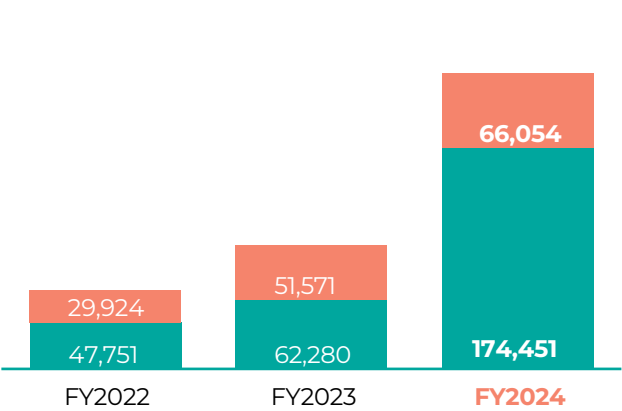
This initiative contributes directly to reducing Scope 2 emissions from purchased electricity, while also lowering long-term energy costs. The project demonstrates our alignment with national decarbonisation objectives and supports the Group's broader climate strategy under the TCFD framework.

In FY2024, the Group recorded a total energy consumption of 15,596 Gigajoule (GJ), with 7,438 GJ from electricity and 8,158 GJ from fuel. Purchased electricity is the primary source of energy at Lagenda, while fuel consumption is mainly attributed to company-owned vehicles.

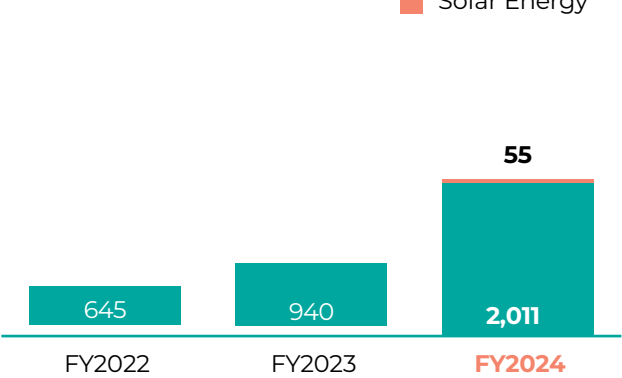
Total Energy Consumption (GJ)



Fuel Consumption (L)



Total Electricity Consumption (MWh)

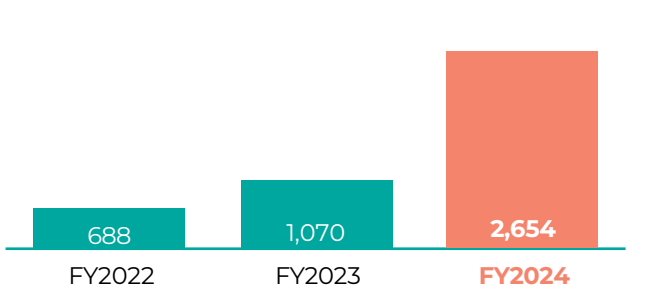


Climate Change and GHG Emissions

The Group have been exploring various strategies to address climate risks and opportunities. These include reducing GHG emissions through enhancing energy efficiency, establishing climate-focused procurement standards and leveraging technology to mitigate risks while unlocking new opportunities.

In FY2024, the Group reported a total of 2,654 tCO₂e in GHG emissions, with 21% from Scope 1, 59% from Scope 2 and 20% from Scope 3.

Total GHG Emissions (tCO₂e)



Unit	FY2022	FY2023	FY2024
Total Scope 1 & 2 GHG Emissions	688	1,004	2,133

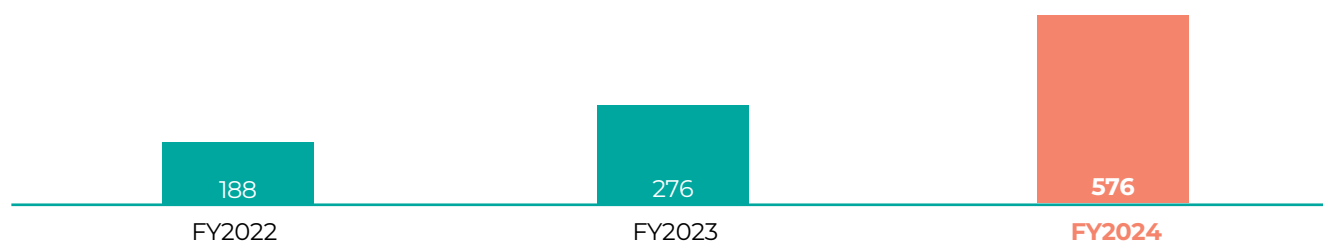
Note: Total GHG emissions have been consolidated using the Operational Control method.

Scope 1 GHG emissions cover direct emissions from petrol and diesel consumption, while Scope 2 emissions refer to indirect emissions from purchased electricity used across our Group.

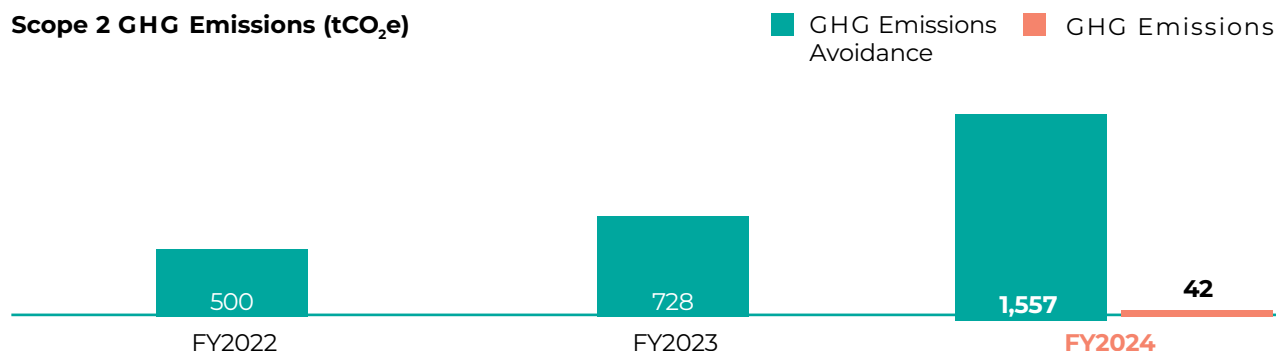
In FY2024, our GHG emissions increased due to the inclusion of data from additional offices and sales galleries, resulting in more accurate reporting of electricity consumption and emissions factor adjustments. This year, we also began disclosing emissions avoided through solar energy generation.

Additionally, we continued monitoring employee commutes through an online survey and expanded our Scope 3 disclosures to include emissions from business travel. In FY2024, total Scope 3 emissions amounted to 521 tCO₂e, with 80% attributed to employee commuting and 20% to business travel.

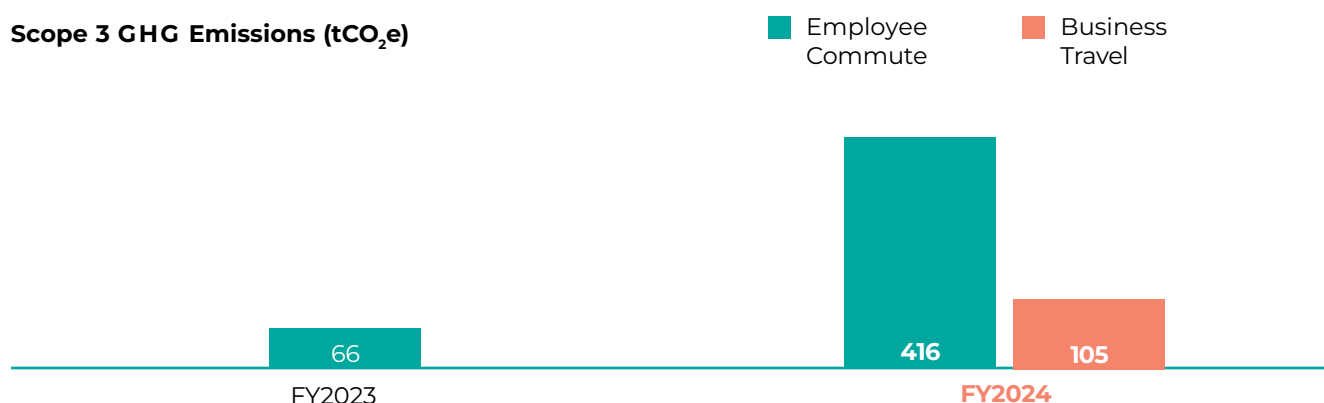
Scope 1 GHG Emissions (tCO₂e)



Scope 2 GHG Emissions (tCO₂e)



Scope 3 GHG Emissions (tCO₂e)



Note:

1. Calculation methodology is based on the GHG Protocol for Scope 1, 2 and 3 with the emissions factors sourced from UK Government's GHG Conversion Factor 2022, 2023 and 2024.
2. Scope 2 emissions factors were calculated using the 2022 Grid Emission Factor sourced from the National Energy Commission of Malaysia.
3. Scope 1 and 2 GHG emissions data have been restated to reflect more accurate GHG emission factors for FY2022, and FY2023.
4. Emissions from business travel were calculated based on a combination of fuel-consumption method and distance-based method due to the availability of data recorded.
5. Emissions from employee commute were based on available data from 88 employees in FY2023 and 244 employees in FY2024.

In addition to GHG emissions, the Group monitors air pollutants such as sulfur oxides (SO_x) from fuel use and combustion processes. Although these pollutants do not directly contribute to climate change, they have notable environmental and health impacts, including acid rain, haze formation, and respiratory issues. The Group is committed to reducing and avoiding direct emissions of these pollutants to minimise environmental impacts, in line with evolving regulatory and stakeholder expectations.

Sulfur Oxides (SO_x)

Year	Diesel (t SO ₂)	Petrol (t SO ₂)	Total (t SO ₂)
2024	0.0011	0.0129	0.0140
2023	0.0009	0.0046	0.0055
2022	0.0005	0.0035	0.0040

Note:

Emission factors were applied based on Malaysian Euro 4M and Euro 5 fuel specifications: Petrol (RON95, Euro 4M): 50 ppm sulfur: 0.074 g SO₂ per litre; Diesel (Euro 5): 10 ppm sulfur: 0.0148 g SO₂ per litre
 With reference to DOE Malaysia, "Fuel Quality Content Control" - includes reference to the 2015 Amendment and effective dates: <https://www.doe.gov.my/en/fuel-quality-content-control/>; Environmental Quality (Control of Petrol and Diesel Content) (Amendment) Regulations 2021 -P.U. (A) 138/2021 - Department of Environment

Supporting Carbon Neutrality

As a property developer, Lagenda recognises our crucial role in addressing the climate crisis. Aligned with our Climate Change Policy, where we commits to align all future capital expenditures with its long-term GHG targets and the Paris Agreement's objective of limiting global warming to 1.5° Celsius, we integrate targeted mitigation and adaptation strategies across our operations to reduce carbon emissions and enhance environmental stewardship.

Guided by the TCFD and IFRS S2, our climate strategy is built on four core elements – Governance, Strategy, Risk Management and Metrics and Targets. These elements provide a robust framework to mitigate risks, seize opportunities and drive sustainable growth in an ever-evolving global landscape.

Governance

The Group acknowledges the substantial impact of climate change on our operations and has embedded climate-related roles and responsibilities within the Board Sustainability Committee and Sustainability Working Committee.

Strategy

During the reporting year, the Group initiated the identification of potential risks of climate change, their operational impacts and the associated opportunities.

Transition Risks

Transition Risk	Impact	Opportunities
Policy and Legal		
- Stricter government regulations, reporting obligations and commitments aimed at reducing GHG emissions - Future implementation of carbon pricing or taxes	- Risk of fines or penalties due to regulatory non-compliance - Increased initial capital investment required to comply with evolving regulations - Additional operational expenditure required for projects with high carbon emissions	- Potential enhancement of market positioning through the adoption of green building initiatives, including obtaining Green Building Index (GBI) and GreenRE certifications - Eligibility for government incentives supporting green projects, such as the Green Investment Tax Allowance (GITA) - Potential long-term cost savings through energy-efficient building designs, renewable energy adoption and utilisation of low-carbon construction materials
Technology		
- Costs associated with incorporating renewable energy into affordable housing and townships - Challenges related to the scalability, compatibility and accuracy of digitalisation across departmental functions	- Increased upfront expenditure from the adoption of renewable energy - Potential inefficiencies, miscommunication and data management issues arising from inconsistent digital integration	- Achieve long-term cost-savings through the installation of solar photovoltaic (PV) systems - Enhanced workflow efficiency and improved decision-making, through effective digital transformation
Market		
Growing demand for environmentally sustainable and energy-efficient building designs and construction practices	Increased upfront expenditure due to the adoption of green building standards and practices	Potential enhancement of market positioning and brand reputation through the adoption of green building practices and the attainment of GBI and GreenRE certifications
Reputation		
Heightened stakeholder expectations for corporate accountability in climate-related actions	Potential challenges in securing financing or partnerships due to inadequate sustainability performance	Strengthened stakeholder trust and investor confidence through transparent climate disclosures and measurable sustainability commitments

Physical Risks

Physical Risk	Impact	Opportunities
Acute		
Increased frequency and severity of extreme weather events	Increased costs and negative impact on reputation due to project delays resulting from weather-related disruptions	- Enhanced construction efficiency and structural durability through the adoption of IBS - Potential long-term cost savings through improved drainage systems and landscape planning
Chronic		
Long-term changes in climate patterns, including rising temperatures, sea levels and droughts	- Increased operational expenditure driven by greater reliance on cooling systems during prolonged periods of extreme heat - Higher maintenance and operational expenses due to the accelerated deterioration of buildings	- Opportunity to incorporate weather-resistant construction materials to minimise long-term maintenance expenses caused by accelerated deterioration - Opportunity to adopt smart building solutions, including automated energy management systems to enhance operational efficiency

Risk Management

Sustainability risks, including climate-related risks, are considered within our enterprise risk management and internal control framework, under the oversight of the Internal Audit Department. The Board Sustainability Committee provides governance oversight, while the Sustainability Working Committee ensures that climate-specific risks are monitored and addressed alongside other operational and strategic risks.

Metrics and Targets

We track climate-related metrics across Scope 1, Scope 2, and Scope 3 GHG emissions. Scope 1 covers emissions from company-owned assets, while Scope 2 accounts for purchased electricity. For Scope 3, we focus on indirect emissions across our value chain, specifically Business Travel (Category 6) and Employee Commuting (Category 7).

As our operations expand with additional buildings and more comprehensive fuel data, we recognise the need to restate our emissions baseline to ensure consistency and comparability over time. Changes in emission factors, improved data access and updates to calculation methodologies have necessitated this adjustment.

While we remain committed to maintaining and monitoring our emissions reduction targets, we acknowledge the challenges in ensuring data accuracy. Moving forward, we will continue to review and refine our approach to ensure it remains realistic, accountable and aligned with the latest IFRS standards and industry best practices.

Please refer to the Annual Report 2023 for our targets.