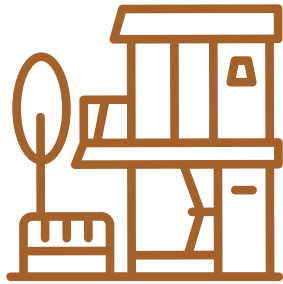


## SUSTAINING FOR TOMORROW

People are the motivation behind our sustainability endeavours. Our stakeholders include our employees, our homebuyers, our local communities and beyond. We strive to adopt best practices in our daily operations through embracing new technologies, implementing new and effective processes that will reduce environmental footprint, which includes educating and training our employees. As a developer, we have also invested in Industrialised Building Systems (IBS) and many of our projects use this form of construction. It has significantly lower environmental impact, minimising waste while increasing efficiency in construction time. Ultimately through our efforts, we aspire to become pillars of support that benefit families and society as a whole towards a brighter, sustainable and inclusive tomorrow.

# Sustainability Report



“ I envision LBS to continue being a generous builder of the community, the nation, and a better future for all generations in Malaysia<sup>(1)</sup>. ”

LBS Bina Group Managing Director,  
Tan Sri Dato' Sri Lim Hock San.

## ABOUT THIS REPORT GRI 102-46, 102-50, 102-51, 102-52, 102-53

Since its inception in 1961, LBS Bina Group Berhad (LBS) has strived to seamlessly embed sustainability as an integral part of its business. We believe in walking the talk and ensuring that our business performance also impacts areas that uphold the sustainability principles. As a responsible property developer, we want to ensure that our projects affect change through the social and economic pillars while ensuring that any environmental concerns arising from our business operations are well-managed.

We have been reporting our sustainability initiatives since 2016 and found that the reporting process has been the key in how we measure our sustainability performance. Through our Sustainability Committee, we have been guided through the reporting process to better initiate our sustainability roadmap and to oversee our current initiatives so that they are more effective in achieving our long-term goals.

Through our vision of incorporating sustainability practices into our business, we discovered that our success has been largely attributed to our supply of affordable housing to the Malaysian property market. It is on this success that has driven the belief that sustainability can truly drive a business. We constantly seek ways to better adopt the sustainability principles into our business.

This year, we are proud to present our fourth Sustainability Report and we hope that we can highlight the areas in which are material to secure the success of LBS's future.

## OUR REPORTING APPROACH

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2016 as well as meeting the sustainability reporting requirements of Bursa Malaysia. The



report content includes:

- Stakeholder inclusiveness – capturing the stakeholder's expectations and concerns;
- Sustainability performance – presenting the performance aligned with the wider context of sustainability;
- Material matters – prioritising the key sustainability material matters identified by the stakeholder group; and
- Completeness – covering all reporting requirements relevant to the Group and aligning with the requirement context.

The materiality matters covered in this report are as follows:

- GRI 102 Corporate Governance;
- GRI 201 Economic Performance;
- GRI 307 Environmental Compliance;
- GRI 404 Training and Education;
- GRI 405 Diversity and Equal Opportunity;
- GRI 413 Local Communities; and
- GRI 416 Customer Health and Safety.

*For more information on the materiality disclosures, please refer to the Materiality Matrix on page 102.*

**REPORTING PERIOD**

This report covers sustainability data collected for the financial year from 1 January 2019 to 31 December 2019.

**SCOPE AND BOUNDARIES**

This report covers sustainability data collected from LBS Bina Group Berhad (LBS), which includes the property development division, LBS Bina Holdings Sdn Bhd’s Head Office as well as our construction division, MGB Bhd’s Head Office and the construction sites in Malaysia where MGB is the main contractor. The data from LBS Bina Group’s China-based subsidiaries are excluded from this report due to differing statutory requirements.

This report covers sustainability data collected for the financial year from 1 January 2019 to 31 December 2019.

**FEEDBACK**

We welcome your views, comments or feedback, which may be directed to:

Name: Irene Chia

Email: cs@lbs.com.my

Telephone: +603 7877 7333

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 Plaza Seri Setia Level 1-4  
 No. 1 Jalan SS9/2  
 47300 Petaling Jaya  
 Selangor Darul Ehsan  
 Malaysia

**AWARDS & RECOGNITION**

The Group’s unremitting work in the property, construction, and Corporate Social Responsibility (CSR) sectors, together with sustainability-related efforts, was recognised through various awards and recognition received throughout the year. The record of awards received by LBS Bina since the past five years can be noted in Figure 1.

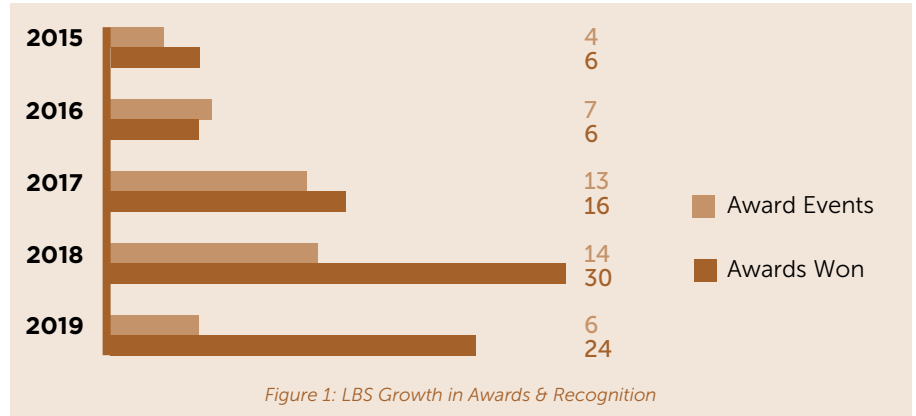


Figure 1: LBS Growth in Awards & Recognition

During the year in review, we received a total of 24 awards from 6 award events. Among the most notable awards received in relation to environmental, social and governance (ESG) areas were:

- StarProperty Awards 2019
  1. The Five Elements Award (Best Comprehensive Township Above 500 Acres) – *Kita @ Cybersouth* (Merit)
  2. The All-Star Award – Top Ranked Developers of the Year – LBS Bina Group Berhad
- Des Prix Infinitus Asean Property Award 2019
  3. Best CSR Award – LBS Bina Group Berhad
  4. Best Affordable Housing Development – *Kita @ Cybersouth*
- Property Insight Prestigious Developers Awards (PIPDA) 2019
  5. Lifetime Achievement Award – LBS Group Managing Director, Tan Sri Dato’ Sri Lim Hock San
  6. Best Affordable Landed – *Kita @ Cybersouth*
- iProperty Development Excellence Awards (iDEA) 2019
  7. Best Developer People’s Choice Award – LBS Bina Group Berhad



## Sustainability Report (Cont'd)

### SUSTAINABILITY COMMITTEE CHAIRPERSON'S MESSAGE GRI 102-14



“ On behalf of the Board and Sustainability Committee, I am proud to present LBS Bina Group Berhad’s Sustainability Report for 2019. This report represents our fourth year of reporting on our sustainability performances and aspirations. Thus, sustainability is not a new concept for our Group. We believe in the need to be adoptive of our sustainability matters as to remain relevant to our stakeholders and the market. We are proud of the developments we have achieved this year, and I would like to present some key highlights in the following sections. ”



**DATO' LIM MOOI PANG**

LBS Sustainability  
Committee Chairperson

**GOVERNANCE**

We strongly believe that good governance is the foundation of any business success. Each year, we review the available policies and ensure it mirrors new business needs and challenges. We closely align our Group's business governance with the Malaysian Code of Corporate Governance, Bursa's Listing Requirements, the Securities Commission Act and other local laws. It is imperative for us to satisfy all legislation requirements and provisions of good business conduct. We adopt a policy of zero tolerance towards unethical behaviour in our operations and services. To ensure transparency and protect our values, we have a Whistleblowing Policy that enables employees to report any suspected misconduct within the Group. Stern disciplinary action, including termination of service will be taken against any employee who commits any misconduct related to unethical behaviours.

**SOCIETY**

People are the most important component to our sustainability pillars; we endeavour to nurture and grow them alongside our business. Our stakeholders here means – our people, our employees and our local communities. We want to invest in our people and bring value to individuals - expand their credibility and reliability. As for our local communities, we want to assist in being part of the solution to societal issues. Back in June 2015, we established LBS Foundation to formalise the structure of our fund distribution mechanism, which integrates the four pillars of the Foundation – Health, Education, Environment and Community. We strive to

continue supporting our community initiatives through our Foundation's efforts.

**ENVIRONMENT**

We acknowledge that as we develop our business, we demand more natural resources, undoubtedly leaving an environmental footprint. We strive to adopt best practices in our daily operations through accounted processes, continuous monitoring and implementing effective initiatives. As a means to increase the efficiency of our construction processes and reduce energy emissions, LBS Bina Group has been employing the use of Industrialised Building Systems (IBS) for the most part of our projects.

**SUMMARY**

As a Group, we acknowledge that we bring both positive and negative impacts through our business processes. However, we desire to minimise our negative footprints by taking a proactive approach through incorporating sustainability in our processes and discussions. We aspire to support both the local and global agenda on the Sustainable Development Goals (SDGs). Through our renewed commitment to sustainability, we aim to accomplish our sustainability vision, mission and values.



LBS Group has been employing the use of **Industrialised Building Systems (IBS)** for the most part of our projects.



Assist in being part of **the solution** to societal issues.

## Sustainability Report (Cont'd)

### STAKEHOLDER ENGAGEMENT GRI 102-40, 102-42, 102-43, 102-44

LBS's stakeholder groups have been integral in setting the perimeters of our sustainability report and since 2016, they have been a primary part of our sustainability journey. As a way of engaging with these stakeholder groups, LBS identified key stakeholders and proactively connected with them to understand their sustainability concerns with regard to LBS's impact on Economic, Environment and Social (EES) aspects.

The table below highlights the collated concerns and results from the stakeholder engagement activities during the reporting period.

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Issues of Concern
Shareholders / Investors	• Annual General Meeting	• Annually	• Economic Performance
	• Annual Report	• Annually	• Corporate Governance
	• Quarterly Financial Report	• Quarterly	
	• Analyst Briefing	• As and when needed	
	• Extraordinary General Meeting	• As and when needed	
	• Regular Shareholder Communication	• Monthly, one-to-one and group	
	• Announcement on Bursa Malaysia and Corporate Website	• As and when needed	
Employees	• Annual Performance Appraisal	• Annually	• Training & Education
	• Briefings and Trainings	• Periodic	• Employment
	• Events such as Annual -Dinner, Celebrations and Sporting Activities	• Weekly and Periodic	• Occupational Health and Safety
	• Management,Operational and Committee Meetings	• Weekly and Periodic	• Market Presence
	• Townhall Meetings	• Half-yearly	• Local Communities
Customers	• Feedback Channels such as Emails, Phone Calls and Hotlines	• As and when needed	• Economic Performance
	• Corporate Website and Social Media Channels	• As and when needed	• Corporate Governance
	• Product Launches and Roadshows	• As and when needed	• Procurement Practices
	• Marketing and Promotional Programmes and Events	• As and when needed	• Customer Health & Safety

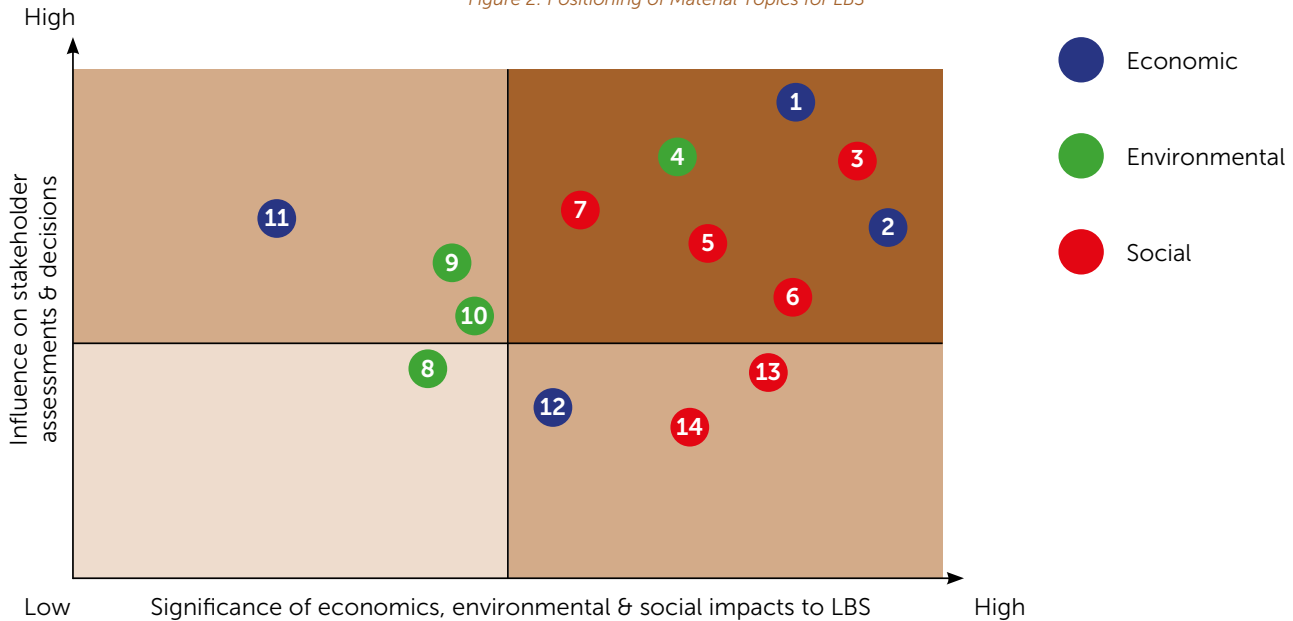
Government / Regulators	<ul style="list-style-type: none"> <li>• Income Tax Filing</li> <li>• Annual Return</li> <li>• Official Meetings and Visits</li> <li>• Industry Events and Seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Annually</li> <li>• As and when needed</li> <li>• As and when needed</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> </ul>
Suppliers / Contracts	<ul style="list-style-type: none"> <li>• Product Launches and Roadshows</li> <li>• Meetings and Site Visits</li> <li>• Supplier Assessment System</li> <li>• Briefings and Trainings</li> </ul>	<ul style="list-style-type: none"> <li>• As and when needed</li> <li>• As and when needed</li> <li>• As and when needed</li> <li>• As and when needed</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Procurement Practices</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>• Community Outreach and Development Programmes</li> <li>• Strategic Partnerships</li> <li>• Charitable Contributions</li> <li>• Corporate Website and Social Media</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic</li> <li>• Upon Mutual Agreement</li> <li>• As and when needed</li> <li>• As and when needed</li> </ul>	<ul style="list-style-type: none"> <li>• Local Communities</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Press Releases</li> <li>• Site Visits</li> <li>• Interviews</li> <li>• Events</li> <li>• Website and Social Media</li> </ul>	<ul style="list-style-type: none"> <li>• As and when needed</li> <li>• As and when needed</li> <li>• As and when needed</li> <li>• As and when needed</li> <li>• As and when needed</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Customer Health &amp; Safety</li> </ul>

## Sustainability Report (Cont'd)

### MATERIALITY MATRIX GRI 102-47

Following the stakeholder engagement exercise and review of the 2018 materiality matrix, the outcomes were populated into the 2019 matrix to identify the topics that would be material and prioritised in this report. The matrix below concluded our materiality assessment process with 14 sustainability topics scaled from high priority to important. Subsequent to the establishment of this year's material matrix, LBS's Sustainability Committee then reviewed and endorsed the materiality matters.

Figure 2: Positioning of Material Topics for LBS



#### MATERIAL SUSTAINABILITY TOPICS

- 1 GRI 201: Economic Performance
- 2 GRI 102: Corporate Governance
- 3 GRI 416: Customer Health and Safety
- 4 GRI 307: Environmental Compliance
- 5 GRI 413: Local Communities
- 6 GRI 404: Training and Education
- 7 GRI 405: Diversity and Equal Opportunity

#### IMPORTANT SUSTAINABILITY TOPICS

- 8 GRI 302: Energy
- 9 GRI 303: Water
- 10 GRI 306: Effluents and Waste
- 11 GRI 204: Procurement Practices
- 12 GRI 202: Market Presence (Local Hiring)
- 13 GRI 401: Employment
- 14 GRI 403: Occupational Health and Safety

This year, our sustainability report focuses on SEVEN sustainability topics that were deemed high priority based on the results of the materiality assessment. To further refine our materiality matrix to better reflect the impacts of LBS's core business i.e. property development, this year, we included Diversity and Equal Opportunity as part of our efforts to demonstrate our commitment in providing a more positive and productive workplace for our employees. In addition, as Energy and Occupational Health and Safety are more relevant to our construction division, MGB Berhad, these two topics will be disclosed in MGB Berhad's Sustainability Report 2019.

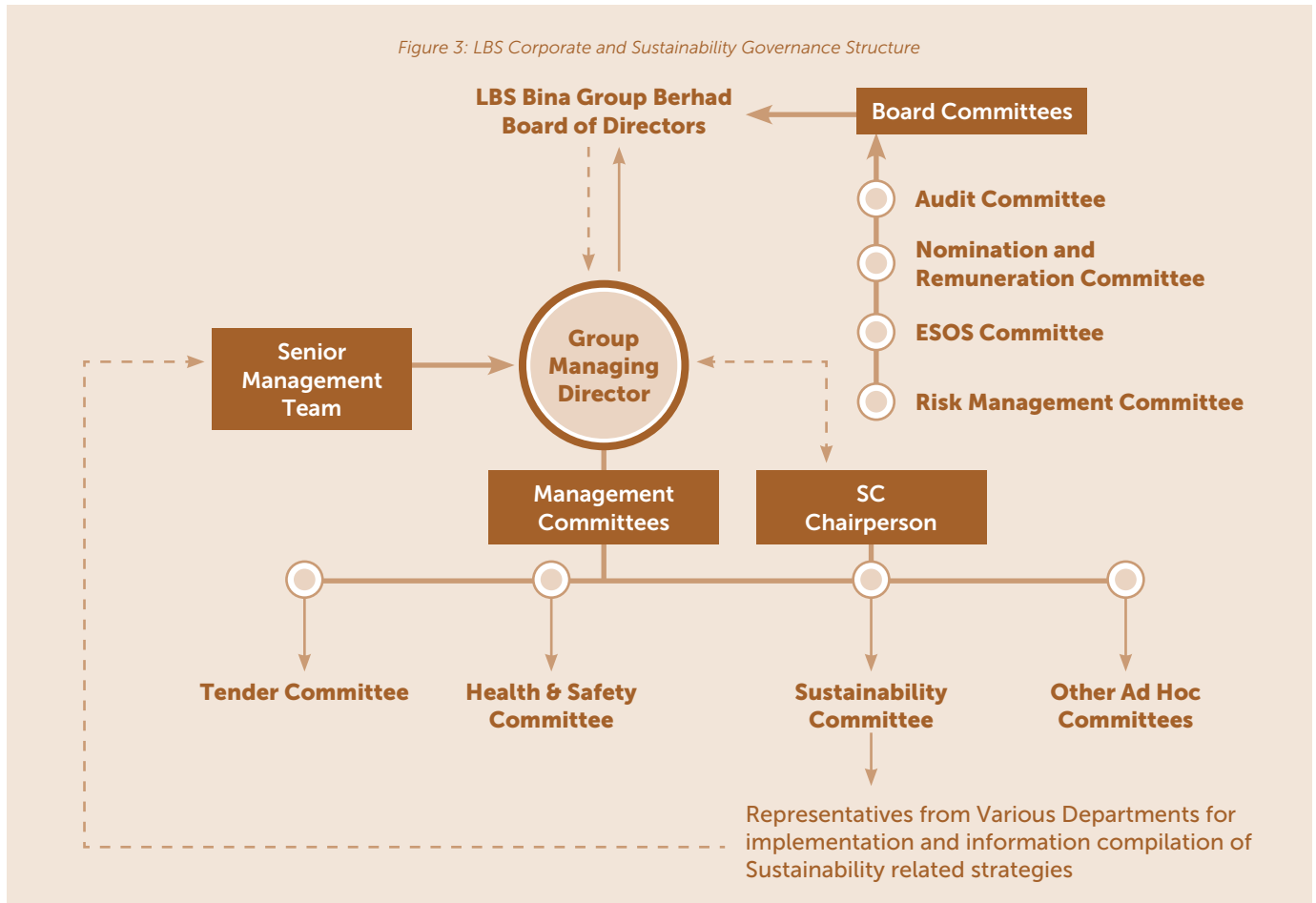
In the following sections, we will discuss how LBS addresses these high priority sustainability topics with the relevant management approaches and performance data.



**CORPORATE & SUSTAINABILITY GOVERNANCE** GRI 102-18 to GRI 102-37

**LBS Bina Group Berhad Governance Structure**

Ensuring a robust governance structure has been one of the pillars of success at LBS. It allows our business to achieve success with an efficient and effective framework. The Sustainability Committee, established in 2017, has been tirelessly championing for sustainability initiatives to be embedded into LBS’ business practices. The chart below showcases the corporate and sustainability governance structure established in LBS.



The Sustainability Committee (SC) champions and governs all environmental and social initiatives across LBS, and is responsible for revising and formulating the sustainability strategy as well as to communicate with the Head of Departments on implementing these initiatives.

The figure above highlights the Corporate and Sustainability Governance Structure of LBS and presents the communication flow of the SC with the board, the management and the company as a whole.

The SC comprises representatives from different departments and are appointed by the Group Managing Director (MD) with the advice of the SC Chairperson (who is also appointed by the Group MD). Through the SC Chairperson, sustainability matters are represented at the highest level of decision-making. The SC Chairperson is both an Executive Director and a Board Member who will relate sustainability matters to the Board.

The review of Economic, Environmental & Social (EES) policies and related

matters occurs every six months, based on the findings of the SC, with the exception of any urgent or critical matters. The SC has been meeting on an ad hoc basis, averaging twice a year since it was established in 2017. We target to hold half-yearly meetings to monitor and track our sustainability initiatives, to strengthen the quality of our data and help us better navigate our sustainability journey.

*For further details on Corporate Governance, please refer to page 122 of the Annual Report.*

Sustainability Report (Cont'd)

**DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED**  
**GRI 103-1, 103-2, 103-3, 201-1**



**Why It Matters?**

Direct economic value generated and distributed is important because it ensures the long-term solidity and profitability of LBS. For this reason, it is paramount to maintain our position as a reliable and value-adding partner to all our stakeholders; including shareholders, employees, suppliers and community members. As a responsible property developer, we focus on increasing market share as well as enhancing community living. We achieve this through selling the right property type in the right location and at the right price, with an unwavering focus on delivering products of good quality and workmanship.

**How We Approach It**

At LBS, a wide range of internal stakeholders has the responsibility for managing direct economic performance. This includes the Group Managing Director, the Finance Director, the Board of Directors, sales department and also project teams and contract teams across our organisation.

Today, most of our products are from the affordable housing range, defined by a selling price below RM500,000. We are determined to continue responding to the growing demand for affordable and mid-range residential housing, which is in line with the Malaysian Government's directive on housing policy. This determination was one of the main motivation factors behind our participation this year in the House Ownership Campaign (HOC), backed by the Ministry of Finance. This initiative has allowed many Malaysians, particularly those that have never owned a house, to receive stamp duty exemptions and discounts to reduce the cost of home ownership. Key pillars of achieving our economic performance ambitions include the following:

<p>A stronger engagement of sales agents;</p>	<p>Expediting construction works;</p>	<p>Minimising house defects;</p>
<p>Providing money lending services to property purchasers mainly on differential sums;</p>	<p>Offering more rebates, discounts and incentives to entice purchases; and</p>	<p>Achieving sales and profit targets.</p>



Most of our products are from the affordable housing range, defined by a selling price below **RM500,000**

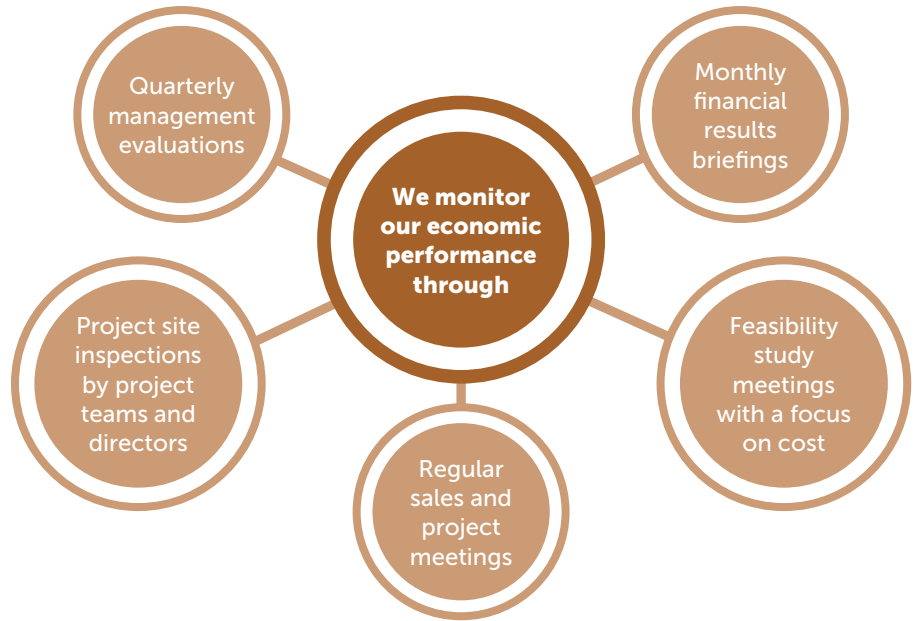


Total Economic Value Distributed by LBS in 2019, which was approximately **RM1,260,000,000**

LBS has made several other commitments such as investments in new technologies and related trainings, a new land bank established through joint venture agreements in Johor, as well as a new grant for affordable housing.

Monitoring and evaluating our economic performance is critical in recognising risks, opportunities, and impact of our investments and operations and to address these proactively and effectively.

We monitor our economic performance through quarterly management evaluations, monthly financial results briefings, feasibility study meetings with a focus on cost, regular sales and project meetings, and project site inspections by project teams and directors. In addition, we engage internal auditors to support us in improving the operational efficiency and effectiveness of our internal processes, which contributes to enhancing our economic performance. Our financial performance is reviewed on an annual basis by appointed external auditors.



**Our Performance Data**

Figure 4 shows the total Economic Value Distributed (according to type) by LBS in 2019, which was approximately RM1,260,000,000. Of this, around 97% or approximately RM1,220,000,000 has been reinvested for Business Operations, including operating and finance costs, corporate taxation and employee salaries and benefits. Dividends came up to 2.7% or slightly above RM34,000,000 while Community Investment was approximately 0.1% (around RM1,300,000). On the other hand, the total Economic Value Retained by our Group came up close to RM60,000,000 and can be found within the Financial Statements section of the Annual Report.

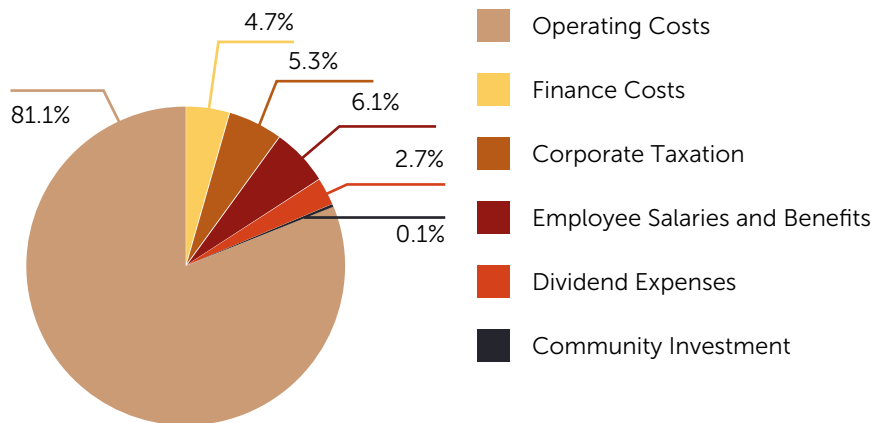


Figure 4: LBS Economic Value Distributed for 2019

Sustainability Report (Cont'd)

**ENVIRONMENTAL COMPLIANCE**

GRI 103-1, 103-2, 103-3, 307-1



**Why It Matters?**

At LBS, we believe that adhering and complying with environmental laws are the most reasonable way of taking measures to reduce the impact from our business operations to the surrounding community. We take it a step further by striving to establish a sustainable community and environment for our home buyer(s) with minimal impact to the existing locality.

**How We Approach It**

One of LBS's key aspirations in our commitment to reduce the business impact on the environment is to:

- 

Comply with all applicable environmental legislation at all times;
- 

Implement all applicable measures to prevent pollution of the environment in our day-to-day operations;
- 

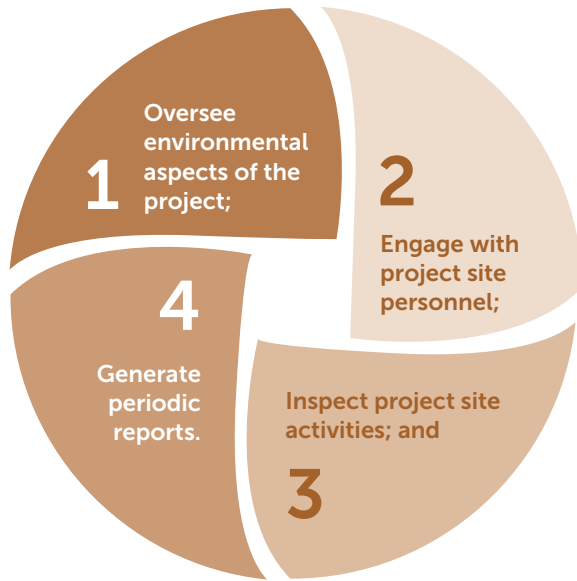
Continually improve our environmental management practices; and
- 

Ensure all our personnel and those under our employment receive the appropriate training in environmental protection.

The Environmental Performance Compliance Monitoring Committee (EPCMC) was established as a way to oversee the environmental compliance aspects across all our projects. Sitting in this committee are key personnel who are the main contractor, accredited laboratory, environmental consultants and engineering consultants.



The aforementioned approach is to ensure that diverse and relevant key stakeholders include sustainability impacts during the planning, implementation and project management of a said project. As way to ensure the committee remains effective, a budget is allocated for the environmental management and protection of a project during the business process. In addition to the committee, an environmental officer is appointed to:



**Our Performance**

LBS is committed to improve our impact on the environment by improving the environmental management system and business practices. On an annual basis, our operations are audited by external parties for environmental compliance. For the reporting year 2019, LBS is proud to have maintained zero non-compliance to environmental laws<sup>(2)</sup>.



**Managing Environmental Impact**

In managing our electricity consumption to conserve energy, the Group has taken proactive measures to reduce the use of energy at LBS Bina HQ building. We constantly remind all employees to switch off the office lights and other appliances when not in use. We conduct workshops to provide our employees with the awareness on best practices in conserving energy.

In 2019, the total annual electricity consumption for the Group was 664.6MWh as compared to 598.1 MWh in 2018 and 457.9 MWh in 2017. We have registered a slight increase in comparison to the previous year due to the growth of our business such as the usage of the new function room to host company events and trainings. In addition, the basement carpark and rooftop carpark were also upgraded with additional lightings to create a safer and more conducive environment for our employees and the general public.

Figure 5: 3-Year Electricity Consumption Trend

2017	2018	2019
457.9MWh	598.1MWh	664.6MWh

Going forward, we will continue to create new solutions to meet our energy needs that are economically and environmentally sustainable.



**Zero**  
Incidents of non-compliance with environmental laws and regulations

(2) Note: Zero non-compliance is reported excluding MGB subsidiary. For more information, please refer to MGB's Sustainability Report 2019

## Sustainability Report (Cont'd)

**TRAINING AND EDUCATION**

GRI 103-1, 103-2, 103-3, 404-2

**Why It Matters?**

Our people are at the heart of LBS's success. We embrace the diversity and expertise they bring and are committed to support their professional and personal growth. We adhere to fair employment practices and invest in developing and training our workforce. Keeping our people motivated, satisfied and abreast of the latest technologies and trends are central to maintaining our position as one of the leading players in the property development industry. In doing so, we enhance our ability to attract and retain the best talent with the right experiences and to grow the in-house capabilities of the business.

**How We Approach It**

The Group Human Resources is responsible to build our internal talent by designing comprehensive training plans and rolling out an annual training calendar at the beginning of every year. The training curriculum is prepared in consultation with the training providers and is regularly refreshed to complement the Group's and its employees' evolving needs.

In 2019, we invested close to RM80,000 to equip our employees with future-ready skills and knowledge with the intention to groom them to achieve their fullest potential. The Management and Head of Departments (HODs) play a vital role in nominating our employees for job-related skill training, industry specific seminars and conferences on an as-needed basis. To drive productivity and encourage further development, we allow our employees to request for training programmes through a Training Requisition Form.

We monitor and evaluate training effectiveness by measuring employees' knowledge pre and post training, assessing employees' knowledge transfer and changes in on-the-job behaviour. Effective 1 January 2019, we launched an online Training Evaluation Form to enable our employees to improve their accessibility and convenience to provide feedback on training via personal computers and smartphones. The tool also enhances the Group Human Resources ability

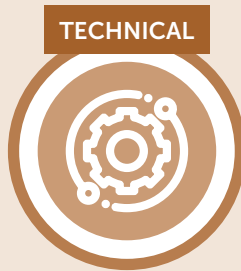
to track employees' training, measure personal development progress and identify their learning and development needs.

We continue to work towards empowering our employees with the necessary knowledge and skills, as well as elevate their competencies. As a measure, a talent pool programme will be introduced in 2020 to support the growth of identified high potential employees and provide them with guidance on the targeted skills they will need to develop to progress in their careers.

**Our Performance**

More than 2,000 hours of training were successfully achieved in 2019 through 47 internal and external training programmes organised for employees across all levels. Figure 6 outlines various types of training aimed to develop our people in a holistic manner.

- **Technical Skills Development Training:** Engages in ongoing fundamental learning to stay up-to-date with the latest developments and technologies
- **Soft Skills Development Training:** Enables effective and harmonious interaction with other people in the workplace, such as co-workers, management and customers
- **Safety Training:** Encourages safety culture through regular "refresher" courses on compliance and safety protocols to create a safer workplace continuously



- Quality Assessment System in Construction (QLASSIC) Assessment for Building Projects
- The New Section 17A on Corporate Liability in the Malaysia Anti-Corruption Act
- MAICSA Annual Conference 2019: Next Dimension In Governance



- Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) Leadership
- Emotional Intelligence (EQ) in the Workplace The Cooler Earth: Sustainability Summit
- Your Show, Your Call: Delivering High Impact Presentation Skill



- Basic Fire Fighting
- Emergency Response & Preparedness

Figure 6: LBS Economic Value Distributed for 2019



More than **2,000 hours** of training were successfully achieved in 2019



We invested close to **RM80,000** to equip our employees



Effective 1 January 2019, we launched an **online Training Evaluation Form**

## Sustainability Report (Cont'd)

**DIVERSITY AND EQUAL OPPORTUNITY****GRI 103-1, 103-2, 103-3, 405-1, 405-2****Why It Matters?**

The most positive impact comes from different ideas and points of view. At LBS, diversity in the workforce is vital in creating meaningful employee and stakeholder relationships as well as improving performance through addressing skills needs. We strive to create a work place that is inclusive and offer equal opportunities regardless of background, culture, age, race or gender.

**How We Approach It**

Diversity at LBS Bina is practiced mainly through inclusion of Equal Opportunities at the Group level in areas such as talent recruitment and employment, compensation and benefits, learning and career development and employee engagement.

We are confident that celebrating a range of diverse backgrounds, experiences and cultures as well as nurturing different perspectives when approaching work topics will stimulate innovation and creativity. By consistently valuing diversity in our talent engagement and retention, we believe LBS will secure its reputation as a value-added workplace.

Our management approach to Diversity and Equal Opportunities is illustrated primarily through our employment processes where we ensure recruitment criteria is based on merit, relevant experience and skillset. For our employees, we encourage self-growth and opportunities are given throughout the organisation for employees at every level to attend trainings and activities that are focused on expanding their career horizons.

In our bid to move forward as an employer of choice, we are also committed to creating a work environment free from discrimination. In terms of gender diversity, our male to female ratio in all key positions from Board of Directors to Senior Management remain balanced as demonstrated in Figure 7. Beyond this, we are also consciously practicing equal opportunities when seeking to fulfil positions that are typically male dominated such as at project departments that are based at on-site offices.

The value of practicing Diversity and Equal Opportunities is not just practiced within LBS as we promote these values externally through initiatives such as:

- 1 LBS Foundation**  
 The main initiative is aimed at giving back to society through four main pillars; Education, Community, Environment and Health. Diversity is practiced by providing free tuition to under-privileged children regardless of their race, religion or background at Sungai Way and Wangsa Maju.
- 2 Internship Placements**  
 Since 2018 LBS has practiced equal opportunities without prejudice by providing internships for all Degree and Diploma holders with the prospect of securing full-time positions at the end of the internship period. LBS has offered 18 internship placements in various departments with three interns recruited as permanent employees in 2019.



**Our Performance**

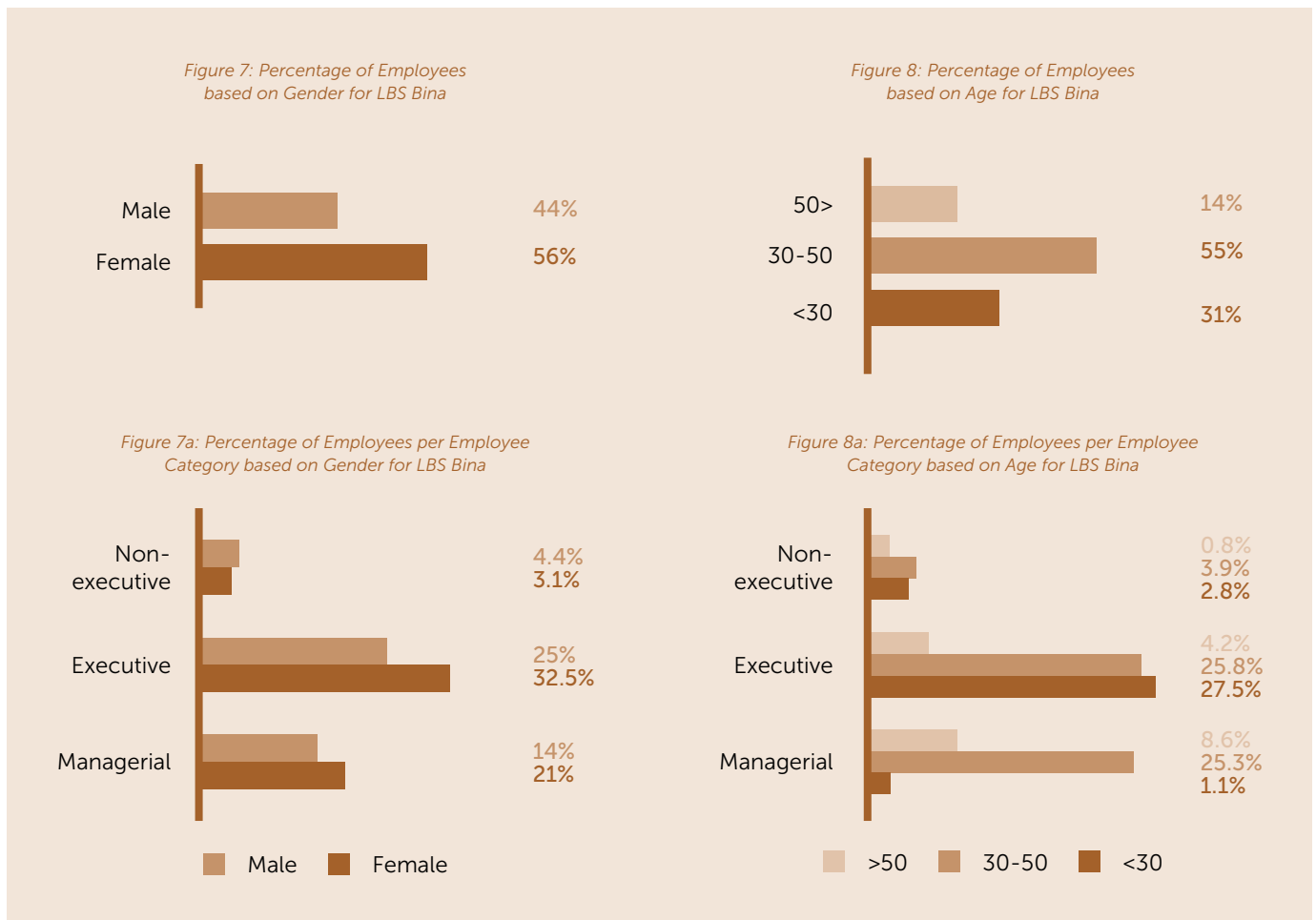
In 2019, our bid to constantly demonstrate our commitment to equal opportunities and that opinions of all employees are taken into account and put into action. We initiated training programmes and fun, collaborative events that were specifically requested by our employees such as an inter-department friendly badminton match.

Two in-house leadership training workshops conducted during the year demonstrated diversity values as these were targeted at two very different groups of participants. Young leaders with job grade within SO-A and M1 were selected to participate in a junior leadership training while department heads and senior management were selected to attend an advanced leadership training. To attract talent from a diverse pool we have committed in 2019 to include a career webpage in the LBS Bina official website.

Moving forward, we continue to track and evaluate our performance in creating an inclusive workplace by yearly engagement activities and annual survey forms. We are committed that year-on-year our initiatives will continue to be aligned with our objectives in embracing diversity and equal opportunities.

Figure 7 demonstrates our Male to Female ratio which can be seen to be an almost 1:1 aspect<sup>(3)</sup>.

Figure 8 show that our age range for employment are diverse with 31% of under 30s, 55% of age 30-50 and 14% of over 50s respectively.



## Sustainability Report (Cont'd)

### LOCAL COMMUNITIES

GRI 103-1, 103-2, 103-3, 413-1



#### Why It Matters?

As a forward-thinking property developer, LBS aims to construct liveable buildings and also further empower individuals and create positive impacts within the local communities where we operate in. Since our humble beginnings in the 1960s, the commitment and dedication we have shown towards improving the quality of life in communities have been unwavering. We aspire to become pillars of support that benefit families and society as a whole towards a brighter, sustainable, and inclusive future.

#### How We Approach It

Driven by our mission to consistently deliver exceptional performance through progressive creations, realising value to all stakeholders and enriching communities at large, LBS Foundation was formed in 2015 as the centralised platform spearheading and managing the Group's Corporate Social Responsibility (CSR) programmes. It further acts as a platform for our employees to appreciate our core belief and motto; 'Growing with Compassion' and seek positive influences outside of work by involving in acts of empowerments facilitated by LBS Foundation.

LBS Foundation focuses on four pillars for sustainable societal wellbeing - Health, Education, Environment and Community. As a result, LBS Foundation offers a diverse range of CSR programmes that bring inclusivity and sustainable wellbeing across Malaysia. Each CSR programme follows strict guidelines and is assessed by a comprehensive evaluation system created in 2018. This system meticulously measures our CSR programmes impacts and ensure they match with both our pillars and the objectives of LBS Foundation. Subsequently, the results will be reviewed by Executive Directors and the Board of Trustees of LBS Foundation.



**Our Performance**

This year, we continued to assess our CSR programmes using the abovementioned evaluation system that provides a comprehensive understanding of the impacts generated by our CSR programmes. With this feedback, we can further enhance and take the opportunity to identify areas that we can improve on. Despite achieving a remarkable year for LBS Foundation, the assessment concluded five recommendations which will be incorporated into the future roadmap of LBS Foundation.

- 1

**Repeat successful events on an annual basis**

We seek to repeat successful events annually, emulating previous successes whilst increasing our outreach to more people within our local communities.
- 2

**Refining SOPs**

We aim to streamline our processes and SOPs to efficiently create more impactful CSR programmes.
- 3

**Increase the number of committee members**

To reflect the growth we have experienced this year, we seek to employ new team members to help support and assist our current committee.
- 4

**Increasing levels of work and projects**

Following 2019's success, we aim to facilitate more high quality CSR programmes for local communities.
- 5

**Collaboration opportunities**

While there are increasing offers for collaboration from external parties, we plan to establish a formal framework to ensure the quality of our CSR programmes are not compromised.

Figure 10: Five Recommendations for LBS Foundation's Future Operation

Through our continuous efforts, LBS Foundation was involved in more than 30 CSR programmes with over RM1.1 million in donations distributed in 2019. We have noted that our CSR programmes this year are 100% aligned with LBS Foundation's four-pillars of social contribution in Health, Education, Environment and Community. This is a marked improvement compared to the 76% of pillar-relevant criteria achieved in 2018. In future, we see more exciting opportunities for LBS Foundation to form meaningful partnerships and to constantly support local communities. We seek to deploy additional measures and to collaborate further to roll out programmes that have large-scale impact and to contribute to Malaysia's shared prosperity vision for 2030.



Donations distributed  
in 2019  
**RM 1.17 million**



Programmes that achieved  
pillar relevance  
**100%**

## Sustainability Report (Cont'd)

### Development Programmes/ Initiatives

#### HEALTH – Improving the health and welfare of the unfortunate

##### YAYASAN AL-SULTAN ABDULLAH HEMODIALYSIS CENTRE

LBS Foundation supported activities that helped improve the health and wellbeing of those within the B40 groups. It contributed towards the Yayasan Al-Sultan Abdullah (YASA) Hemodialysis Centre. The launch of the centre on 19 July 2019 was graced by His Majesty Seri Paduka Baginda Yang di-Pertuan Agong and Her Majesty Raja Permaisuri Agong. The YASA Hemodialysis centre caters to patients with kidney failure and those who are suffering from various kidney-related diseases.



#### EDUCATION – Creating a better nation through providing financial assistance and a better learning environment to students and schools

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##### FREE TUITION FOR UNDERPRIVILEGED STUDENTS

To support underprivileged children in their search for education, we collaborated with Ajar-Ajar Malaysia and Tunku Abdul Rahman University College (TARUC) to establish Pusat Tuisyen Ajar- Ajar Malaysia at M3 Shopping Mall. LBS Foundation contributed by way of providing free tuition to the underprivileged children in the Wangsa Maju area, who will be the future members of our community. We have further signed a memorandum of understanding with TARUC on 25 November 2019 to continue collaborating towards removing barriers to education for the communities where we are present in.



**ENVIRONMENT - Protecting and preserving the environment through education and partnerships**

RECYCLING CAMPAIGN

In conjunction with Pejabat Daerah/Tanah Kuala Selangor, Jawatankuasa Tetap Alam Sekitar & Teknologi Hijau and Unit Perancang Ekonomi Kuala Selangor, LBS Foundation participated in the launching of Program Kempen Kitar Semula - "Reduce, Reuse, Recycle" Peringkat Daerah Kuala Selangor. It was held at SJK (C) Aik Thee, Tanjung Keramat, on 26 September 2019 targetting the youth. Through this initiative, our objective is to help members of our community gain a better understanding of how vital the environment is in achieving a sustainable future.



**COMMUNITY - Building a strong and harmonious society by improving the general wellbeing of underprivileged groups and promoting heritage, sports, arts and culture**

MOU SIGNING WITH MAJLIS DAERAH KUALA SELANGOR

LBS Foundation will be collaborating with the Kuala Selangor District Council (MDKS) to embark on a three-year programme, which aims to inject new life to the community of Kuala Selangor, specifically those living in the Kampung Kuantan area. The partnership was cemented in a signing ceremony witnessed by the DYMM Tengku Permaisuri Selangor, Tengku Permaisuri Norashikin at the Taman Alam Kuala Selangor on 23 February 2019.



## Sustainability Report (Cont'd)

**CUSTOMER HEALTH AND SAFETY**

GRI 103-1, 103-2, 103-3, 416-2

**Why It Matters?**

LBS aspires to deliver properties of good quality to Malaysians. We are committed to the overall wellbeing of the communities within the vicinity of the homes, townships and premises that we build. Customer health and safety is fundamental to our philosophy, and we strive to maintain the highest standard in our product design and delivery in order to attain customers' trust and satisfaction.

**How We Approach It**

Our architects, engineers and contractors focused on the building design, making sure that these designs are both technically and practically sound with an emphasis on safety and health. The Project & Property Management/Maintenance & Project Audit (PMPMA) Department is entrusted to lead the efforts of internal building audits to ensure and sustain the safety of the homes, townships and premises that we build.

In an effort to facilitate best practices, our customers' health and safety policies are under regular reviews. In 2019, we revised the procedures by carrying out property audits before delivering vacant possession of each project. A Property Management Officer conducted the internal inspection of the property and gathered the required information. Red-flagged data points were reported to relevant departments to ensure the necessary action could be taken during the defects touch up duration. This new strategy enabled LBS to identify and address future potential safety and/or health issues prior to key collection, proactively minimising the exposure to such hazards to our valued customers.

Moving forward, LBS is training the Maintenance Officers on site to furnish them with the knowledge to swiftly respond to issues and accurately identify the causes, which would shorten the potential exposure of safety or health hazards for property owners/users.

**Our Performance**

LBS takes pride in maintaining zero incidents of non-compliance with regulations or voluntary codes regarding customer health and safety in 2019. Meanwhile, engineers and technicians worked diligently and resolved all the customer feedback in 2018.

In 2019, we received 130 individual incidents of feedback involving the replacement of balcony glass from clear glass to tempered laminated glass. With new strategies in place, we were able to resolve 104 incidents to date and will continue to improve our services moving forward.

**Zero**

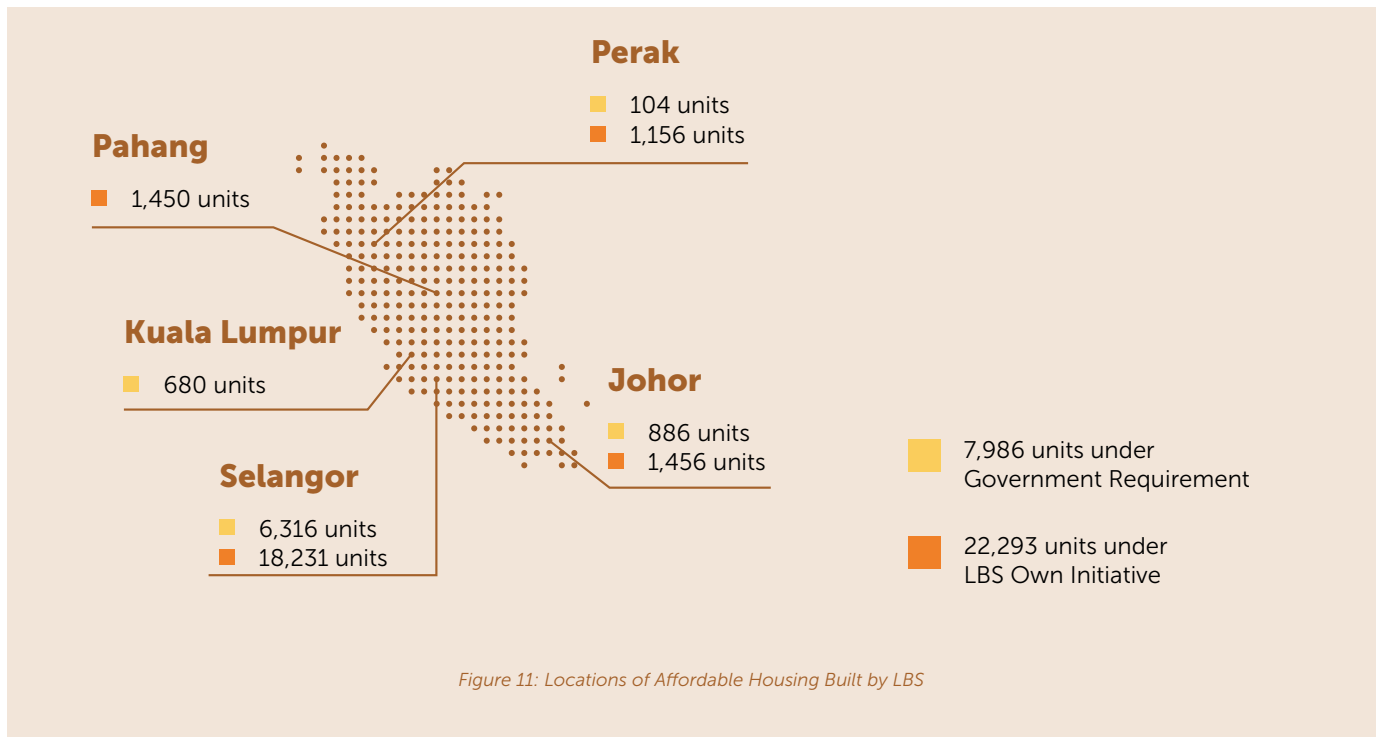
Incidents of non-compliance concerning the health and safety impacts of our properties

# FEATURE: AFFORDABLE HOUSING

Prioritising a community-centric approach, LBS continues to realise the aspirations of urban dwellers by narrowing the affordable housing gap which is strongly aligned with the National Housing Policy 2.0, launched in January 2019. This policy aims to build one million affordable homes within 10 years for the Bottom 40 group (B40) in Malaysia and LBS is committed to take an active role in seeing this goal through.

The needs of local communities have always been the core of our business strategy and gives purpose to our Group’s growth. By understanding the pertinence of affordable housing in the property development industry on a national context, LBS has achieved resounding success as we continue to grow our footprint and influence in the industry. Our venture into affordable housing was pioneered by the development of 156 units of six-storey low-cost shop-apartments in Taman Perindustrian Bukit Serdang, Seri Kembangan, in the state of Selangor in 1998. Since then, our inclusive strategy on affordable housing has given us an edge in a relatively subdued property market and we have built close to 30,279 units of affordable homes and shops to date. Approximately 73% of the affordable residential and commercial units that we completed have been a product of our own initiatives as opposed to requirements by the Government.

We find satisfaction in knowing that our services extend beyond the frontiers of property development and are a strategic imperative to community enhancement.



## FEATURE: AFFORDABLE HOUSING (Cont'd)

Moving forward, we aim to continue contributing to the overall economy towards Malaysia's Shared Prosperity Vision 2030 through leveraging our Industrialised Building System (IBS) led by our subsidiary, MGB Berhad, while expanding our affordable housing agenda in tandem with Malaysia's National Housing Policy 2.0. Our commitment to this is reflected in the recent Memorandum of Understanding (MoU) that was established with the Perak State Secretary. The MoU outlines our proposal to develop two property development projects in Perak, which is in line with the Perak Government's plan to build 50,000 affordable homes within the next five years.



### Industrialised Building System (IBS)

IBS is a construction technique whereby components are manufactured in a controlled environment and placed and assembled into construction works. This system has been adopted by LBS through a joint venture between our subsidiary MGB Berhad and SANY Construction Industry Development (M) Sdn. Bhd. We opened our first permanent IBS precast concrete plant in Nilai, Negeri Sembilan in March 2019. This initiative conforms with the Housing and Local Government Ministry's plan to utilise IBS components for all of its affordable housing projects by 2024. Kindly refer to MGB Annual Report for more information on our achievements in IBS.



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GRI 102-5	Ownership and legal form	Page 8-11
GRI 102-6	Markets served	Page 8-11
GRI 102-7	Scale of the organisation	Page 8-11
GRI 102-8	Information on employees and other workers	Page 20-34
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GRI 102-13	Explanation of the material topic and its Boundary	Contact for details
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