

## UPHOLDING EXCELLENCE, CREATING VALUE

The team at LBS is committed to pursuing excellence in all that we do. We aim to give our customers the best value by ensuring every home is delivered in prime condition upon handover. Each home that we build leverages the IBS pre-cast methodology which enables us to have a standardised level of excellence across each individual space that we create.

By making an online customer service platform available, we aim to enhance our quality control and customer service. Our vision is to be an internationally recognised developer, that builds and inspires delightful spaces that enhance community living.

# SUSTAINABILITY REPORT

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

**"Despite challenging times due to the COVID-19 pandemic, LBS remains resilient and committed to our Sustainability journey for the betterment of our environment, stakeholders and a nation beyond 2020."**

Tan Sri Dato' Seri Lim Hock San, Executive Chairman, LBS Bina Group Berhad.



With another year in view, LBS Bina Group Berhad (LBS) has maintained its resilient performance in the property sector. The commitment and dedication of our team ensured that the Group continued to deliver a commendable economic performance, actively engage in social issues and carry out its environmental conservation activities. For over 30 years, LBS has advocated and upheld the role of a responsible business entity, a role that has become synonymous with the LBS brand. Moving forward, the Group remains committed to upholding and expanding its sustainability initiatives across the organisation.

From initiating our first report in 2016, our sustainability reporting journey has highlighted the healthy improvement of the Group's approach and adoption of sustainability.

Our findings from the sustainability reporting process have served to guide our efforts in enhancing our execution and our approach to monitoring and evaluating sustainability matters. Our Sustainability Committee has been an integral part of our sustainability journey as they have been the main drivers in oversight for monitoring, managing and addressing primary sustainability risk within the organisation. Additionally, they also played a significant role in aligning and directing our efforts to meet our intended targets and objectives.

Throughout the unprecedented operating conditions of the year in review, the Group dedicated its efforts to navigating through the turbulent economic conditions while sustaining its core value of contributing to the economic, environmental and social perspectives. Notwithstanding any adverse effect from the current circumstances, we will continue to make headway and focus on improving our sustainability practices as we work towards a new normal.

This year, LBS proudly presents our fifth Sustainability Report that highlights our sustainability achievements and our way forward as we brave the new normal.

## OUR REPORTING APPROACH

This Sustainability Report for the year 2020 has been prepared in reference to the Global Reporting Initiative (GRI) Standards 2016 and adheres to sustainability reporting requirements set forth by Bursa Malaysia. The report covers the following content:

- 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.

Materiality matters that are crucial to LBS are highlighted in this report as follows:

- GRI 201 Economic Performance;
- GRI 205 Anti-Corruption;
- 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 112.*

## REPORTING PERIOD

This report covers LBS' sustainability performance and progress for the financial year ("FY") - 1 January 2020 to 31 December 2020, unless otherwise stated.

## SCOPE AND BOUNDARIES

This report encompasses sustainability data collected from the entities of LBS Bina Group Berhad ("LBS"), including the property development division; LBS Bina Holdings Sdn Bhd's Head Office and our construction division, MGB Berhad'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.

## FEEDBACK

We welcome your views, comments or feedback, which may be directed to:  
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Email: cs@lbs.com.my

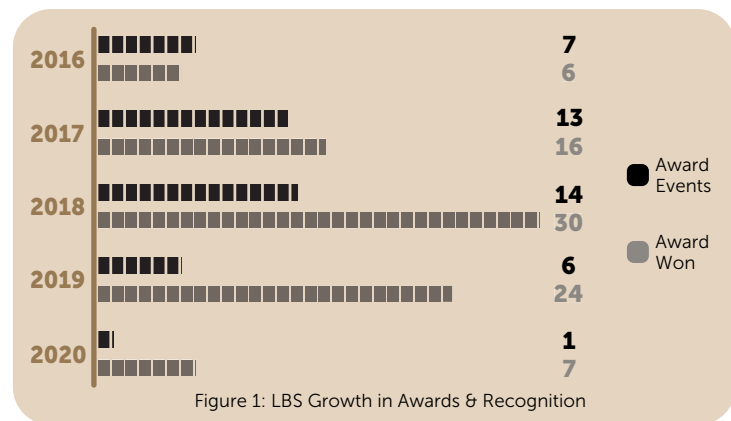
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## AWARDS & RECOGNITION

The Group's achievements within the field of property and construction were acknowledged with the various awards and accolades that LBS received during the year. These acknowledgements are also testament to the Group's efforts in upholding our corporate social and environmental responsibility. A summary of the awards received by LBS over the past five years can be seen in Figure 1.



For the current reporting period, LBS received a total of seven awards from a single awards ceremony. Due to the restrictions caused by the COVID-19 pandemic, there was a limit to the number of award events that took place in FY2020. We received the following distinguished awards in regard to our performance on the economic, environmental and social fronts:

### StarProperty Awards 2020

1. All-Stars Award - Best Overall Champion - LBS Bina Group Berhad
2. StarProperty Consumers' Choice Award
3. The Creative Space Award - Residensi Bintang Bukit Jalil (Excellence)
4. The Family-Friendly Space Award (High Rise) - BSP21 (Excellence)
5. The Starter Home Award - KITA Bayu (Honours)
6. The Neighbourhood Award (Below 500 Acres) - LBS Alam Perdana (Honours)
7. The Cornerstone Award - Rentak Perdana (Merit)



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



**“**On behalf of the Board and Sustainability Committee, I am delighted to share with you LBS Bina Group Berhad’s Sustainability Report for 2020. This report marks our fifth year in reporting on our sustainability initiatives and fairly represents our humble path towards our primary sustainability goals. The journey has been a true reflection of the Group’s belief that we continuously strive to be an aspiration to our peers and to the industries we are influencing. We believe in our principles and approach, which have led to key achievements during a year that was filled with challenges and uncertainties to overcome. With that, I am also pleased to present our key highlights in the following sections of this report.**”**

## GOVERNANCE

It has been crucial that the Group maintains an overarching framework of good governance over our operations. We believe that such a framework establishes a true foundation for any business to grow and prosper. In complementing this principle, we conduct reviews on our policies on an annual basis to ensure that they consistently address the ever-changing risks and challenges we face. Our conduct and governance structure are also developed to adhere adequately to applicable laws, regulations, requirements and guidelines, which include the Malaysian Code of Corporate Governance, Bursa's Listing Requirements, the Securities Commission Act and other local laws. Additionally, we also stringently observe a zero tolerance policy against any improper conduct throughout our organisation. This is supported alongside our structured whistleblowing procedures, which allow us to efficiently identify and effectively address any unethical actions within the Group. For any such instances, the Group takes decisive strong actions without any leniency on the parties who are implicated with the misconduct.

## SOCIETY

As an organisation, we do acknowledge the impact that our operations have on the surrounding communities. Hence, in recognising that fact, we consider the element of people (i.e., employees, local communities) to be the most important cohort within our sustainability framework. The Group wilfully invests, wherever necessary, that ranges from sustaining the well-being of our employees to efforts in helping the less fortunate communities. The Group's sustainability goals are supported by our LBS Foundation, which is tasked to formalise our Corporate Social Responsibility ("CSR") approach within four main integrated pillars – Health, Education, Environment and Community. Our efforts on this front were exceptionally key during the COVID-19 pandemic when we observed the impacts it had to all aspects of our daily lives. We contributed wholeheartedly and diligently where possible to those in need throughout that period. Even though the industry was impacted to a certain extent from the pandemic, LBS remained resilient in ensuring that our assistance during the trying times became one of our focal points.

## ENVIRONMENT

As we continue to develop our outreach regionally, we acknowledge that the direct impact of our operations to the environment also expands. We recognise the need to sustain our energy and resource utilisation as well as to limit any other adverse impact on biodiversity and the climate due to our developments. At the same time, such recognition has driven the Group to reassess and reconsider how we operate as to limit potential



**DATO'  
LIM MOOI PANG**  
LBS Sustainability  
Committee Chairperson

disruption to our operations' status quo. Building on our current foundation, we will continue to expand and enhance our adoption of best practices through a process of on-going monitoring and implementation of effective environmental initiatives. Furthermore, we also aim to establish further accountability and transparency in our performance with extended and more diverse data disclosures in the future.

## SUMMARY

While we are still wading through the effects of the COVID-19 pandemic, the Group will continue to be vigilant and determined in pursuing our sustainable objectives through our Economic, Environmental, and Social (EES) efforts. As the world moves forward into a new normal, we aspire to achieve further success in bringing positive impacts to our stakeholders by way of our sustainability matters. Hence, I hope you find this report meaningful and that it will inspire you towards strengthening our collaborative relationship. This report aims to be informative and deliver a fair and balanced view of our position and performance on the identified material matters for the year.

## Sustainability Report (Cont'd)

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

From the beginning of our sustainability journey, our stakeholders have played a crucial part in shaping our approach and direction on the subject matter. We took into consideration what is key to our stakeholders as crucial aspects for LBS to acknowledge and proactively improve the way we address such matters. In continuation of such efforts, we ensured that engagement with our stakeholders remained consistent throughout the year, aiding us in further strengthening our Economic, Environment and Social (EES) sustainability parameters in driving our initiatives.

The table below outlines how the Group engages with its key stakeholders and the frequency of engagement during the reporting period.

| Stakeholder Group        | Mode of Engagement  | Frequency of Engagement  | Issues of Concern  |
|--------------------------|---|--|--|
| Shareholders / Investors | <ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual Report</li> <li>Quarterly Financial Report</li> <li>Analyst Briefing</li> <li>Extraordinary General Meeting</li> <li>Regular Shareholder Communication</li> <li>Announcement on Bursa Malaysia and Corporate Website</li> </ul> | <ul style="list-style-type: none"> <li>Annually</li> <li>Annually</li> <li>Quarterly</li> <li>As and when needed</li> <li>As and when needed</li> <li>Monthly, one-to-one and group</li> <li>As and when needed</li> </ul> | <ul style="list-style-type: none"> <li>Economic Performance</li> <li>Corporate Governance</li> <li>Anti-Corruption</li> </ul>  |
| Employees                | <ul style="list-style-type: none"> <li>Annual Performance Appraisal</li> <li>Briefings and Trainings</li> <li>Events, Celebrations and Sports</li> <li>Management, Operational and Committee Meetings</li> <li>Townhall Meetings</li> </ul>   | <ul style="list-style-type: none"> <li>Annually</li> <li>Periodic</li> <li>Weekly and Periodic</li> <li>Weekly and Periodic</li> <li>Half-yearly</li> </ul>  | <ul style="list-style-type: none"> <li>Training &amp; Education</li> <li>Employment</li> <li>Occupational Health and Safety</li> <li>Market Presence</li> <li>Local Communities</li> <li>Diversity &amp; Equal Opportunities</li> <li>Anti-Corruption</li> </ul> |
| Customers                | <ul style="list-style-type: none"> <li>Feedback Channels such as Emails, Phone Calls and Hotlines</li> <li>Corporate Website and Social Media Channels</li> <li>Product Launches and Roadshows</li> <li>Marketing and Promotional</li> <li>Programmes and Events</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>Economic Performance</li> <li>Corporate Governance</li> <li>Procurement Practices</li> <li>Customer Health &amp; Safety</li> <li>Anti-Corruption</li> </ul>   |



|                            |   |  |  |
|----------------------------|---|--|--|
| Government /<br>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> <li>Anti-Corruption</li> </ul>                                |
| Suppliers /<br>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> <li>Anti-Corruption</li> </ul> |
| Local<br>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 and Safety</li> </ul>                     |



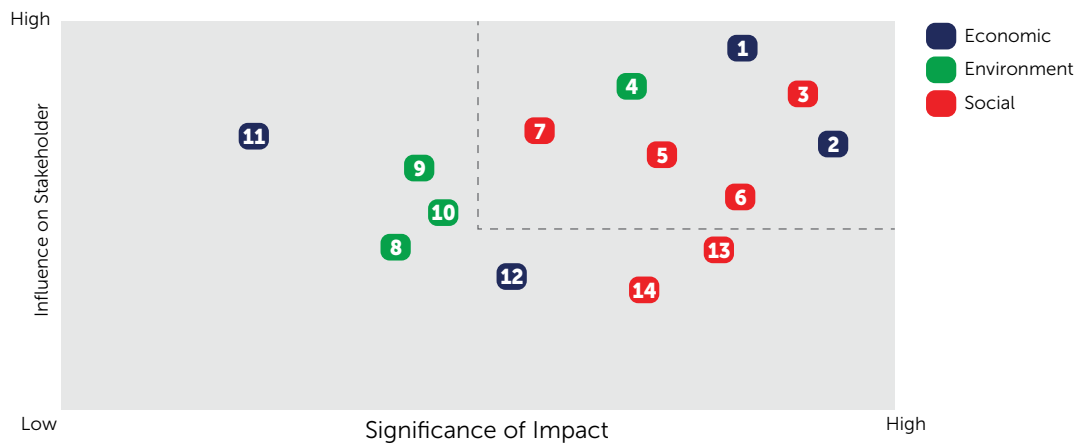
## Sustainability Report (Cont'd)

### MATERIALITY MATRIX GRI 102-47

For the current reporting period year, LBS performed a general review on the Materiality Matrix by taking into consideration the development of each key sustainability matter from the perspectives of our stakeholders' concerns and impact on the Group's operations. The exercise aims to ensure that the key sustainability matters that were identified in prior years remain a priority to LBS. At the same time, we consider the inclusion of any additional disclosures that may be a priority during the current year.

Through the exercise, a new sustainability topic, i.e. Anti-Corruption was identified as key and included within this year's matrix as a reinstatement of the prior Corporate Governance<sup>1</sup> topic. As for the remaining sustainability matters, they were maintained in line with the material assessment exercise conducted in 2018 as we opined that the topics were still crucial and fundamental for the Group to focus on its strategies on during the year in review.

Hence, there is a total of 14 sustainability matters identified, with seven matters noted as material topics, showcased in the diagram (matrix) and table below.



| MATERIAL SUSTAINABILITY TOPICS |  | IMPORTANT SUSTAINABILITY TOPICS |   |
|--------------------------------|--|---------------------------------|---|
| 1                              | GRI 201: Economic Performance            | 8                               | GRI 302: Energy                         |
| 2                              | GRI 205: Anti-Corruption                 | 9                               | GRI 303: Water                          |
| 3                              | GRI 416: Customer Health and Safety      | 10                              | GRI 306: Effluents and Waste            |
| 4                              | GRI 307: Environmental Compliance        | 11                              | GRI 204: Procurement Practices          |
| 5                              | GRI 413: Local Communities               | 12                              | GRI 202: Market Presence (Local Hiring) |
| 6                              | GRI 404: Training and Education          | 13                              | GRI 401: Employment                     |
| 7                              | GRI 405: Diversity and Equal Opportunity | 14                              | GRI 403: Occupational Health and Safety |

During the year in review, LBS considered and included disclosures on the sustainability topic of Anti-Corruption. This is in line with the Group's active efforts to advocate its strong stance on zero tolerance against any forms of bribery and corruption. The remaining key topics serve to show the progress and improvement that the Group has achieved in the initiatives that it continues to implement. All disclosures pertaining to Energy and Occupational Health and Safety related sustainability matters are made by our construction division, MGB Berhad, due to the relevancy of the disclosure to their main operations.

Our persistent and dedicated efforts in driving sustainability measures are highlighted in the following sections of the report with accompanying performance data and management approaches.

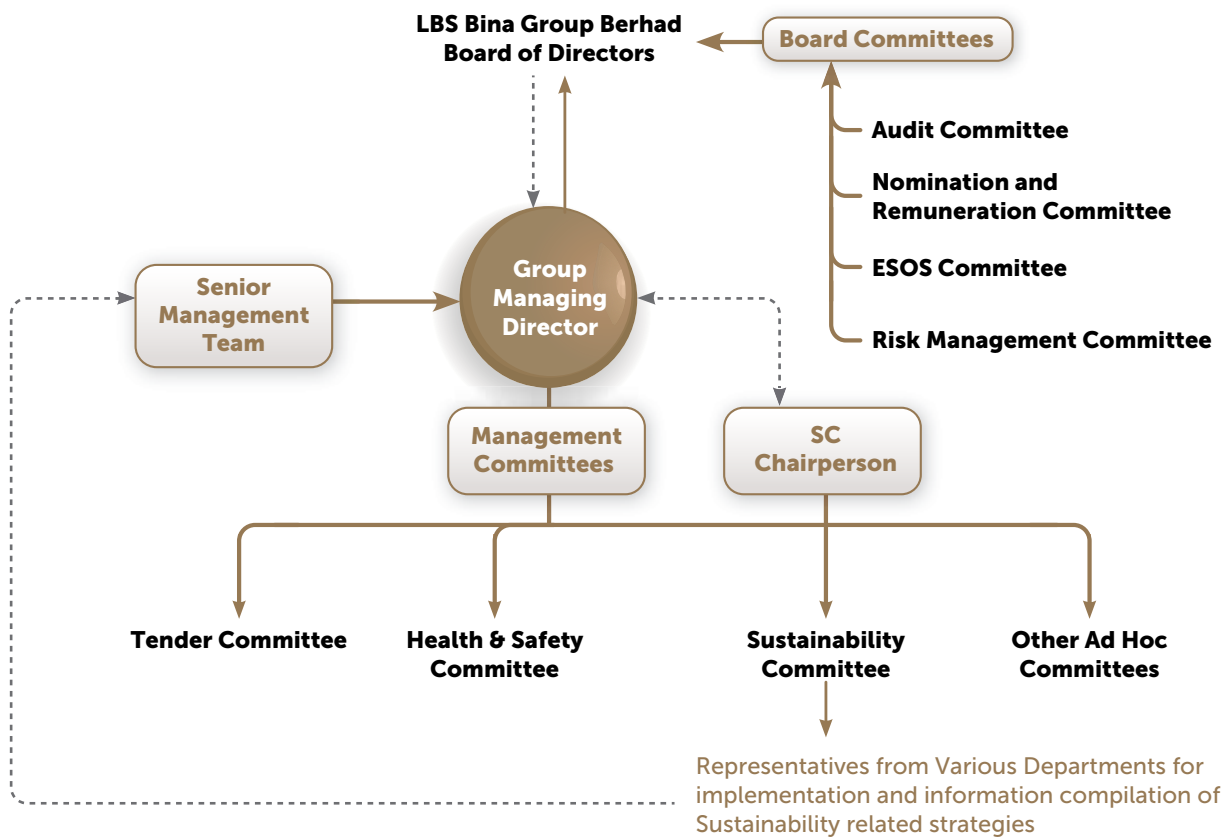
*For further details on our disclosure on Corporate Governance, please refer to page 134 of the Annual Report.*

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

### LBS Bina Group Berhad Governance Structure

LBS' Sustainability governance structure has been the foundation and essence of the Group's sustainability success. With a solid foundation and a cohesive framework, our business is set to thrive under any circumstances. Since its inception three years ago, our Sustainability Committee ("SC") Champions have been driving numerous initiatives that have been integrated into our business operations. In addition to these initiatives, our SC Champions oversee the sustainability strategy and all related communications with the Heads of Departments. The diagram below demonstrates the corporate and sustainability governance structure established in LBS.

Figure 2: LBS Corporate and Sustainability Governance Structure



The figure above also represents the flow of communication between the SC and higher management comprising the Board, the management and the company as a whole. The entire system is the representation of LBS' corporate and sustainability governance structure.

By and large, the SC is a committee that is represented by individuals from various departments in LBS. These representatives are appointed by the Group Managing Director (MD) under the guidance of the SC Chairperson (who is also appointed by the Group MD). As an Executive Director and Board member, the SC Chairperson is at the highest level of decision making on sustainability matters and has the authority and access of relaying the sustainability agenda directly to the Board.

In addition, the SC will review EES policies and related matters every six months, with the exception of any urgent ad-hoc issues or circumstances. To this end, the SC officially gathers twice a year with additional meetings organised on a needs basis. In consideration of the pandemic, we adopted changes in the way we operate to ensure that such meetings were conducted with the same frequency (i.e. virtually for certain sessions) during FY2020.

For further details on Corporate Governance, please refer to page 134 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



In reflecting on our sustainable economic performance and contribution, we have always acknowledged the key significance of our direct economic value generated and distributed. With that in mind, LBS considers it of the utmost importance that we continuously provide quality services and products to our stakeholders, be it to our shareholders, employees, customers, suppliers or the extended community surrounding our operations. The Group takes pride in being a responsible property developer as we constantly strive to grow as an astute, trustworthy and dependable brand. With that, efforts on expanding our business have always been targeted in aligning our products with the market's needs and demands in line to our virtue on quality and worthiness.

#### How We Approach It

In line with the Malaysian Government's directive on affordable housing (i.e. selling price below RM500,000), LBS has devoted our platform to serving this critical market segment, providing the majority of our projects within the specified price range. To further manifest our commitment, LBS participates in the government-led House Ownership Campaign ("HOC"), which has been extended to 31 May 2021. The scheme exempts stamp duty and provides discounts to reduce the financial burden of purchasing a house, which assists many Malaysians, particularly those without a property under their names, to become homeowners. Our approach to such developments is upheld by our efforts to ensure that we provide quality products at affordable prices while retaining adequate profits. These efforts are based on the following key pillars:



Engaging with sales agents



Expediting construction works



Minimising house defects



Providing money lending services to property purchasers mainly on differential sums



Offering more rebates, discounts and incentives to entice purchases; and



Achieving sales and profit targets

In 2020, the Group observed the effects brought by the COVID-19 pandemic, which had disrupted the landscape of businesses all over the world. From that initial acknowledgement, we adopted counter measures and adapted our business approach to the circumstances.

One key measure, which paid dividend during that period, was our constant efforts in supporting the use of digital tools and platforms within our organisation. In response to the movement control measures (i.e. MCO, CMCO, RMCO), during the year, we have expanded our leverage on existing online platforms to engage with potential customers, which include virtual reality (VR) showrooms, live streaming talks, digital contests and social media advertisements, among others. This has enabled us to move seamlessly in continuation of our efforts to support and grow our customer base. With these measures, LBS continued to garner sales throughout the reporting year.

### Examples of Digital Campaigns in 2020

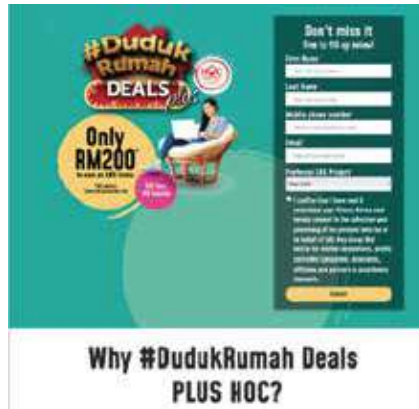
#### Fabulous 2020 Marketing Campaign

Launched in January with RM1 million worth of lucky draw prizes to be won. This campaign allows us to reward our homebuyers so that owning a home becomes a more delightful experience.



#### #DudukRumah Deal Plus

Launched in April, the campaign allows purchasers to book a unit of LBS property with just RM200. This campaign was rolled out via various digital platforms which includes virtual showrooms, website, email, WhatsApp, Facebook, Instagram and SMS.



#### Merdeka Digital Campaign

Rolled out in August and September to generate brand awareness and create engagement with a new set of target audience.



In furtherance to our efforts on digitalisation and information technology, we have also embarked on a Robotic Process Automation ("RPA") project during the year in review. This project, which was supported by a third-party consultant, was aimed at developing automation for certain routine and administrative procedures in our Enterprise Resource Planning ("ERP") system. The objective was to assist us in achieving greater productivity and efficiency in time and resource management when executing operational processes.

For the current reporting period, we have continued with our digital transformation and RPA initiatives pertaining to our key operations and procedures within the organisation. As part of this journey, the RPA project and other digital upgrades will continue to improve and streamline processes within LBS to ensure maximum efficiency and effectiveness of our systems, practices and its supporting controls.

## Sustainability Report (Cont'd)

Figure 3: LBS Digital Transformation Roadmap FY2018 - FY2020



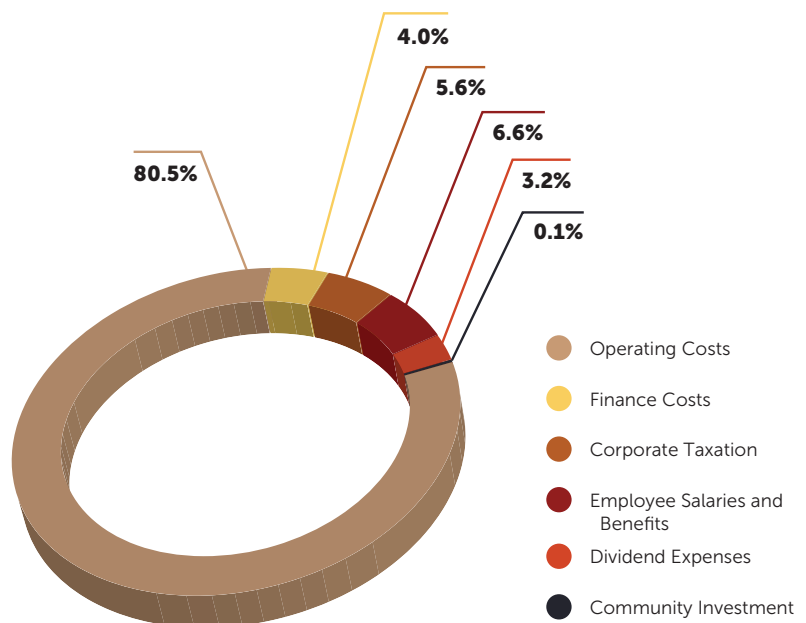
Our economic performance is monitored by our wide group of internal stakeholders, which comprises our Board of Directors, Key Senior Management representatives and our Heads of Departments. Performance is measured and reviewed consistently throughout the year based on a series of key performance indicators. Such indicators are discussed at monthly financial results briefings, quarterly management evaluations, project site inspections by project teams and directors, regular sales and project meetings, feasibility study meetings (i.e. cost considerations) etc.

Guided by the support of our internal auditors, LBS has managed to leverage such reviews to uphold high standards in our business conduct and improve on our operational efficiency and effectiveness. External auditors are also engaged on an annual basis to review and assure our financial performance.

### Our Performance Data

Figure 3.1: LBS Economic Value Distributed for FY2020

In the reporting period, LBS generated a total economic value of approximately RM1.1 billion, which is notably lower than 2019 results, partially due to the economic challenges accompanying the COVID-19 pandemic. From that total, 91.8% was distributed to support the business operations, as operating and finance costs, corporate taxation and employee salaries and benefits, with the remaining 3% (around RM32.5 million) for dividend expenses and 0.1% (around RM1.4 million) invested towards our community contribution. With that, the Group still managed to retain an economic value of approximately RM54.7 million. A further breakdown of the economic value distributed is illustrated in Figure 3.1.



## Sustainability Report (Cont'd)

### ANTI-CORRUPTION GRI 103-1, 103-2, 103-3, 205-1, 205-2



#### Why It Matters

LBS believes integrity and strong business ethics are crucial for our long-term success in creating and upholding trusts and confidence in our stakeholders. Thus, as we place high consideration on issues pertaining to corruption and bribery, we endeavour to fully adopt and further strengthen our commitment and practices on anti-corruption beyond the requirements needs. This is to ensure that the Group is well equipped in managing and mitigating this potential risk with the relevant safeguards within our operations.

#### How We Approach It

In demonstrating the Group's commitment in leading this, we have embarked on an exercise to implement adequate safeguards and procedures in line with the introduction of stringent anti-corruption laws such as the recent enforcement of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 and any of its amendments or re-enactments.

Hence, as a start, a training on the MACC Act Section 17 was conducted in December 2019 for our staff to ensure an initial approach towards building awareness of the act and its associated requirements. Since then, we have developed an Anti-Bribery and Corruption Policy, which has been duly approved by the Board. The policy contains guided measures and control points for the Group to refer to when dealing with acts of receiving and/or giving gifts, hospitality and entertainment, sponsorship and donation contribution, conflict of interest and among others. To socialise the documents, the policies are made available through our corporate website as well as the Employee Handbook, and notification emails on said policy have been sent to all LBS employees.

Further to the training held upon the introduction of Section 17A of the MACC, additional seminars with the purpose of strengthening the awareness in this aspect will be organised accordingly in the coming years. The Company has also included corruption risk assessments in the forthcoming Internal Audit Planning for the following financial year to strengthen our resilience to corruption.

In complementing the aforesaid policy, we have also reviewed and updated our whistleblowing policy during FY2020. The effort was to ensure that our stipulated guidelines remained adaptable and adequate for its intended purpose. The policy which clearly outlines the general process flow of managing whistleblower's report, the investigation process, details on reporting channels, as well as confidentiality and protection clauses, provides an avenue to ensure that all sources of feedbacks find its way to our attention for timely and prompt action when needed. Similarly, the updated version of this policy is published onto our website for the perusal of our stakeholders.



#### Our Performance Data

For our current year's performance, LBS has initiated an exercise to provide every employee the necessary training on our Anti-Bribery and Corruption Policy, in which each employee is required to acknowledge a declaration upon completing the training. As for FY2020, we managed to achieve a 100% declaration from our Board of Directors and we are currently pursuing such accomplishment with the rest of our employees, i.e., from our Senior Management till the Non-Executive employees. This is further complemented with our plan to communicate the said policy to our external stakeholders via electronic means alongside a request for their confirmation/acknowledgement via a similar platform, for example, through an e-survey.

To further demonstrate our commitment, the Group also plans to enhance the transparency of our disclosures on how we manage bribery and corruption related matters. This will include regular disclosures on our initiatives and actual performance being published on our corporate website. With these measures, we hope to strengthen the trust and confidence of our stakeholders.

## Sustainability Report (Cont'd)

### ENVIRONMENTAL COMPLIANCE GRI 103-1, 103-2, 103-3, 307-1



#### Why It Matters

Central to how LBS operates is ensuring that we minimise the adverse impacts of our operations on the existing localities where we develop our properties. This includes ensuring that we mitigate and reduce any potential environmental impacts our business operations might have. Our efforts have been consistently guided by our goal to create sustainable homes for our customers and the communities where we operate in. As such, we consider it our responsibility to maintain compliance with applicable environmental laws.

#### How We Approach it

At LBS, we are fully committed to reducing the environmental impacts of our business. Our approach to environmental compliance is guided by a robust Environmental Policy, which has been established in accordance with standards determined by the Department of Environment (DoE). Applied across our Group, our Environmental Policy is shaped by four key components:



In order to fulfil the foregoing components of our Environmental Policy, LBS allocates a budget specifically dedicated to environmental management for all our projects. Such duties related to environmental management are primarily executed by the Environmental Performance Compliance Committee (EPMC). This Committee provides oversight for all environmental compliance matters across LBS, including all projects undertaken by the Group. Meeting on a quarterly basis or as needed, the Committee is comprised of a diverse group of qualified professionals who work to ensure utmost compliance with applicable environmental laws. Personnel within the EPMC includes the main contractors, accredited laboratory, environmental consultants and engineering consultants.

Duties related to the environmental management of our projects are also carried out by an appointed Environmental Officer. An Environmental Officer is responsible for overseeing environmental aspects of any given project, with typical tasks including the engagement of project site personnel and the inspection of project site activities to ensure compliance with environmental laws and regulation. Environmental Officers also produce periodic reports on their findings. Such findings or observations are then reported to the EPMC for deliberation and initiation of actions, where necessary.

In addition to these measures, all our projects undergo thorough vetting before commencement, including an assessment of potential environmental impacts. The assessment also addresses the projects' adherence to the DOE's requirements, which entails submitting an Environmental Impact Assessment (EIA) before the start of any project. The EIA was conducted by external Environmental Consultants that were commissioned to assess the impact of our planned projects on the environment around various subject areas, such as pollution, land value and geology.

**Summary of Environmental Related Issues and Mitigation Measures identified through EIA for the Mixed Development Project in Sepang, Selangor.**

| # | Environmental Related Issues | Key Mitigation Measures   |
|---|------------------------------|---|
| 1 | Soil Erosion                 | <ul style="list-style-type: none"> <li>• Provide protection or restorative covers such as vegetation and plastic sheets on exposed areas;</li> <li>• All earthworks exceeding 1.5m in height or depth will not be cut or cleared until the site is ready to be worked;</li> <li>• Greeneries will not be cut or cleared until the site is ready to be worked, whereby the cleared ground will be refitted with turf (3 months – dry season / 1 month – wet season) after commencement of earthworks.</li> </ul>   |
| 2 | Water Quality                | <p>Mitigation measures for this environmental issue are to ensure the Group undertakes the necessary provisions in ensuring proper flow and quality of water discharge, which includes among others:</p> <ul style="list-style-type: none"> <li>• Diesel storage tanks are to be sited within a concrete bunded area;</li> <li>• Separate stores to be provided for chemicals (oils, paints etc.) and scheduled wastes equipped with secondary containment;</li> <li>• Establishment of an Emergency Response Plan (ERP);</li> <li>• Design of primary and secondary outlets;</li> <li>• Proper maintenance of the detention pond and sewerage treatment plant.</li> </ul>  |
| 3 | Air Pollution                | <p>Actions undertaken for this environmental issue are aimed at reducing the circulation of air pollutant such as dust, as exemplified below:</p> <ul style="list-style-type: none"> <li>• Watering of unpaved roads within the project site with an increase frequency during hot and dry periods;</li> <li>• Dusty stockpile materials to be kept and maintained in damp conditions;</li> <li>• Provision of wash through and wheel washing at the main entrance of the project site and mid-section;</li> <li>• Truck loads carrying dry materials (cement, sand, aggregate, soil etc) to and from the construction site are to be covered with tarpaulin.</li> </ul>  |
| 4 | Waste Management             | <p>In order to ensure the proper management and disposal of waste generated from our project sites, the following is a summary of our key course of actions:</p> <ul style="list-style-type: none"> <li>• Good housekeeping practices to be upkept by the Contractor at all times;</li> <li>• General construction waste to be recycled on site as much as possible;</li> <li>• Unsalvageable demolition waste to be stockpiled at a designated site and sold to salvage yard operators or other parties that are equipped at recycling the materials;</li> <li>• Scheduled waste to be stored in suitable containers under a cover with provisions that prevent leakage or spillage into the environment;</li> <li>• Storage area for scheduled waste will be secured and be provided with secondary containment for control of spillage.</li> </ul> |
| 5 | Noise Generation             | <p>Measures for this issue are to ensure the reduction of harmful noise generated due to work performed and activities on the project sites, which includes among others:</p> <ul style="list-style-type: none"> <li>• Construction activities to be confined to day time (7am – 7pm);</li> <li>• Use of acoustic cover or screen for noisy machinery is to be implemented to reduce noise at source;</li> <li>• Metal hoarding will be erected around the project site.</li> </ul>   |



## Sustainability Report (Cont'd)

Collectively, our approach across projects aims to ensure that relevant stakeholders work together to structurally and scientifically assess and monitor potential environmental impacts and other sustainability-related matters throughout the lifecycle of a project – from planning to project management.

### Managing Environmental Impact

As a Group, we are also proactive in our efforts to ensure efficient energy consumption, especially at our Headquarters. Our management of energy entails measures are aimed at increasing energy efficiency, such as the adoption of the Variable Refrigerant Flow (VRF) System at our Headquarters. Our use of the VRF System enables us to use energy more efficiently and consequently reduce our footprint on the environment. Other measures include regular communications with our employees to promote best practices in conserving energy, such as switching off lights and appliances when not in use.

In 2020, the total annual electricity consumption for the Group was 585.0 MWh compared to 664.6 MWh in 2019 and 598.1 MWh in 2018.

#### 3-Year Electricity Consumption Trend

| 2018      | 2019      | 2020      |
|-----------|-----------|-----------|
| 598.1 MWh | 664.6 MWh | 585.0 MWh |

As we move forward, we will continue to adopt forward-thinking solutions to ensure that our energy consumption both meets our business needs whilst minimising our impact on the environment.



As we move forward, we are wholly committed to ensuring that our impact on the environment is mitigated through the adoption of innovative systems and practices, and we will continue to proactively improve our compliance with applicable environmental laws and regulations.

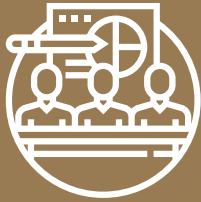
### Our Performance

Every year, external parties audit our Group in order to assess our environmental compliance. For the reporting year of 2020, we noted one minor instance of non-compliance as identified through a third-party environmental audit exercise. The issue which was pertaining to the stipulated threshold for wastewater quality, was rectified by the Group through its immediate actions of upgrading its filtration system (via the sediment basin) to ascertain a higher quality of wastewater prior to its discharge. Overall, the rectification was successfully completed within seven working days from the date of the inspection.



**1 incident of non-compliance with environmental laws and regulations**

## TRAINING AND EDUCATION GRI 103-1, 103-2, 103-3, 404-2



### Why It Matters

At LBS, we recognise that our people play a crucial role in ensuring the long-term success of our business. Through investing in our employees, we aim to develop their capabilities, which will in turn, contribute to the productivity of the Group. We provide them with vast learning opportunities through our training programmes, as to support their career growth and guide them to achieve their aspirations. Leading this approach, we strive to build a high-performing and diverse workforce that drives the competitiveness and resilience of the organisation in the property development sector.

### How We Approach It

Each year, the Human Resources Department develops an Annual In-house Training Plan based on employees' responses on the Training Needs Questionnaire Forms. The data collected is analysed to identify the training needs in order to equip our employees with the required skillsets to improve their job performance or to take on additional responsibilities towards the potential next designations on their career trajectories. Based on the training needs analysis for FY2020, the Group prepared a comprehensive set of development programmes covering a wide range of topics, including software trainings, emergency response plan, environmental management and work etiquette. In response to the COVID-19 pandemic, we have also provided additional training sessions for our employees to provide any assistance and guidance in dealing with the impact and aftermath of the unprecedented circumstances.

For each training programme, the management team shall work with the Human Resources Department to decide the participants list by nominating employees that could benefit the most from such trainings based on their job scope and the topic covered. As part of the Group's initiative to support continuous learning and development, Training Requisition Forms are also made available for employees to directly indicate their interests in any external training or development programmes. Such requests are subjected to the review and approval from their respective Head of Department(s) and as well as the Executive Director; upon which the employees are permitted to participate.

To ensure the effectiveness of our training programmes, we collect feedback from employees via online Training Evaluation Forms after each training session. The responses collected through this channel allow the Human Resources Department and/or the Head of Department(s) to assess on the overall effectiveness, relevancy and significance of the trainings organised. Results from such analysis are then presented to the Executive Director for review as well as reform (where necessary) on the approach and strategy towards the Group's training initiatives.

In support of high performing employees, the Group had planned to launch a talent pool programme in 2020 to focus our efforts on optimising and strengthening the skills of these recognised talents within our organisation. Nonetheless, due to the unforeseen situation brought by the pandemic in 2020, the introduction of the programme had to be postponed. We have since redeveloped our approach towards this programme and are currently targeting to have it initiated within the following year of 2021.



## Sustainability Report (Cont'd)

### Our Performance

In 2020, we have invested close to RM16,350 in 74 internal and external training programmes. As a result, we have recorded more than 1,140 training hours for 151 employees from various departments and job levels. Nonetheless, even as the Group observed a reduction in our total training hours and investment in FY2020 as compared to FY2019 (where a total of RM80,000 was invested for 47 training programmes totalling to more than 2,000 hours), we still managed to organise a high number of trainings in the midst of the effects of lockdowns throughout the year. Moving forward, the Group will be better equipped in improving our performance on training and development from the lessons learned and skills adapted from what we have encountered during the year.

Figure 4 shows the training programmes we have offered under the four training categories – technical, soft skill, development and safety.



Figure 4: Examples of Training Programmes for LBS Employees in 2020 based on Training Categories

## DIVERSITY AND EQUAL OPPORTUNITY GRI 103-1, 103-2, 103-3, 405-1, 405-2



### Why It Matters

We believe that embracing diversity and inclusion is vital in creating a positive and motivating work environment. The differences in background and experiences among our employees stimulate innovative thinking and encourage creative ideas. Hence, LBS demonstrates our commitment to diversity and inclusion at the workplace by ensuring equal opportunities for all employees irrespective of their race, gender and religious background.

### How We Approach It

We continuously foster an inclusive and diverse culture to provide a conducive work environment for our employees. The scope of adoption of diversity and inclusion by the Group covers talent recruitment, compensation and benefits, learning and development, as well as employee engagement.

In the area of talent recruitment, hiring decisions are made strictly based on the competencies and attitude of the candidates, regardless of their gender, age and race. To attract top talents and retain the existing workforce, the Group offers comprehensive workforce benefits and competitive remuneration to all employees. We also encourage our employees to achieve their fullest potential by introducing performance-based rewards. Fair and equal learning opportunities are provided to employees at all job levels to help them advance in their career paths and realise their personal goals.

The abovementioned initiatives have largely supported our approach to being a responsible and an all-inclusive employer. From the perspective of gender diversity, we have maintained a balanced male to female ratio in all key positions from Board of Directors to Senior Management as illustrated in Figure 5. In furtherance to this, the Group ensures that we consciously practice our equal and fair allocation of opportunities when building our talent resources in an industry traditionally dominated by men.

With that, we also advocate transparency on such matters among our employees during our annual performance appraisal engagements. This platform is effectively utilised by employees to highlight their key concerns or constructive comments, which may include issues on equal opportunity and discrimination. Similarly, the Group also reaps benefits through such engagements as we get first-hand feedback which enables us to initiate key actions in a timely and effective manner. In addition, our whistleblowing channel also supports us in this cause, as it provides an alternative means of communication for issues which may require a certain extent of anonymity due to its sensitivity.

As for specific external initiatives, in line with our efforts in promoting the value of diversity and equal opportunities, we have also pursued the following:

1

#### LBS FOUNDATION

Initiatives undertaken by the Foundation are targeted at contributing back to the local communities through the four main pillars of Health, Education, Environment and Community. Advocacy on diversity is upheld within our initiative through the provision of free tuition to less fortunate children regardless of their race, religion or background at several locations, such as Sungai Way and Wangsa Maju.

2

#### INTERNSHIP PLACEMENTS

A programme started in 2018 is tailored at providing equal internship opportunities to any Degree and Diploma holders with the prospect of securing full-time positions at the end of the internship period. For FY2020, the Group accepted a total of 16 interns into various departments, providing them with on-the-job experience in a range of functions.

All of these measures are to ensure that the Group constantly maintains the awareness on matters relating to diversity and fair treatment as we pursue our overall objectives.

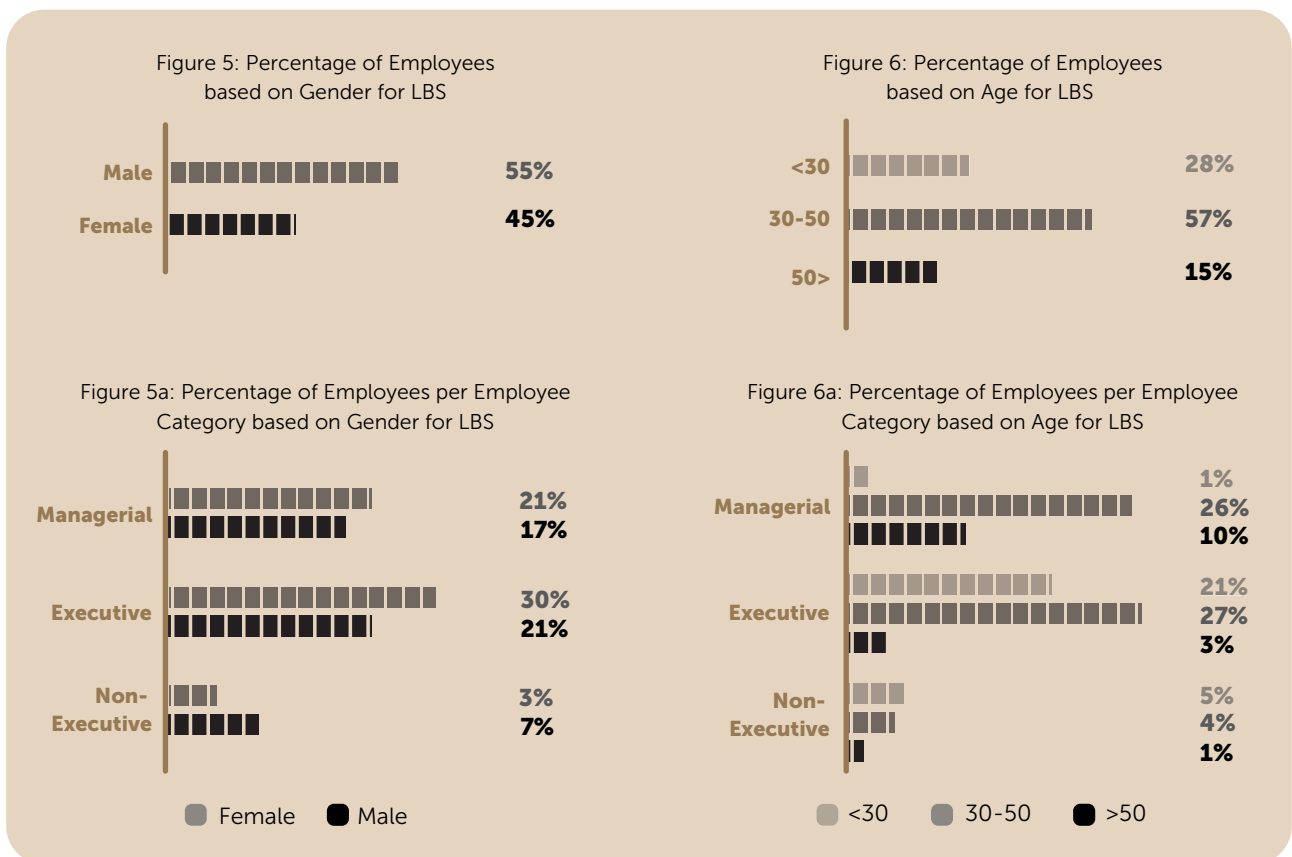
## Sustainability Report (Cont'd)

### Our Performance

For FY2020, the Company embarked on a unique journey in supporting our employees on our commitment towards equal opportunities and diversity. This was necessary as we learn how to adapt our activities and working behaviours under the new norms introduced by the pandemic. Nonetheless, the Group still managed to engage with our employees through virtual sessions as and when support, guidance and social interactions were needed.

Prior to the pandemic, sports activities including Zumba, Muay Thai, badminton and futsal were organised for our employees. Under the movement control orders, LBS initiated monthly internal online quizzes to keep our people engaged. The quizzes often featured rewards for the employees after each round. In collaboration with doctors from Columbia Hospital, stress management and health related talks were delivered to LBS employees to support overall wellness under the volatile times. Additionally, a virtual fire prevention awareness seminar was also conducted to provide our employees a refresher on the importance of key measures for such crucial precautionary measure. Once the situation improved, tokens of gratitude were provided to our employees during proclaimed celebratory days such as Breakfast Day and Thanksgiving Day.

In embracing our inclusiveness and commitment as a united organisation, we will continue our efforts in evaluating our measures and performance in creating a diverse and fair working environment. Figure 5 demonstrates our gender ratio, which is close to, and still moving towards the 1:1 parity. Figure 6 shows that our workforce also has diversity in regard to age, while providing younger employees with steep growth trajectories.



## LOCAL COMMUNITIES GRI 103-1, 103-2, 103-3, 413-1



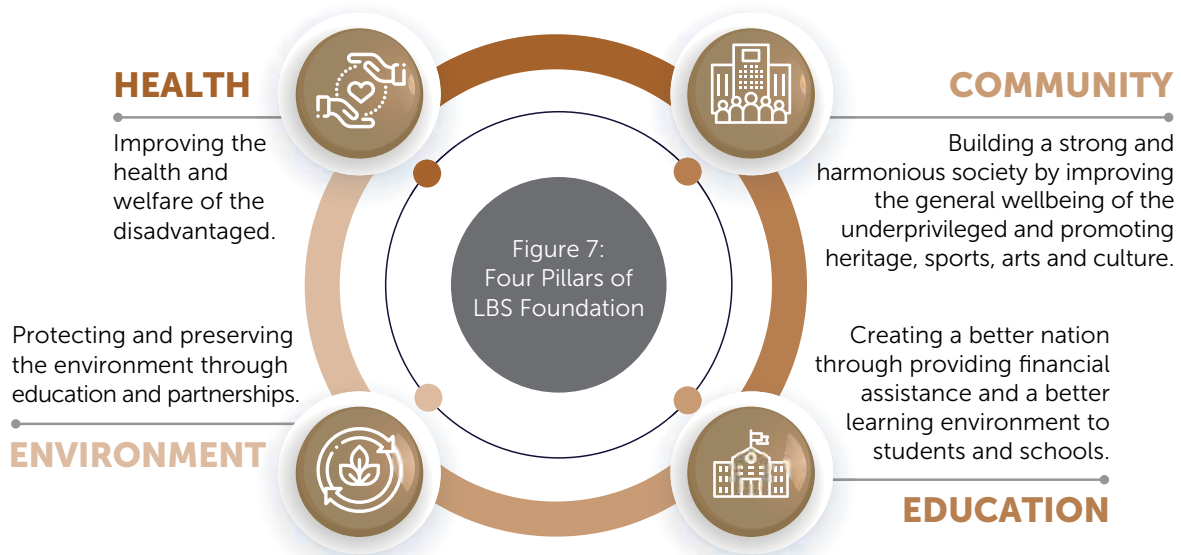
### Why It Matters

Since our founding in the 1960s, LBS has remained fully committed and determined to ensure that we generate positive outcomes for the local communities where we operate. In addition to providing best-in-class construction services, our goal is to empower the people around us and advance the quality of life in our communities. We remain steadfast in our determination to create a better future for individuals, families and society as a whole.

### How We Approach It

Our efforts to empower communities are coordinated through our LBS Foundation, which was established in 2015. Vital to realising our core belief of "Growing with Compassion", the LBS Foundation serves as a centralised body within our organisation to advance our Group's Corporate Social Responsibility ("CSR") programmes. Employees can also leverage this platform to participate in our CSR programmes and enact positive changes outside of their regular work duties.

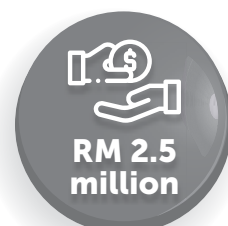
The LBS Foundation is guided by four pillars: Health, Education, Environment and Community. Shaped by these foregoing pillars, our CSR strategy involves participation in a range of initiatives aimed at generating positive outcomes for our communities. To ensure the quality of our CSR initiatives, all programmes are required to adhere to strict guidelines and undergo assessments as determined by the LBS Foundation's Board of Trustees. Such measures help to ensure the quality of our programmes and their alignment with the pillars and the strategy of the LBS Foundation. Through this established system, all responsible parties for CSR programmes are required to prepare a final report after the completion of each programme. The results of the final report will be subsequently evaluated by Executive Directors and the Board of Trustees of LBS Foundation.



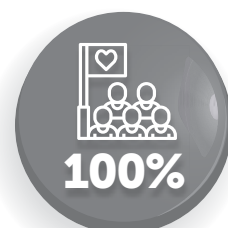
## Sustainability Report (Cont'd)

### Our Performance

In 2020, our Group was involved in over 50 CSR programmes with over RM2.5 million in donations distributed – a notable increase in the number of programmes and donations distributed when compared to the last reporting year. Additionally, we are pleased to report that all our CSR programmes this year continued to be 100% aligned with LBS Foundation's four pillars of social contribution. Notable achievements include our initiatives executed through the LBS Sports and Recreation Club, in which LBS participated in fundraising efforts for Hospis Malaysia and Kiwanis. Furthermore, in light of the ongoing COVID-19 pandemic, LBS also donated approximately RM1 million to the National Disaster Management Agency ("NADMA") COVID-19 Fund. The NADMA-COVID 19 fund was launched by the Prime Minister on 11 March 2020 to aid citizens who were most vulnerable to the impact of the Movement Control Order ("MCO") enforced on 18 March 2020, particularly the B40 and the unemployed. Other CSR activities in the year include providing free examination preparation classes for underprivileged students, providing school aid for stateless children and contributing 3,700 trees in tree planting programmes.



**Donations distributed in 2020**



**Programmes that achieved pillar relevance**

Figure 8: Sample of CSR Programmes

|                           |  |
|---------------------------|--|
| <p><b>HEALTH</b></p>      | <ul style="list-style-type: none"> <li>• Covid-19 related donation</li> <li>• Donation of mask and hand sanitizer to orphanage house</li> <li>• Hearing Aid Programme</li> <li>• Programme for Pejabat Dun Sungai Air Tawar</li> <li>• Sponsorship of the 37th Kiwanis Treasure Hunt 2020</li> </ul>   |
| <p><b>ENVIRONMENT</b></p> | <ul style="list-style-type: none"> <li>• Replanting of trees at the Pearl Villa community garden</li> <li>• Program Sungaiku</li> <li>• Purchase of plants for "Urban Bee Keeping &amp; Tree Planting"</li> <li>• Sponsorship for Taman Rekreasi Paya Bakau Sejangkang</li> <li>• Tree Planting on Recycle</li> <li>• Tree Planting Programme</li> <li>• Tree Planting Project</li> </ul>  |
| <p><b>EDUCATION</b></p>   | <ul style="list-style-type: none"> <li>• Abundance Charity</li> <li>• CHS Band Concert 2020</li> <li>• Education Fund</li> <li>• HIK Vision A.I Thermal Scanners</li> <li>• Sponsorship for Catholic High School TSLHS Table Tennis Cup</li> </ul>   |
| <p><b>COMMUNITY</b></p>   | <ul style="list-style-type: none"> <li>• Abundance Charity</li> <li>• Cultural Interaction (Malaysia-China 45th Anniversary)</li> <li>• Donation for Lim Si Teong How Tong Building Fund</li> <li>• Donation for Persatuan Wanita Kuantan</li> <li>• Education Charity Dinner in conjunction of 95th Anniversary</li> <li>• Education Fund (Tan Sri Lim Hock San)</li> <li>• Groceries for Madam Chou and OKU Children</li> <li>• Hospis Malaysia's Annual Charity Treasure Hunt 2020</li> <li>• MGA Golf Charity 2020</li> <li>• Program Bantuan Kemanusiaan di Kemboja</li> <li>• Food sponsorship for 500 families in the B40 community</li> <li>• Sponsorship for Muslim Cementry Land at Daerah Kuala Langat</li> </ul> |

## CUSTOMER HEALTH AND SAFETY GRI 103-1, 103-2, 103-3, 416-2



### Why It Matters

Our priority is to ensure that our products and services are of the highest quality. It is our belief that customer health and safety is crucial in building trust with our clients and ensuring the sustainability of our business. The topic is also key as we continuously strive to uphold the highest standards in product design and delivery to guarantee the wellbeing of our customers.

### How We Approach It

At LBS, health and safety is central to our approach to building design, and we regularly review our customer health and safety policies to ensure that our efforts are aligned with best practices. Health and safety assurances for our products are guaranteed through various measures, including an internal audit process conducted by the Project & Property Management/Maintenance & Project Audit (PMMPA) Department. Since 2019, we have been observing our policy of conducting property audits prior to delivering vacant possession, ensuring that our properties are safe for use. Property audits are carried out by the Property Management Officer, who performs a thorough internal inspection of our properties. Any red-flagged data collected via such inspections will be reported immediately to the relevant departments and necessary actions will be taken accordingly. We also train and leverage the Maintenance Officers, providing them with the necessary knowledge to detect and respond to any potential hazards at our properties as effectively as possible. By being rigorous in the mitigation of potential health and safety hazards, we aim to ensure the safety of our valued customers.

Other assurance activities regarding the safety of our developments include a Pre-Certificate of Practical Completion inspection exercise, which serves as an early detection mechanism for any potential health and safety risk. Led by our contractors, the inspection is conducted in conjunction with the Project Department and the PMMPA Department. A Project Enforcer is also designated to oversee the inspection process and is responsible for coordinating any necessary follow-up actions, if issues are identified.

In addition to our existing measures, we have also established the LBS Safety and Health Committee. Founded in November 2020, our Committee provides support for departments across the Group on a range of health and safety matters, including customer health and safety. The Committee is represented by 10 individuals across different departments within LBS, including our Human Resources Department. Since its founding, highlights from the Committee include the creation of Safety & Health Guidelines in the Workplace, which was implemented across the organisation.

In line with the value that the Group recognised from customers' feedbacks, a mobile application (known as ALFRED) has been introduced as a platform where customers can provide feedbacks and track the processing of their complaints. Through this mobile application, relevant personnel are notified and called upon to perform any rectifying actions, thus enabling our Group to manage customer concerns in a timely manner. At LBS, we actively seek to address any concerns our customers might have as efficiently as possible, and we will continue to review and improve ALFRED based on user feedback to ensure that our customers are satisfied with our products and services.

### Our Performance

In 2020, we are pleased to announce that we continue to maintain zero incidence of non-compliance with regulations and voluntary codes in relation to customer health and safety.



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



## Sustainability Report (Cont'd)

### FEATURE: INDUSTRIALISED BUILDING SYSTEMS (IBS) IN OUR DEVELOPMENTS

As one of the pioneers of IBS system within the property development landscape of Malaysia, LBS and its subsidiary MGB Berhad have remained committed at our approach at adopting this system for our development projects. Leading from what we have managed to achieve throughout the years of implementation, the Group is focused at constantly enhancing and developing innovative ways to produce and utilise this system.

Moving into our fourth year of producing and utilising IBS, we have continued to reap the benefits from our persistent efforts at advocating its implementation. This efficient prefabrication technique has enabled us to continually redefine our approach on offering affordable housing as well as improve our ability to deliver continuous high quality and well-timed developments. Overall, the system has also contributed the following positive effects for each of our developments:

- Significantly reduces construction time, as casting of precast element at factory and foundation work at site can occur simultaneously;
- Leads to a reduction of labour requirement during production and those required on site, resulting in a reduction of labour cost;



- Adaptable and repetitive use of IBS components for formwork encourages further cost savings;
- Higher degree of precision and accuracy at production – hence, reduction of material wastage;
- Utilisation of IBS component leads to higher quality and improved finishes, through the use of machinery during production;
- Provides flexibility in the design of precast element so that different systems may produce their own unique prefabrication construction methods;
- Encourages a safer construction site as IBS requires a least complicated handling process, with lesser time and resources on site; and
- Leads an environmentally friendlier approach towards material utilisation as timber formwork can be replaced by IBS; etc.

With the aforesaid commitments, our efforts for the current reporting period were focused on supporting the two IBS plants managed by MGB Berhad, i.e. one mobile plant at Alam Perdana and another permanent plant in Nilai, Negeri Sembilan. From its combined production, both plants managed to successfully support the construction of 3,962 units since 2018. For FY2020, we managed to accomplish the completion of 1,638 units of IBS-built homes at KITA CyberSouth.

Overall, our approach to utilising IBS steel and aluminium formwork and precast concrete has significantly supported the Group to achieve a balance of Economic, Environmental and Social sustainability performance. Firstly, from an economic growth standpoint, this system has enabled us to achieve a more efficient project development by reducing construction time as well as decrease our dependency of manual labour which eventually led to cost savings. With such efficacy and savings, the Group can strategically undertake and focus on delivering these benefits directly to our purchasers through our projects.

The Group's ambition on fully embarking the adoption of IBS is also due to the key environmental benefits it contributes. In addition to being an alternative material for timber formwork, IBS also produces less material wastage as various materials which would normally be discarded as waste if being built on site can be reused to create other products in an IBS manufacturing plant. With the simplification that IBS brings into the construction process, it has prompted savings in energy consumption for an entire development project. Such resource conservation is also observed through the reduced number of transportations required as products are made and delivered in bulk quantity. This is vital as the need of such transportation make up for a significant part of a development's environmental impact.

Our IBS initiative has also brought further social benefits in which it has led to the development of skills of our people while supporting local employment surrounding the production plants, bringing an indirect economic impact to the local communities. Furthermore, with the support of IBS, we can better safeguard workers at our project sites as this construction method presents a more efficient, safer and cleaner alternative to conventional construction.

All these measures are to ensure that the Group is fully aligned with the government's aim of utilising IBS components in all its development projects as well as encouraging developers to endeavour in more affordable developments. Together with our subsidiary, MGB Berhad, this is a journey that LBS will firmly commit and pursue for the foreseeable future through the implementation of our strategies, business conduct and developments. This commitment is also set to support our goal of providing key and affordable developments to the nation in which to date we have successfully completed a total of 3,962 properties. With this track record, we are confident of achieving greater success and enhancing the positive impact on our diverse stakeholders.



## Sustainability Report (Cont'd)

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## PRIORITISING PEOPLE, STRENGTHENING COMMUNITIES

LBS is committed to prioritising the safety of people and strengthening communities, especially in this time of crisis. In 2020, we lent support to our nation's frontliners and organisations involved in fighting the COVID-19 pandemic through making donations in cash and kind to help flatten the curve.

Recognising that building sustainable communities involves delicate planning and careful consideration, we are working diligently to ensure our properties remain affordable and of a high quality, particularly during this period of economic recovery. As such, we remain committed to ensuring that each township and community that we create is built on the pillars of affordability, connectivity and community while ensuring potential growth within the surrounding area. All these elements are helping make the communities that we build attractive value propositions and ensuring their long-term, sustainable growth.