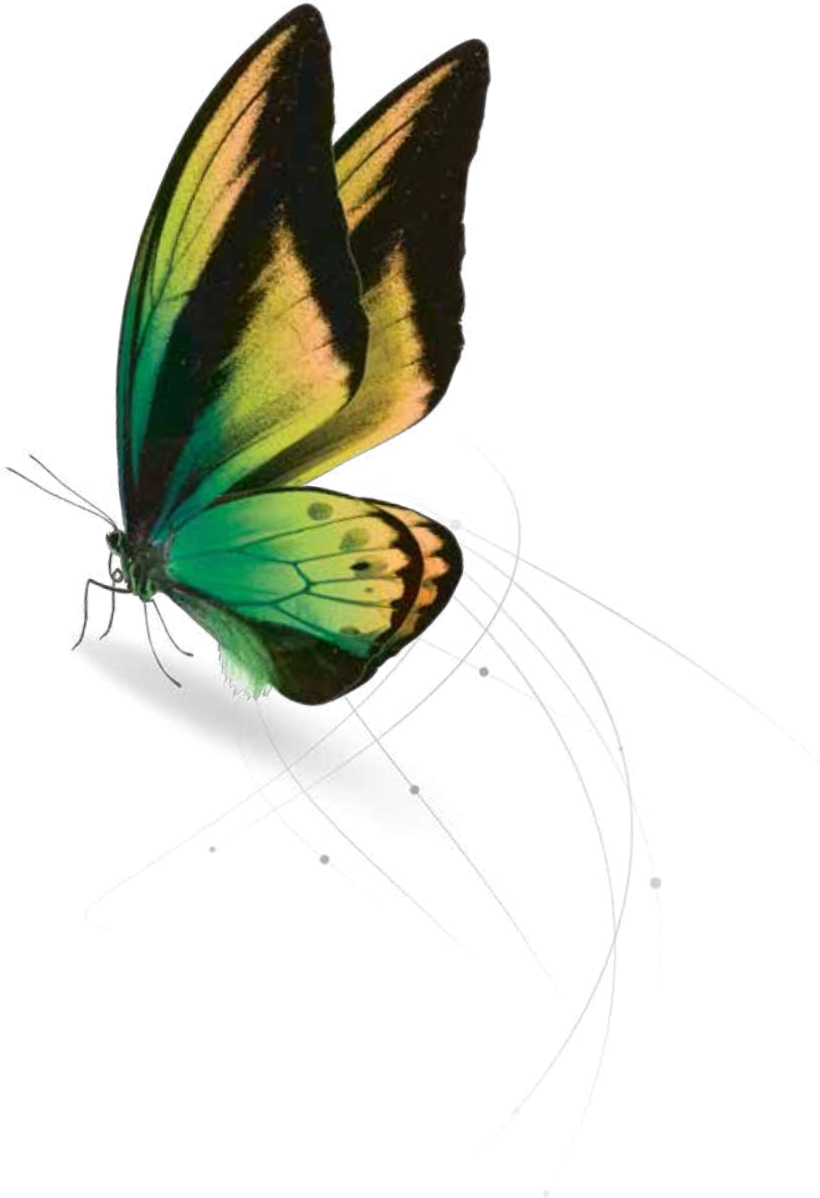


ECOWORLD

CREATING TOMORROW & BEYOND



SUSTAINABILITY REPORT **2020**

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Eco Grandeur in Selangor



Eco Botanic in Johor

ABOUT THIS REPORT

As one of Malaysia’s leading property developers, Eco World Development Group Berhad (“**the Group**” or “**EcoWorld Malaysia**”) understands our responsibility in promoting sustainability across our operations and practices. This sustainability report covers the Group’s strategies, initiatives, and performance on environmental, social and governance (“**ESG**”) issues for the reporting period from 1 November 2019 to 31 October 2020.



Reporting Scope and Boundary

The contents of this report disclose the sustainability performance of EcoWorld Malaysia’s operations at its headquarters in Setia Alam, Selangor, and its development projects, Eco Botanic in Johor, Eco Grandeur in Selangor, and we are expanding our scope this year to include Eco Horizon in Penang.



Eco Horizon in Penang



Reporting Framework and Guidelines

This report has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and with reference to the Sustainability Reporting Guide (2nd Edition) issued by Bursa Securities. To ensure transparency and comparability, we have also aligned this statement to the reporting standards of the Global Reporting Initiative (“**GRI**”).

We aspire to improve our sustainability disclosures and to present meaningful information in a balanced and transparent manner. As part of our efforts to evolve our reporting practice, we have incorporated elements of Integrated Reporting (“**IR**”) in this report.



Feedback

We value feedback and consider it an opportunity to identify areas for improvement. If you have feedback on this report, please direct it to corp@ecoworld.my.

MESSAGE FROM THE CEO



DATO' CHANG KHIM WAH

Chairman of Sustainability Committee and
Chief Executive Officer

Dear Stakeholders,

We are pleased to present EcoWorld Malaysia's third standalone Sustainability Report in which we demonstrate our commitment to inculcating a culture of sustainability throughout our value chain. Throughout this report, we highlight the strides we have made towards achieving sustainable development.



EcoWorld's new "**duduk**" brand was launched this year to provide 1,000 sq. ft. homes for Malaysia's middle-income group.

This year has been a challenging one as the impact of the COVID-19 pandemic spread rapidly and forced businesses around the world to innovate and undertake new approaches to operate. Businesses have had to adapt to working under conditions of the 'new normal'. We established our own guidebook based on the recommendations by the World Health Organisation (WHO), Ministry of Health and other relevant health authorities to safeguard the health of our employees, customers and communities. The eGuidebook describes the standard operating procedures ("**SOPs**") for employees to observe upon returning to office.

By playing our part in combatting the spread of the virus, process digitalisation has become crucial in supporting business growth during a period of economic turmoil. Not only has this rapid digitalisation process helped curb the pandemic, it has also provided us new innovative and convenient manners in which we engage our stakeholders. We turned to social media to regularly disseminate information to our stakeholders, as well as provide an accessible channel for people to contact us. Additionally, home buyers no longer need to be physically present at our premises to sign sale and purchase agreements as this can be done virtually.

Furthermore, to cope with the economic instability resulting from the pandemic, EcoWorld's new "**duduk**" brand was launched this year to provide 1,000 sq. ft. homes for Malaysia's middle-income group. By launching "**duduk**", we aim to increase homeownership among those in the middle-income bracket by providing modern homes with practical designs, meeting the need for homes below the RM500,000 price tag.

As we progress on our sustainability journey, we continue to identify areas where we can make a positive impact. In FY2017, we adopted six of the 17 United Nations Sustainable Development Goals ("**UNSDGs**"), demonstrating our contribution towards alleviating ESG issues where we operate. This year, we adopted two additional UNSDGs: Goal 13 (Climate Action) and Goal 16 (Peace, Justice and Strong Institutions).

Progress will demand commitment, patience, investment and constant action. Our key performance indicators (“KPIs”) demonstrate the Group’s accountability in building and strengthening our sustainability performance. We are proud to have achieved five out of six KPIs set out for this year.

This year our disclosures are reported according to the six Capitals (i.e. Financial, Manufactured, Human, Intellectual, Natural and Social & Relationship) that define our business, as prescribed by the International Integrated Reporting Council framework. These financial and non-financial capital inputs allow us to create value for our stakeholders. We acknowledge that our success as a sustainable business is reliant on all these Capitals, not just the financial capital.

We strive to strengthen our position in the industry by delivering quality and distinct development projects by incorporating green features which are beneficial to the community as well as to the environment. In doing so, we incorporate sustainability in our execution to adapt to the ever-changing social, environmental and economic conditions. It is indeed heartening to see that our efforts have been recognised with our inclusion in the FTSE4Good Bursa Malaysia Index in December 2020. We truly appreciate this recognition which will spur us on to double our efforts towards achieving sustainable development.

Our business is built on strong corporate governance which upholds integrity. This year, we established our Anti-Bribery and Anti-Corruption Policy in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which was enforced in June 2020. The ABC Policy reinforces our zero tolerance stance on bribery and corruption and describes the proper conduct to avoid it. To communicate



the policy to the team, we conducted an e-learning course which all employees have completed.

EcoWorld Malaysia’s success is driven by a committed workforce. We provide opportunities to encourage employee career growth and personal development. To stress on the importance of a healthy work-life balance, we conduct a series of programmes covering mental and physical health. We also nurture the talents of our team through training and empower them to achieve their highest potential.

With increasing awareness on the impacts of climate change, EcoWorld Malaysia is determined to be a part of the solution. With the adoption of UNSDG 13: Climate Action, our aim is to reduce our carbon footprint by monitoring and identifying significant sources of greenhouse gas emissions. As a sustainable property developer, we are committed to minimising our impacts to safeguard a healthy environment for future generations.

We recognise that sustainable development of the business occurs when our communities develop alongside us. The Eco World Foundation has continued

supporting the local communities in which we operate through the Students Aid Programme, supporting the education needs of 3,000 students this year. In addition to this, the Foundation has also provided assistance to the *Orang Asli* community by improving access to education for their children.

The Group’s commitment to sustainability is a continuous effort. While we have made great strides in our sustainability journey this year, we strive to enhance our performance by reviewing our initiatives across our operations and identifying new areas for improvement. It is our aspiration to grow our reputation and deliver long-term value to our stakeholders as we create tomorrow and beyond.

As sustainability evolves so do we. While the challenges ahead are undeniable, the efforts of our employees and leadership team inspire confidence in our long-term success. With the trust and support of our investors and stakeholders amid challenging times, we are encouraged to continue to move forward and seize opportunities as we build a more sustainable future.

Thank you.

VALUE WE CREATE

VALUE CREATION MODEL AND THE SIX CAPITALS

INPUTS

Financial Capital

- Revenue
- Shareholder investment

Manufactured Capital

- Landbanks
- Technology

Human Capital

- Employees and sub-contractors
- Occupational safety and health measures
- Training programmes

Intellectual Capital

- Placemaking

Natural Capital

- Energy
- Materials

Social & Relationship Capital

- Government engagement
- Joint venture partnerships
- Homeowner engagement
- Community relations
- Supply chain partnerships

Propelled by our
VISION
Creating Tomorrow & Beyond

Directed by our
MISSION

Strategic Focus
Governance
Risk Management
Material Matters
<p>Strategically-located developments and successful planning We acquire land and build properties in strategic locations that enable us to attract and satisfy customers.</p> <p>✓</p>
<p>Exceptional designs Using our in-depth industry knowledge, we strive to design and develop innovative homes of the future that resonate with customer expectations.</p> <p>✓</p>
<p>Efficient and innovative construction We construct homes using sustainable procurement practices, industry best practices and by ensuring the highest standards of health and safety at construction sites.</p> <p>✓</p>
<p>Sales and marketing We continuously develop prolific marketing techniques to improve brand reputation and recognition as well as deliver sustainable sales results.</p> <p>✓</p>
<p>Market-leading customer service We uphold high levels of customer service at all stages of development to safeguard customer satisfaction and brand reputation.</p>
Strategic Focus
Governance
Risk Management
Material Matters

VALUE GENERATED

- Financial stability and company longevity
- Exceptional properties and designs
- Talent retention and attraction
- Distinguished developments
- Reduced carbon footprint and environmental impacts
- Customer loyalty and enhanced brand reputation

VALUE GENERATED FOR STAKEHOLDERS

Employees

We provide our employees with career development opportunities that allow them to advance in their careers and achieve their aspirations. We also create a conducive work environment that retains and attracts individuals to join our workforce.

Customers

We provide homes as a long-term investment for customers. Our exceptional customer service is also available post-sale for further assistance, if required.

Investors

As the Group continues to grow in size and recognition, we continue to deliver sustainable net profit and ensure financial discipline is being practised throughout the company.

Regulatory Agencies and Statutory Bodies

As a conscientious property developer, we comply with applicable legislation and minimise our impacts on the public.

Vendors/Suppliers/Contractors

Our vendors/suppliers/contractors provide us with the materials that allow us to deliver quality products in a timely manner. In return, we provide them with financial stability through the repurchasing of goods and services.

Non-Governmental Organisations

We donate our resources and time to improve the livelihoods of our communities and to provide for individuals and communities in need.



Financial Capital

We generate and strategically utilise our financial resources to develop our business and achieve optimal value.



Manufactured Capital

We use our landbanks of 8,325.3 acres and properties to stimulate long-term growth.



Intellectual Capital

Our distinctive brand image and reputation is built on our knowledge and expertise in the industry, driven by our innovative solutions in property development.



Natural Capital

We are committed to optimising our use of natural resources such as water, energy, and raw materials when developing our properties, to be efficient and minimise negative environmental impacts.



Human Capital

We prioritise our employees and strive to foster a conducive work environment where they can enhance their knowledge, skills, competencies and experience, to give us a competitive edge in the property development industry.



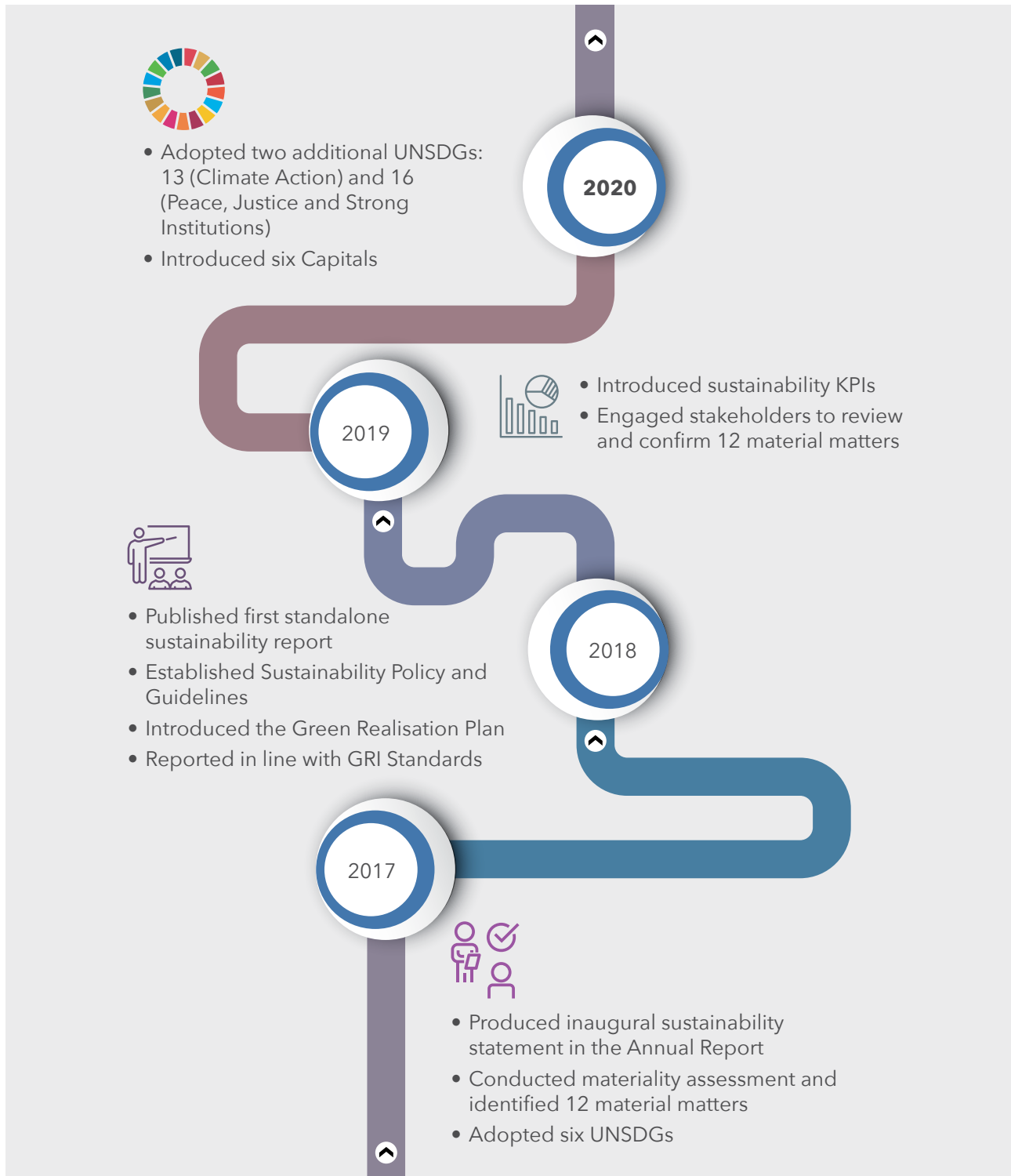
Social and Relationship Capital

As a responsible property developer, we maintain strong relationships with our key stakeholders including customers, investors, regulators, contractors, suppliers, employees, media, etc.

SUSTAINABILITY HIGHLIGHTS

SUSTAINABILITY MILESTONES








Since our inaugural sustainability statement in 2017, the Group has achieved considerable progress in its sustainability journey. Throughout the years, we have progressively implemented initiatives to incorporate ESG issues into our strategy to ensure that our projects address immediate and long-term concerns, embodying what it means to be sustainable.



SUSTAINABILITY KEY PERFORMANCE DATA

KPIs help to keep track of our progress towards goals and targets that we have set. In FY2019, we set eight KPIs to monitor our sustainability performance, achieving six out of the eight. Due to the impacts of COVID-19, we have revised our KPIs and their targets accordingly based on the conditions of the 'new normal'. Our KPI for community development has been put on hold as we are unable to conduct programmes face-to-face during the pandemic.

For this year we successfully achieved five out of six viable KPIs.

Key Performance Indicator	Target	Achievement in FY2019	Achievement in FY2020
 Green Design, Energy and Habitat Conservation			
Green building certification	Obtain a minimum 'Certified' rating from any Green Building Certification for all existing and new developments projects	 In progress Eco Grandeur obtained Provisional Building and Construction Authority (BCA) Green Mark certification in April 2019	As there were no new projects, there are no updates to this KPI in 2020
Accessibility for Electric Vehicles	Install at least one electric vehicle charging station at every EcoWorld Malaysia sales gallery or clubhouse	 In progress 72% of sales galleries and clubhouses installed at least one electric vehicle charging station	 In progress 80% of sales galleries and clubhouses installed at least one electric vehicle charging station * New electric vehicle charging station installed at Eco Palladium (Eco Spring)
Providing open spaces and natural environment	Provide at least 15% of total development area for open spaces ¹	Target achieved at 24% of development area for open spaces	Target achieved at 27% of development area for open spaces
Growing valuable and quality foliage	Plant at least 20% edible fruit trees of the overall tree coverage and 30% edible shrubs of the overall shrubbery planned for each development	Target achieved at 23.2% for edible fruit trees and 30.5% for edible shrubs	Target achieved at 23% for edible fruit trees and 30% for edible shrubs
 Talent Attraction and Retention			
Employee turnover	Staff Attrition Rate at 12%	Target achieved at 10.8% staff attrition rate	Achieved with attrition rate at 8.7%
Employee satisfaction	People Heartbeat Survey overall engagement score at 85%	Target achieved at score of 89%	Achieved with a score of 88.6%
 Training and Development			
Opportunities for employee training	81.6% of staff to attend training	Target achieved with 99.3% of staff attending training	Achieved with 99.3% of staff attending training
 Community Development			
Contributing to the local community	6 hours of Corporate Social Responsibility activities per employee (applicable to employees attached to the Group and Business Units' support units)	Target achieved with 9 hours of Corporate Social Responsibility activities per employee	Target frozen in FY2020 due to COVID-19 outbreak

¹ Open spaces include all non-built-up areas across our project sites, including bike parks, back lanes and gardens.

SUSTAINABILITY HIGHLIGHTS

AWARDS AND ACCOLADES

The Group has earned a number of awards and recognitions that reflect our commitment to sustainability and delivering excellence.



EdgeProp Malaysia's Best Managed & Sustainable Property Awards 2020

Malaysia's Outstanding Affordable Homes Project 2020

Karisma Apartment @ Eco Majestic



EdgeProp Malaysia's Best Managed & Sustainable Property Awards 2020

EdgeProp-ILam Malaysia's Sustainable Landscape Award 2020

Special Mention - Urban Park @ Eco Spring



EdgeProp Malaysia's Best Managed & Sustainable Property Awards 2020

Sustainable Affordable Housing Category

Silver Winner - Karisma Apartment @ Eco Majestic



Graduates Choice Awards 2020

#1 in Malaysia's Most Attractive Graduate Employers (Property Developer) to work for in 2020



Kincentric Best Employer Malaysia 2019

Commitment to Engaging Leadership

Kincentric Best Employer Malaysia 2019

Best Employer

The Edge Property Excellence Awards 2020




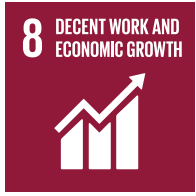
Top 10 Property Developers

OUR COMMITMENT TO SUSTAINABILITY

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2017, we adopted six UNSDGs that reflect the Group's contributions and initiatives towards achieving sustainable development. Since then we have been continuously working towards identifying new initiatives and programmes, as well as improving our own processes to support these global goals. This year, EcoWorld Malaysia has adopted two additional UNSDGs: UNSDG 13 Climate Action, and UNSDG 16 Peace, Justice and Strong Institutions to demonstrate our commitment to climate resilience and corporate governance.

Below lists how we support the eight UNSDGs adopted.

UNSDGs			
 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>4 QUALITY EDUCATION</p>	 <p>5 GENDER EQUALITY</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
Description			
<p>We prioritise the health and safety of our employees, community and customers through the provision of initiatives aimed at addressing health and well-being.</p>	<p>We implement programmes to improve access to education and ensure life-long learning for disadvantaged youth. We provide training to our employees to support their personal and career development.</p>	<p>Our corporate culture encourages women in the workforce and aims to eliminate discrimination on the basis of gender.</p>	<p>We ensure fair remuneration to our employees and strive to foster a conducive work environment. Through the construction and development of our properties we contribute to the local economy.</p>
Initiatives in FY2020			
<ul style="list-style-type: none"> • Provided Para Counselling to employees to foster better mental health • Conducted Incrementality Campaign for employees to cultivate habits of self-care and strengthen relationships • Incorporated green features at our properties for residents to practice healthy living such as herb gardens, bicycle lanes and safe pedestrian walkways 	<ul style="list-style-type: none"> • Eco World Foundation supported up to 3,000 students by providing monetary assistance through the Students Aid Programme • Recorded a total of 30,710 training hours for employees 	<ul style="list-style-type: none"> • Established a Board Diversity policy in 2017 to ensure fair and equal opportunities for all • 25% women representation on the Board and 45% women representation in Senior Management 	<ul style="list-style-type: none"> • Conducted employee engagement programmes such as Chit Chat with Chairman, 'For Generations' Townhall, Para Counselling, and Incrementality Campaign • Zero reportable incidents for 15,623,301 man-hours worked • Established an EcoWorld eGuidebook to protect our team and the community from the contagion

OUR COMMITMENT TO SUSTAINABILITY

UNSDGs

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Description

<p>The Group develops its projects adopting best industry construction practices.</p>	<p>We incorporate green designs and features into our development projects to be safe and sustainable.</p>	<p>As we embark on our journey to track our emissions, we aim to reduce our carbon footprint and improve our environmental performance.</p>	<p>The Group upholds high standards of integrity and has zero tolerance for unethical business conduct.</p>
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Initiatives in FY2020

<ul style="list-style-type: none"> • Our homes are built using green building materials and are set in lush green townships with great connectivity and accessibility to amenities • Incorporated passive designs into our properties to take advantage of the climate to maintain a comfortable temperature range 	<ul style="list-style-type: none"> • Established EcoWorld’s Quality, Environment, Health, Safety and Sustainability Policy to ensure our projects are developed in a sustainable manner • Established shuttle bus service at Eco Botanic to reduce emissions and enhance accessibility 	<ul style="list-style-type: none"> • Tracked carbon emissions through electricity consumption 	<ul style="list-style-type: none"> • Board Charter, Board Diversity Policy and Directors’ Remuneration Policy and Code of Conduct & Business Ethics made available on corporate website • Established an Anti-Bribery and Anti-Corruption Policy (“ABC Policy”) • 100% employees attended e-learning course and e-assessment for awareness of ABC Policy • Comprehensive Whistleblowing Policy and procedure
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QUALITY, ENVIRONMENT, HEALTH, SAFETY AND SUSTAINABILITY POLICY

EcoWorld Malaysia is committed to delivering quality products and services to our customers through consistently improving and adopting best practices in sustainable development. The implementation of our Quality, Environment, Health, Safety and Sustainability Policy enables us to proactively address our economic, environmental, and social impacts towards building sustainable communities.



Eco Terraces, Penang

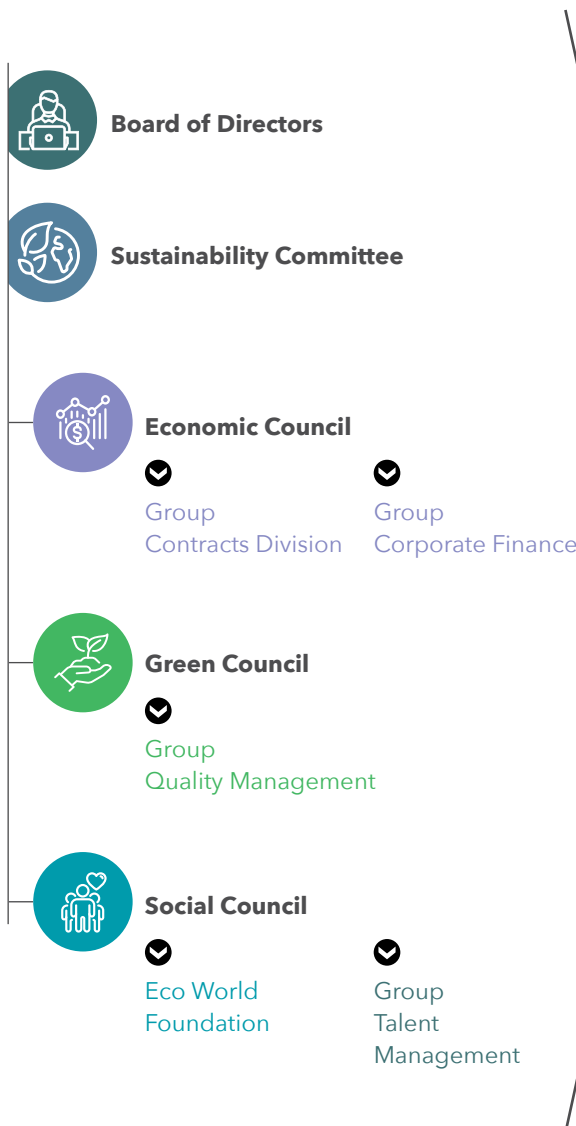
Our Policy states that we are committed to:

- Growing our business in a sustainable manner to create long-term value for our investors and improve the economic and social status of our communities
- Continuously improving our product and service quality; and our environmental, health and safety performance and processes
- Adopting an environmentally-responsible approach to prevent, minimise and mitigate environmental, health and safety impact of our activities
- Complying with all applicable legal, environmental, health and safety legislation and requirements
- Establishing an integrated human capital development strategy to recruit, develop and engage employees to drive our growth and to provide a safe and healthy work environment for our employees and business partners
- Continuously engaging, communicating and providing relevant training to our employees and business partners to promote and improve the Quality, Environment, Health and Safety Management System
- Establishing a strong relationship with the local community, and enhancing their socio-economic status to the best of our ability

SUSTAINABILITY GOVERNANCE

Our sustainability governance structure manages risks and opportunities, and shapes decisions and actions across the organisation. The governance structure which was established in 2017 provides a foundation for supervision of ESG impacts, for monitoring our sustainability efforts and for protecting stakeholder interest.

The Board of Directors ("**the Board**") is at the apex of the three-tier structure, followed by the Sustainability Committee ("**SC**"), comprising of senior management from key business units. As shown below, the Economic, Green and Social Councils report to the SC and represent the economic, environmental, and societal fronts of our operations respectively.



ROLES AND RESPONSIBILITIES

Board of Directors

- Oversees the progress of the Group's sustainability initiatives
- Reviews and approves the sustainability strategies, policies and initiatives
- Endorses the proposed sustainability initiatives and material sustainability matters related to the group

Sustainability Committee

- Develops sustainability policies and oversees the implementation of sustainability matters related to the Group
- Reports sustainability plans and progress to the Board on a half-yearly basis
- Reviews and approves sustainability internal guidelines

Economic, Green and Social Councils

- Report to the Sustainability Committee the progress of the Group's sustainability efforts
- Develop sustainability-related guidance documents for internal use
- Collect and monitor data to evaluate the Group's sustainability progress

STAKEHOLDER ENGAGEMENT


Our business success is founded on the strong relationships we maintain with our stakeholders. Keeping open lines of communication is crucial to manage the expectations and interests of our stakeholder groups. We seek opportunities to interact with our stakeholders through various platforms and have meaningful dialogue to address their concerns.

EcoWorld Malaysia's Stakeholders:








We ensure on-going and multi-channel forms of engagement with our stakeholders to determine their areas of concern and address them accordingly. The utilisation of information and communications technology ("ICT") has been especially useful this year to stay connected to our stakeholders as part of our 'new normal'.



 Employees		
<ul style="list-style-type: none"> • Corporate direction and growth plans • Job security • Remuneration and benefits • Career development and training opportunities • Workplace health and safety • Labour and human rights • Work-life balance • Volunteering 	<ul style="list-style-type: none"> • Address employee concerns amid the pandemic, we held a virtual townhall session • Conduct employee engagement programmes to ensure a healthy work-life balance • Implement strict measures to ensure occupational safety and health and promote safety culture through various safety and health training programmes • Provide training programmes to support career growth and personal development • Provide comprehensive benefits and competitive remuneration packages 	<ul style="list-style-type: none"> • Management meetings with employees when required • Annual Salary Benchmark Survey • People's Heartbeat Survey conducted annually • Biannual Internal Service Survey • Annual Chairman 360 • Quarterly CEO Townhall Meetings • Let's Green Possible initiatives year-round • Leadership, soft skills, technical and non-technical training programmes throughout the year

 Investors		
<ul style="list-style-type: none"> • Growth trajectory • Acquisitions and expansions • Market diversification • Risk management • Corporate governance • ESG indicators • Climate change strategies • Sustainability performance and tracking 	<ul style="list-style-type: none"> • Strengthen corporate governance by establishing internal policies such as ABC policy, Whistleblowing Policy, Board Diversity Policy, etc • Conduct risk assessment to mitigate potential risks • Report relevant ESG aspects of performance to ensure sustainability 	<ul style="list-style-type: none"> • Press conference when required • Biannual Analyst, Banker and Fund Manager briefings • Meetings with Bankers, Analysts and Fund Managers throughout the year

STAKEHOLDER ENGAGEMENT

Areas of Interest	Methods of Engagement	How We Respond
 Customers		
<ul style="list-style-type: none"> • Pricing • Quality and workmanship • Energy conservation • Property design features • Product safety • Defect rectification • Customer service and experience • Resource efficiency and utility savings 	<ul style="list-style-type: none"> • Corporate & Brand Campaigns • Corporate Website/Social media channels • Advertisement and marketing promotions • Customer Satisfaction Survey • EcoWorld Residence Club and LifeSpace activities 	<ul style="list-style-type: none"> • Deliver properties and townships that incorporate green features for healthy living • Provide amenities for residents • Engage with customers to gauge feedback and satisfaction, as well as to identify areas for improvement that are discussed by our EcoWorld Class Committee
 Regulators		
<ul style="list-style-type: none"> • Legal compliance • Security issues • Waste management • Public nuisance issues • Labour practices • Anti-corruption 	<ul style="list-style-type: none"> • Establish policies to ensure compliance with relevant legislation • Ensure the relevant legal register is up to date • Ensure compliance with regulatory requirements 	<ul style="list-style-type: none"> • Compliance with regulatory requirements • Establishment of ABC Policy and training • Whistleblowing Policy and procedures • Site inspections when required
 Contractors/Vendors/Suppliers		
<ul style="list-style-type: none"> • Legal compliance • Payment schedule • Pricing of services • Product quality and inventory/ supply commitment 	<ul style="list-style-type: none"> • Ensure a fair and transparent tender process • Conduct supplier and vendor evaluations 	<ul style="list-style-type: none"> • Contract negotiation • Biannual supplier audit and evaluation • Vendor registration
 Media		
<ul style="list-style-type: none"> • Company reputation • Advocating green consumerism and lifestyle 	<ul style="list-style-type: none"> • Organise engagement programmes to boost brand reputation 	<ul style="list-style-type: none"> • Interviews and engagement sessions • Press releases • Press conferences
 Non-Governmental Organisations		
<ul style="list-style-type: none"> • Environmental and social issues in relation to business operations as well as other contributions made to surrounding communities 	<ul style="list-style-type: none"> • Established the Eco World Foundation to ensure that we contribute and give back to the community where possible 	<ul style="list-style-type: none"> • Donations and Financial Aid such as the Students Aid Programme • Contributions to environmental and social enhancement • Sustainability and related programmes

MATERIAL SUSTAINABILITY MATTERS

MATERIALITY ASSESSMENT

Our materiality assessment process enables us to identify and prioritise our material sustainability matters. Through this process, we are able to focus on sustainability issues that are most relevant and require attention. Our materiality assessment involves three key steps in finalising the materiality matrix.



Review of Material Sustainability Matters

Material sustainability matters from past years are reviewed and retained if still applicable to the Group.



Prioritisation of Material Sustainability Matters

Assess the importance of material matters by using a weighted-ranking method. Significance to stakeholders and business operations are considered.

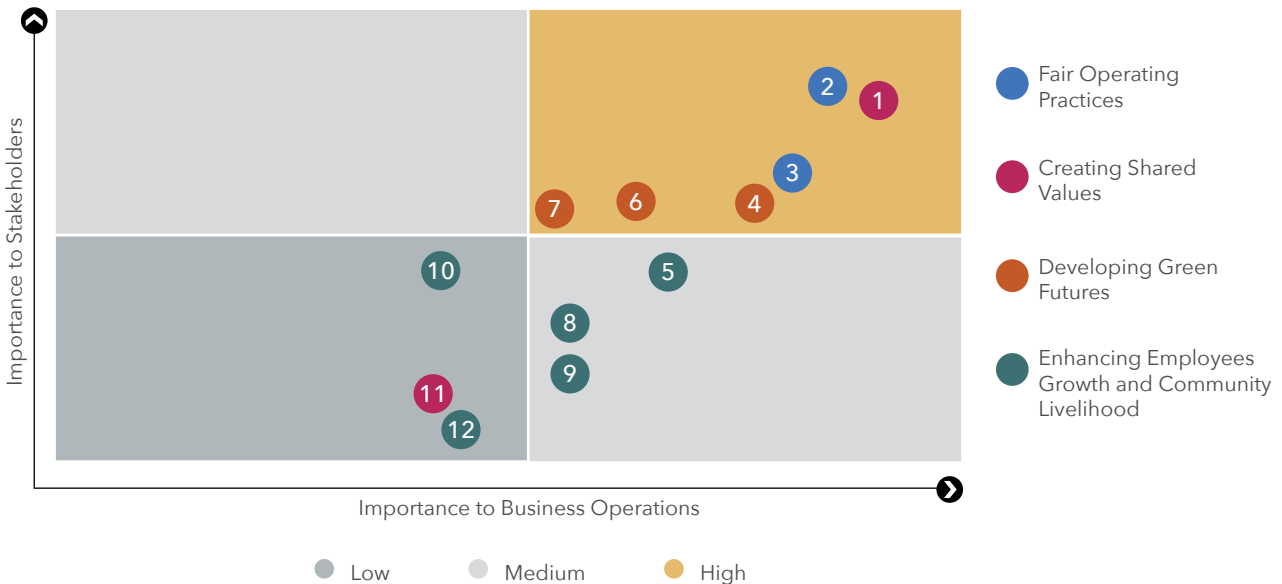


Approval of Materiality Matrix

The findings of the materiality assessment are then used to generate the materiality matrix for the Group which is then reviewed and presented to the Board for approval.

MATERIALITY MATRIX

We evaluate our economic, environmental, and social priority areas to develop our strategy for sustainability. Our last materiality assessment was conducted in FY2018. The result of that materiality assessment was the selection of twelve material sustainability matters and the prioritisation of these matters as demonstrated in the matrix.














- 1 Customer Service and Brand Reputation
- 2 Ethics and Integrity
- 3 Corporate Governance and Transparency
- 4 Compliance
- 5 Talent Attraction and Retention
- 6 Innovation
- 7 Green Design, Energy, Habitat Conservation
- 8 Occupational Health and Safety
- 9 Community Development
- 10 Training and Development
- 11 Supply Chain Management
- 12 Diversity and Equal Opportunity

MATERIAL SUSTAINABILITY MATTERS

MAPPING MATERIAL SUSTAINABILITY MATTERS

This year we have consolidated our 12 material matters into ten areas for better focus. We have mapped the ten areas for 2020 against the material matters from 2019, the six Capitals, related stakeholder groups and relevant UNSDGs.

Material Sustainability Matters (FY2020)	Material Sustainability Matters (FY2019)	Capitals	Relevant Stakeholders	UNSDGs
Fair Operating Practices				
1. Corporate Governance and Transparency	<ul style="list-style-type: none"> Ethics and Integrity Corporate Governance and Transparency 	Human	<ul style="list-style-type: none"> Employees Investors Regulators 	 
Creating Shared Value				
2. Customer Experience and Brand Reputation	<ul style="list-style-type: none"> Customer Service and Brand Reputation 	Social and Relationship	<ul style="list-style-type: none"> Customers Contractors/Vendors/Suppliers Regulators 	  
3. Compliance	<ul style="list-style-type: none"> Compliance 			
4. Supply Chain Management	<ul style="list-style-type: none"> Supply Chain Management 			
Developing Green Futures				
5. Innovation	<ul style="list-style-type: none"> Innovation 	Intellectual	<ul style="list-style-type: none"> Regulators Employees Investors Customers Media 	   
6. Green Design	<ul style="list-style-type: none"> Green Design, Energy and Habitat Conservation 	Manufactured		
7. Environmental Stewardship		Natural		
Enhancing Employees Growth and Community Livelihood				
8. Occupational Health and Safety	<ul style="list-style-type: none"> Occupational Health and Safety 	Human	<ul style="list-style-type: none"> Employees Regulators Non-governmental organisations Media 	   
9. Talent Management	<ul style="list-style-type: none"> Talent Attraction and Retention Training and Development Diversity and Equal Opportunity 			
10. Community Development	<ul style="list-style-type: none"> Community Development 	Social and Relationship		

Note:
All material sustainability matters directly and indirectly impact our Financial capital.

FINANCIAL CAPITAL

KEY HIGHLIGHTS



RM2.3 billion in sales for FY2020



Launched 1,000 sq. ft. "duduk" and introduced Co-Home products below RM500,000 to cater to the M40 income segment

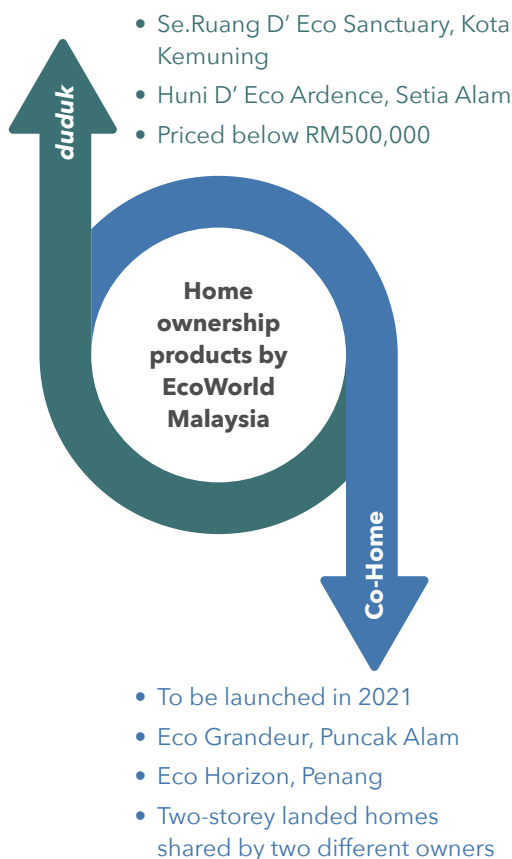


FINANCIAL CAPITAL

In order to sustain long-term growth and value creation, it is crucial that the Group continues to efficiently manage our finances. EcoWorld has continued to persevere and facilitate business growth this financial year, as a result of austerity measures implemented to combat economic slowdown brought upon by the COVID-19 pandemic.

To support business continuity during the pandemic, the Group employed technology to engage with customers during periods of limited movement. Our sales teams utilised online platforms to disseminate information and promote our properties; this includes organising webinars, Facebook live sessions and creating content for social media. Furthermore, the Group commenced conducting show unit tours and signing of Sale and Purchase Agreements via video call. Through these measures, EcoWorld Malaysia aims to reduce the spread of COVID-19 in the country while facilitating business growth.

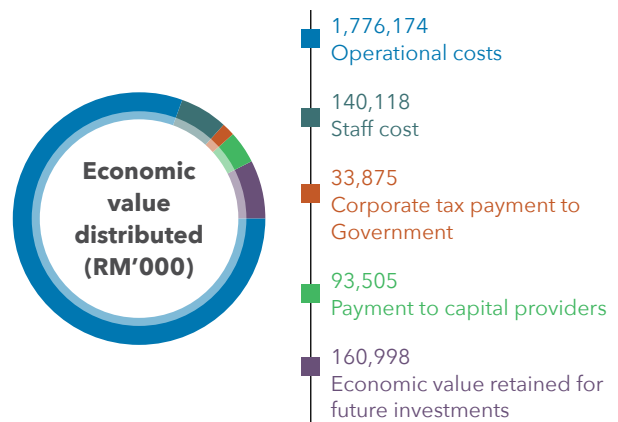
This year the Group pivoted its focus towards the housing needs of the Middle 40% "M40" income group in the country. With this in mind, we launched our "duduk" brand and introduced "Co-Home", both of which offer 1,000 sq. ft. homes with practical layouts at price points below RM500,000. These homes are ideal for first-time homeowners, particularly from the young and trendy Gen-Y and Gen-Z groups.



Through this shift in strategy, EcoWorld Malaysia managed to exceed its FY2020 sales target of RM2 billion by 15% with full-year sales amounting to RM2.3 billion. Collectively, sales in the second half of 2020 comprise 85% of total sales in FY2020. The successful execution of catch-up work plans at construction sites post Movement Control Order ("MCO") and Recovery Movement Control Order ("RMCO") enabled progress billing to be raised and generated total revenue of RM2 billion.

Gross Profit was lower than in FY2019 mainly due to closure of sales galleries during the MCO, the temporary cessation of site activities from mid-March to mid-June and the cumulative impact of inventories written down in the second half of 2020. However, the savings from automation of processes plus extensive cost control measures implemented Group-wide enabled us to record a Profit Before Tax (PBT) of RM169.0 million and Profit After Tax (PAT) of RM135.2 million in FY2020.

Economic value generated in FY2020 was distributed as follows:



HUMAN CAPITAL

KEY HIGHLIGHTS



Developed internal procedures to protect our employees, workers, vendors and communities from the spread of COVID-19



Recorded zero reportable safety incidents at Eco Grandeur, Eco Botanic and Eco Horizon, across 15,623,301 man-hours worked



Recorded a total of 30,710 training hours



HUMAN CAPITAL

CORPORATE GOVERNANCE AND TRANSPARENCY

In order to sustain long-term value creation and protect the interest of stakeholders, the Group's governance framework is guided by the Malaysian Code on Corporate Governance 2017. The Group is committed to implementing robust internal control mechanisms and procedures to promote business sustainability, transparency and accountability which ultimately lead to achieving our business goals and objectives.

The Board is responsible for governing the company and therefore, Board leadership is crucial. The Board's roles and responsibilities, composition, and remuneration are clearly stated in the Board Charter, Board Diversity Policy and Directors' Remuneration Policy, respectively. These documents are available on our corporate website.



Integrity is key in everything we do



The Board's roles and responsibilities, composition, and remuneration are clearly stated in the Board Charter, Board Diversity Policy and Directors' Remuneration Policy, respectively.

As part of our efforts in embedding strong corporate governance practices, we ensure transparent, effective and regular communication with our stakeholders. This is important to enable mutual understanding and manage stakeholders' expectations. We communicate with our stakeholders through our annual reports and corporate website as well as virtual Investor Relations meeting and general meetings.

The Group's detailed disclosure on corporate governance pursuant to the Bursa Malaysia Listing Requirements is reported via the Corporate Governance Report published on an annual basis. The report is available on our corporate website.

Ethics and Integrity

At EcoWorld Malaysia, we uphold ethical behaviour and conduct in order to safeguard organisational integrity and reputation. Our Directors and employees are governed by policies and procedures to ensure ethical business conduct at all times.

Anti-Bribery and Anti-Corruption Policy

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 taking effect on 1 June 2020, the Group established the ABC Policy in March 2020. The ABC Policy applies to all Directors, employees and business partners including contractors, sub-contractors, consultants, agents, representatives and service providers who perform work on behalf of the Group.

Our ABC Policy outlines the expected behaviour and conduct of Directors, employees and business partners pertaining to payments, gifts, entertainment, hospitality, donations and sponsorships. We also provide guidance in the event of a conflict of interest when dealing with governments and public officials to ensure transparency. To ensure business partners conduct transactions in a transparent manner, they are required to submit an Anti-Corruption Declaration prior to engagement with and/or on behalf of EcoWorld Malaysia.

To support the implementation of the ABC Policy, an Integrity Team was established under the purview of the Audit Committee. The Team comprises selected members of senior management and is tasked with managing compliance matters relating to bribery and corruption.

Furthermore, the Group conducts regular internal and external reviews to check the effectiveness of mitigative measures to eradicate bribery and corruption across the Group. Findings from these reviews are reported to the Audit Committee for further deliberation and corrective action.

Code of Conduct and Business Ethics

EcoWorld Malaysia's Code of Conduct and Business Ethics ("**Code**") outlines the Group's core values and standards upon which we operate. It specifies our expectations of professional behaviour at the workplace or when conducting business on behalf of the Group. To ensure alignment with the ABC Policy, the Group has revised the Code which has been made available to our stakeholders through our corporate website.

Whistleblowing Policy

When cases of misconduct occur, we encourage employees and members of the public to submit a formal complaint to the Whistleblowing Committee under the procedures established by the Group's Whistleblowing Policy. The policy aims to provide whistleblowers a safe channel to voice out concerns by maintaining anonymity without fear of reprisal.

For the year under reporting, we recorded cases of tardiness and misuse of confiscated illegal cigarettes. We also received a grievance report regarding an immediate supervisor. The cases were attended and resolved.

Communication of Policies and Guidelines

To ensure employees are aware of the company policies and procedures, all employees are required to familiarise themselves with them during the Welcome Programme when they first commence work at the EcoWorld. To keep employees informed of changes and updates to policies and procedures, refresher courses are conducted regularly and changes are communicated Company-wide via email announcements from EcoWorld Cares in a timely manner. Where necessary, roadshows or virtual briefings are held to walk key personnel through policies and procedures.

With the implementation of the ABC Policy in March 2020, all existing employees are required to complete an e-learning course to ensure that they are aware of the Group's stance and expectations as well as the procedures outlined in the policy. The e-learning course was followed by an online assessment to measure employees' understanding of the risk relating to bribery and corruption. This year, all of our employees attended the e-learning course and completed the online assessment.

Briefing on the Code, Whistleblowing Policy and ABC Policy are included in the induction programme for new joiners. Upon employment, employees are required to submit an electronic acknowledgment stating that they have read, understood and will abide by the Code, ABC Policy and Whistleblowing Policy.

Upon its implementation in March, the ABC Policy was distributed to our business partners and they are required to provide confirmation that they have read, understood and will implement measures to ensure compliance with applicable anti-bribery and anti-corruption regulations.



We are principled and committed to making a positive impact on the world

HUMAN CAPITAL

OCCUPATIONAL SAFETY AND HEALTH

Ensuring the safety of our employees is of utmost importance to the Group. This reporting period, we worked tirelessly to provide a conducive and safe work environment for our people amid the COVID-19 pandemic and have undertaken various initiatives in compliance with the Occupational Safety and Health Act 1994 and other applicable laws and regulations.

At EcoWorld Malaysia, we established the EcoWorld Health, Safety and Environment ("HSE") Management Standard to manage health and safety issues that arise from our construction activities and to minimise the risk of injury and illness across our projects. We have also introduced the integrated Quality, Environment, Health, Safety and Sustainability Policy to guide our work practices towards creating a safer workplace for our employees.

To manage health and safety matters at our construction sites, we have a dedicated Occupational Safety and Health Committee. This Committee provides a platform for employees and employer to discuss and address health and safety issues. It is responsible for managing hazards and risks, conducting incident investigations, organising safety and health awareness programmes and establishing procedures and work plans pertaining to safety and health.

Hazard Identification, Evaluation and Control

This year, we conducted our annual Hazard Identification, Risk Assessment and Risk Control ("HIRARC") exercise, guided by the Guidelines for Hazard Identification, Risk Assessment and Risk Control issued by the Department of Occupational Safety and Health ("DOSH"). The exercise was conducted by our certified safety officers with assistance from contractor and sub-contractor representatives.

Through this HIRARC exercise, we were able to identify key workplace hazards and their associated risks, allowing us to develop relevant corrective and preventive measures.



We plan carefully for the safety and health of our employees and workers at site

Training on Safety and Health

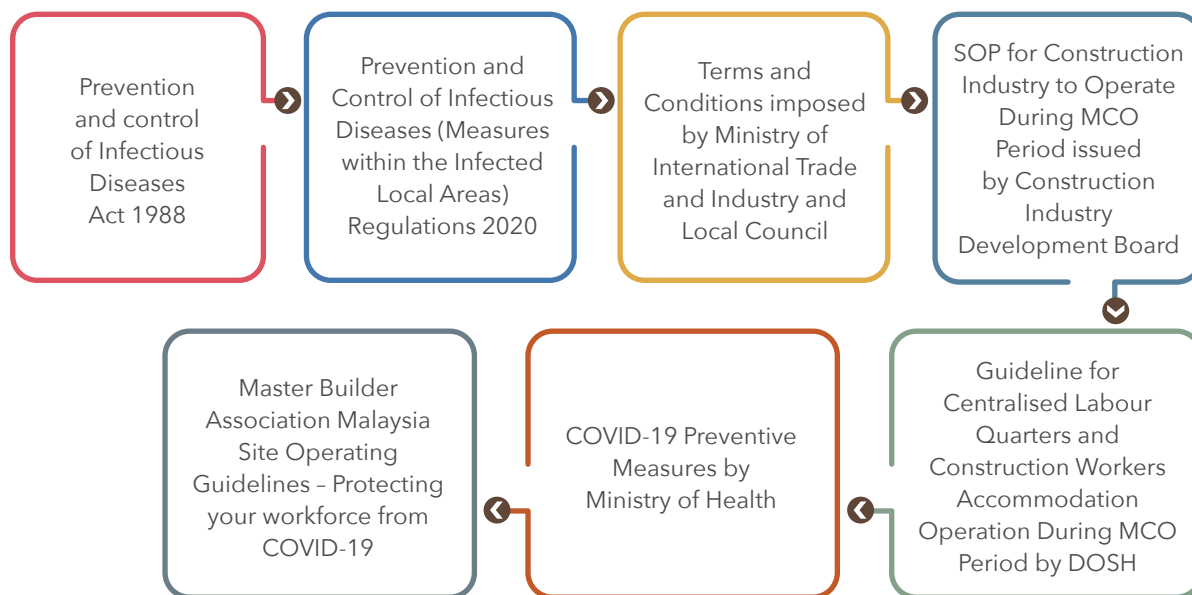
Despite restricted mobility this reporting period, we conducted regular training programmes to keep employees abreast with the latest health and safety practices. These programmes include:

- 1 Electrical Safety in Construction
- 2 Scaffolding Awareness Training
- 3 Effective Site Safety Inspection
- 4 Chemical Handling and Oil Spillage Training
- 5 First Aid and CPR Training During and After Lockdown for Front Liners
- 6 First Aid and Rescue
- 7 Sharing Circle by Para Counsellors
- 8 Health Awareness in the New Norm
- 9 Oxidative Stress Test
- 10 Ergonomics in the Workplace

Procedures to Operate Amid COVID-19 Outbreak

This year, as with all business globally, the COVID-19 pandemic impacted our operations. The MCO imposed by the Government of Malaysia in March 2020 forced our operations across offices and construction sites to adapt to unprecedented circumstances. During MCO, operations at construction sites came to a halt and employees were required to work from home to prevent the spread of the contagion.

As movement restrictions were relaxed and the Government underwent its next stage of the RMCO, employees returned to the office and workers to the construction sites. We developed internal SOPs in line with the regulations issued by the Ministry of Health, Ministry of International Trade and Industry, Ministry of Works and the Construction Industry Development Board. The laws, regulations and guidelines upon which the internal procedures were developed include:



Our procedures were developed to protect our employees, workers, vendors and communities from the spread of COVID-19. They are available in the EcoWorld eGuidebook. Recommended practices such as physical distancing, wearing of face masks, and maintaining hygienic practices are detailed in the guidebook.

HUMAN CAPITAL



**EcoWorld eGuidebook
Safeguarding the Workplace and Community Against the Spread of COVID-19**

Team EcoWorld

Preventive Measures established for the following areas:

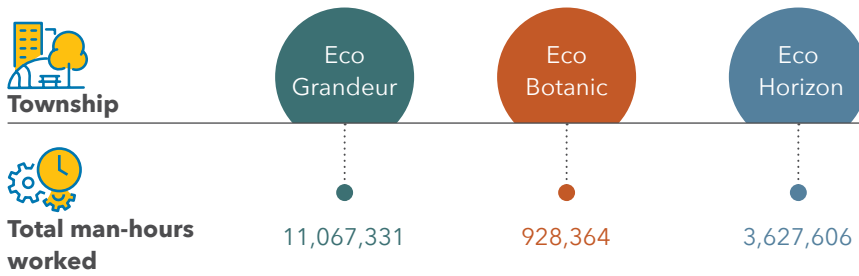
- Workplace cleanliness and general hygiene
- Accessing the workplace
- Physical distancing precautions at the workplace
- Replacing physical meetings with virtual meetings
- Meal arrangements
- Manpower arrangement:
 - Spreading the team to work at separate work stations
 - Work from home (“WFH”) guidelines
- Handling parcels during and after delivery
- Productivity tracking

The Community

Preventive Measures established in EcoWorld Malaysia including sales galleries, precincts and construction sites are:

- Maintain physical distancing and avoid physical contact
- Encourage residents to stay at home and to pay bills online
- Prohibition of functions and mass gatherings
- Managing deliveries
- Sanitation Guidelines
- Communication with residents

Due to our efforts to foster a safe work environment, we recorded zero reportable safety incidents at Eco Grandeur, Eco Botanic and Eco Horizon, across 15,623,301 man-hours worked this reporting period. The breakdown of total hours is as below:



TALENT MANAGEMENT

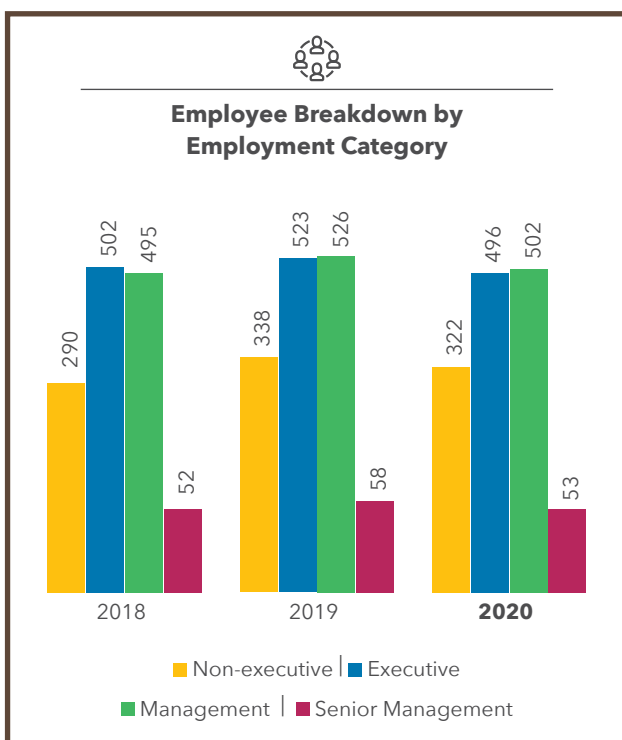
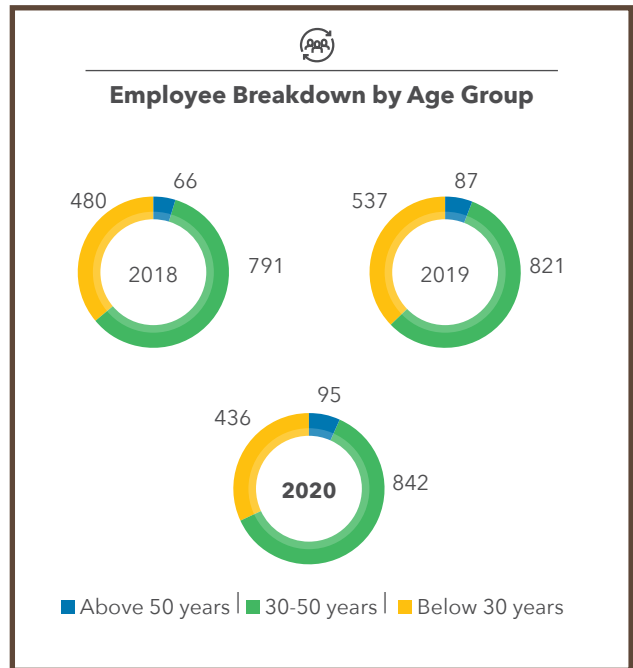
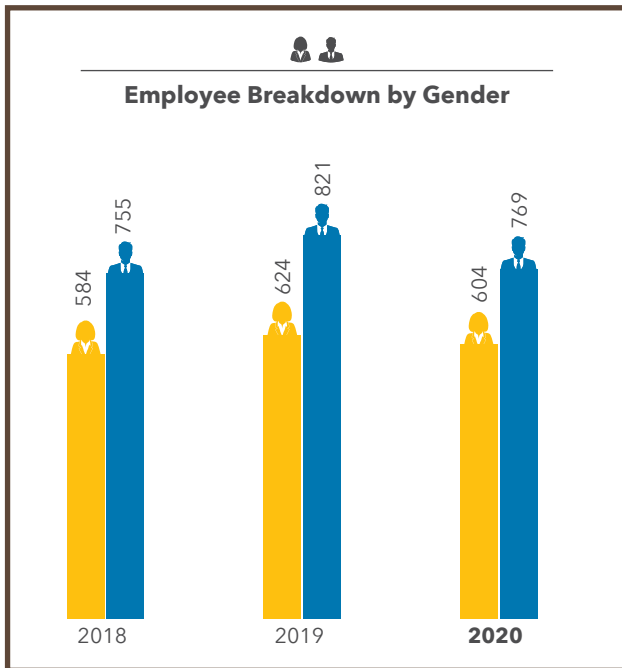
Diversity and Equal Opportunity

We promote diversity and ensure that employees are treated equally, regardless of age, gender, race, religion and background. EcoWorld Malaysia's commitment to diversity is described in the Group's Code.



25%
women representation
on the Board

45%
women representation
in Senior Management



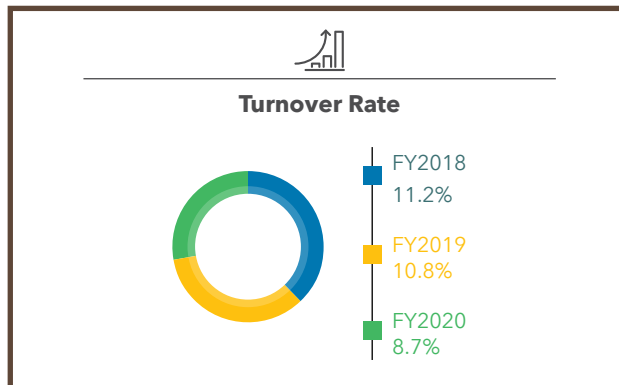
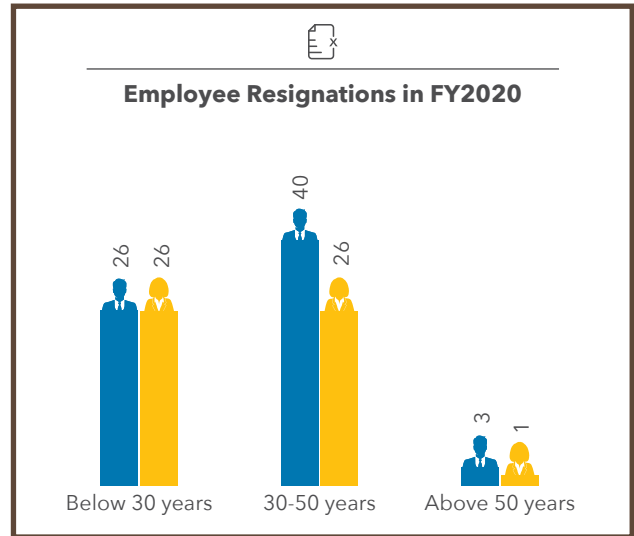
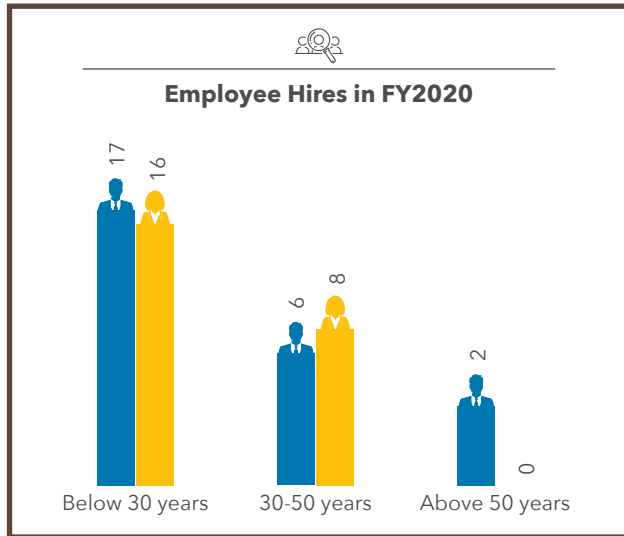
We welcome and respect diversity in our workforce

HUMAN CAPITAL

Talent Attraction and Retention

Turnover and New Hires Rates

In FY2020, we hired 49 new employees using fair and non-discriminatory recruitment practices which brought our hiring rate this year to 3.5%. On the other hand, 122 employees resigned, bringing our turnover rate to 8.7%. This is a reduction from last year's turnover rate and is below the Group's target rate of 12.8%.



Employee Benefits

✓ **100%**
return-to-work rate after
parental leave ended

We provide competitive remuneration packages that support employees personal and professional development, and ultimately to retain our talents. The benefits that we provide to our employees include leave entitlement, health and insurance coverage, flexible work arrangements, transportation, meals, membership and others.

✓ **94%** employees
remained employed
within the Group
12 months after parental
leave ended

In accordance with the Employment Act 1955, we provide 60-days maternity leave to our female employees while male employees are entitled to 5 days of paternity leave.

Strengthening Employee Engagement

We aim to foster good relationships with our employees, through various engagement programmes. Despite government-imposed movement restrictions to control the spread of COVID-19, we have continued to engage with our employees through engagement initiatives using online platforms. We believe that these programmes are vital in promoting transparency within the Group and building a strong and motivated team.



Chit Chat with Chairman

In view of the COVID-19 outbreak, Chairman Tan Sri Liew Kee Sin rolled out virtual townhall sessions where matters pertaining to the business were addressed. This included topics such as business strategy, health precautions and working from home productively.

'For Generations' Townhall

The introduction of the 'For Generations' campaign was aimed at realigning the organisation's strategies with Team EcoWorld's long-term goals to further build a reputable brand. A townhall session was organised to address matters pertaining to the campaign and its execution.



Note:

Event held prior to MCO which started on 18 March 2020



Para Counselling

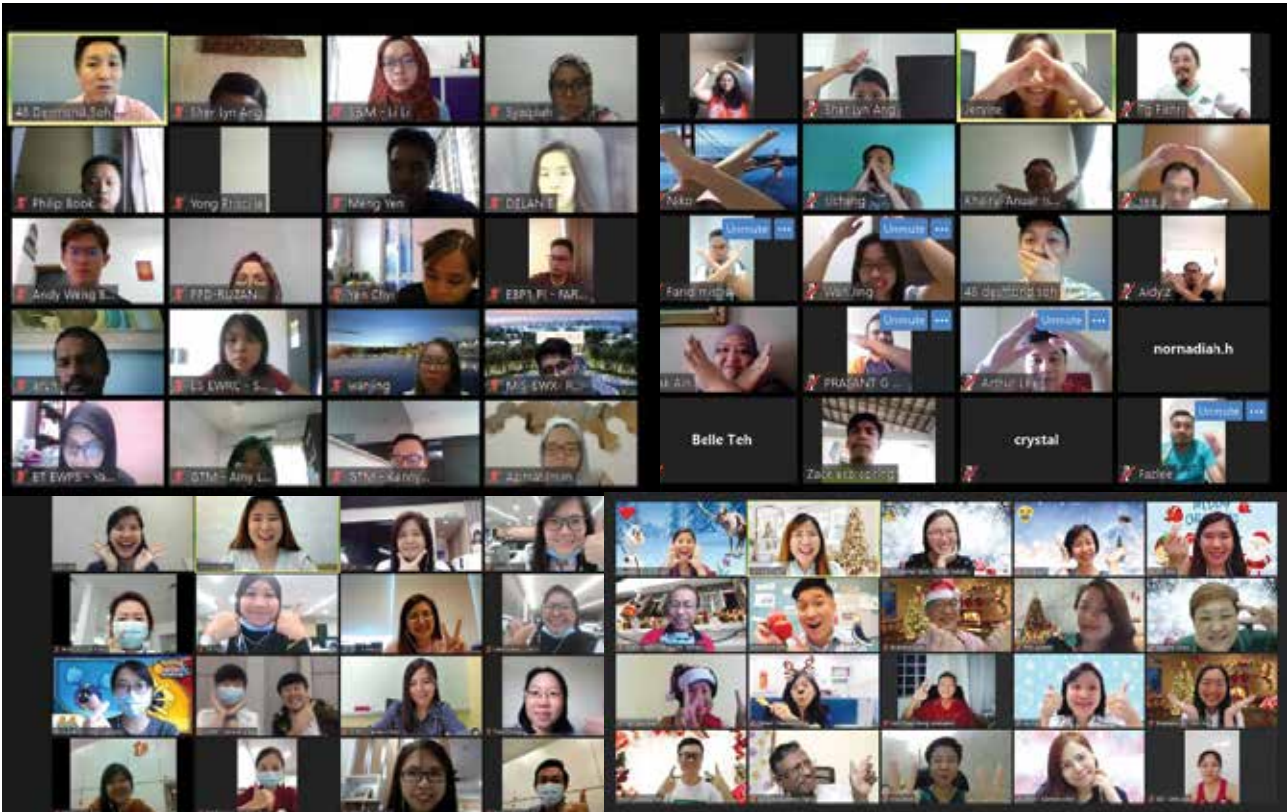
This programme was first organised in FY2019 to foster a healthy work environment by promoting open and honest discussions about mental health among our employees. The Para Counsellors shared insights on mental health via the bi-weekly #Here2Hear blasts and attended classes to strengthen their skills in managing mental health issues at the workplace.

HUMAN CAPITAL



Incrementality Campaign

This 12-month campaign which ran from May 2019 to May 2020 aimed to cultivate habits of self-care and strengthening relationships with loved ones. The three-stage programme focuses on how to Reflect, Reunite and Reconnect. They capture Team EcoWorld's aspirations to create a positive life and lasting memories.



Series of Bite-sized Online Tutorials

Due to movement restrictions, the Group started to utilise online platforms to stay connected. We organised Bite-sized Online Tutorials to enhance employees' skills in various areas such as sales and service, personal grooming, cooking and baking, leadership and finance, among others. 1,060 participants from Team EcoWorld participated in these tutorials. We received positive feedback on the usefulness of information shared during this programme.

Training and Development

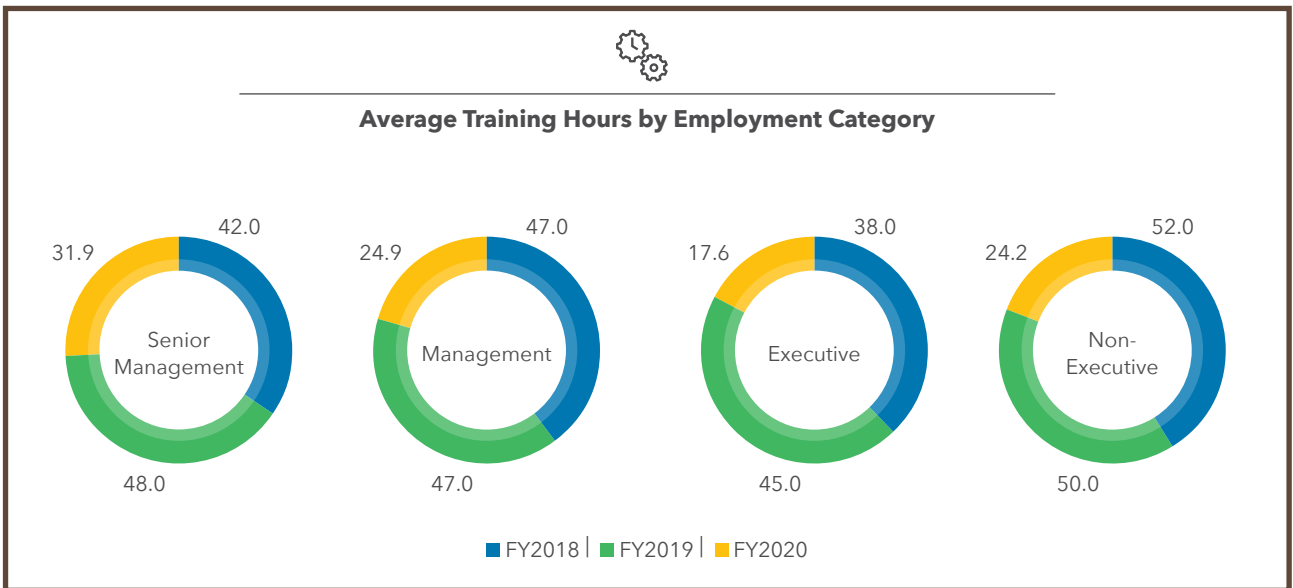
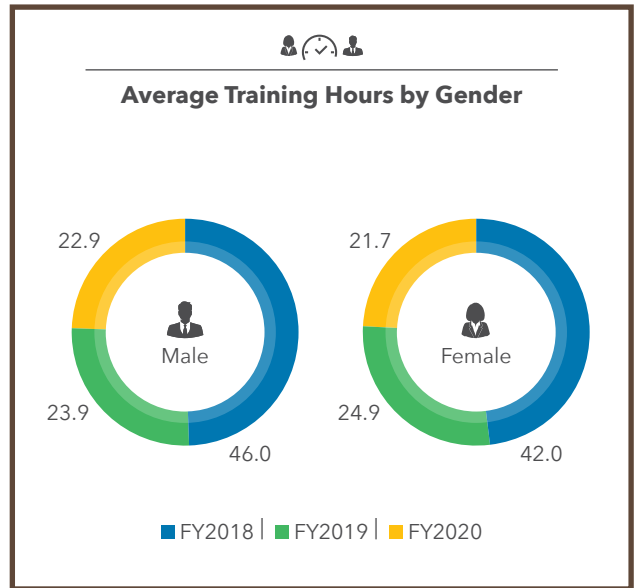
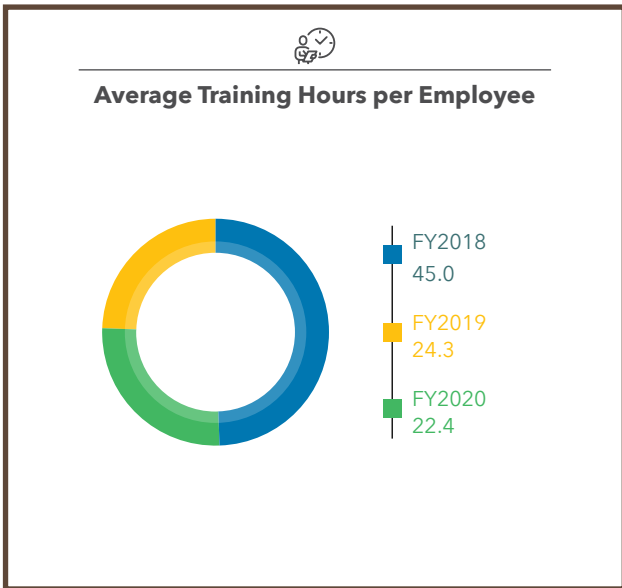
At EcoWorld Malaysia, we put high emphasis on developing our human capital by ensuring our employees continue to be equipped with the latest skillsets and competencies which drive innovative ideas and allow for continuous deliverance of excellence.

Regardless of impediments brought upon by the pandemic in FY2020, we build on previous endeavours to provide employees with opportunities to develop and advance in their careers through the use of online platforms. Our KPI target this year was for 81.6% of staff to attend training, and we have gone beyond to achieve this with 99.3% of staff attending training.

During the year under review, we recorded a total of 30,710 training hours and organised training programmes covering a wide range of subjects including the following areas:



HUMAN CAPITAL



MANUFACTURED CAPITAL

KEY HIGHLIGHT



Our products, with energy and water saving features embedded in their design, are built using green building materials and are set in townships that boast wide open spaces and a variety of recreational facilities close to nature



MANUFACTURED CAPITAL

GREEN DESIGN

The Group believes that by embedding green design and installing green features into our properties, we are able to reduce environmental impacts after our buildings have been occupied.

Green Design and Features

Eco Grandeur



Energy Efficiency

- North-south building orientation which reduces trapped heat
- Electric vehicle charging station at sales gallery
- Low energy street lighting

Amenities

- Spacious parks
- Universal design features for pedestrian walkways
- Provision of dedicated cycling and jogging path
- Close proximity to local amenities which reduces carbon footprint from transportation

Waste and Water Recycling

- Provision of recycling compartment for each house
- Provision of recycling station at Graham and Avenham
- Recycled water source for landscaping which reduces use of clean tap water
- Minimal earthwork cut and fill

Green Materials

- Use of certified environmentally friendly materials and finishes such as low volatile organic compound paints, waterproofing and ceiling plasterboard and interlocking pavers

Eco Horizon



Energy Efficiency

- Energy efficient street and park lighting

Waste Recycling Features

- Provision of recycling facilities within the development
- Water efficient fittings/ devices used to reduce water usage within the development

Amenities

- 20% of the total development has been designated for landscaping, water features including herb garden, recreational lake, public park and bioswales
- Well connected pedestrian and bicycle network within the neighbourhood and basic amenities in the development to reduce the need to travel by car and thereby reduce carbon emission

Eco Botanic



Energy Efficiency

- Solar water heater at each house
- LED lighting for compound, bollard and street lighting
- 10% tinted glass doors and windows
- Provision of additional point for inverter-type air-conditioning unit
- Electric vehicle charging bay at the clubhouse

Amenities

- Open space allocation beyond authority requirement
- Recreational parks
- Children's playground made from recycled items
- Edible garden
- Bicycle lane covering the commercial perimeter with proper signage
- Free shuttle bus service for residents in Eco Botanic City to travel to surrounding areas such as supermarkets/ hypermarkets and EduCity

Waste and Water Recycling

- Rainwater harvesting
- Water efficient fittings
- Centralised recycling and composting chambers

Green Materials

- Low VOC paint
- Clay roof tiles

On top of the green design and features, we also seek to incorporate more sustainable components such as use of composite skirting, laminated flooring and autoclaved aerated concrete blocks for internal walls.

INTELLECTUAL CAPITAL

KEY HIGHLIGHTS



ErgoHomes are available in the Hazelton precinct at our Eco Forest development



The Design2Own concept, pioneered in Eco Grandeur, is available in participating EcoWorld projects



INNOVATION

Green Realisation Plan

Since the introduction of the Green Realisation Plan in 2018, we have incorporated various initiatives to embed green elements in our building design and features, construction methodology and day-to-day activities. The Green Realisation Plan is a four-pronged strategy that aims to fulfil EcoWorld's vision and mission of creating world-class eco-living in all our developments, fostering green culture among our employees and promoting green branding for EcoWorld Malaysia.



ErgoHomes

ErgoHomes is a first-of-its-kind product concept in the country that gives terraced living a fresh twist, perfect for singles, young families and even empty-nesters. As its name suggests, the ErgoHomes concept is inspired by the science of ergonomics. Each home is planned for maximum space efficiency, with many layouts to choose from, and even has its own private garden.

In arriving at this design, we conducted a survey and discovered that the majority of potential buyers were of the Gen-Y age group with a preference for spacious yet affordable landed homes.

Breaking from the norm, these L-shaped terrace homes are uniquely grouped into four in a way that allows all four homes to be corner units. The ErgoHomes clusters are placed in a village-like formation, with the houses

surrounded by a communal garden easily accessible from the private gardens to encourage neighbourliness and also to enhance the security of the neighbourhood. As at FY2020, ErgoHomes are available in the Hazelton precinct at our Eco Forest development.

Design2Own

EcoWorld Malaysia developed Design2Own, a concept that allows homebuyers to customise their homes to cater to their needs. This concept allows individuals to select the number and sizes of rooms in their homes to better suit their lifestyles. Through Design2Own, EcoWorld Malaysia remains agile in addressing customer needs and promotes homeownership in Malaysia. This design concept, pioneered in Eco Grandeur, is available in participating EcoWorld projects.

NATURAL CAPITAL

KEY HIGHLIGHTS



Recorded a reduction of 947,887 kWh in total electricity consumption



Reduced energy per square metre by 32% for our headquarters, sales galleries and clubhouses



Reduced GHG emissions by 36% from FY2019

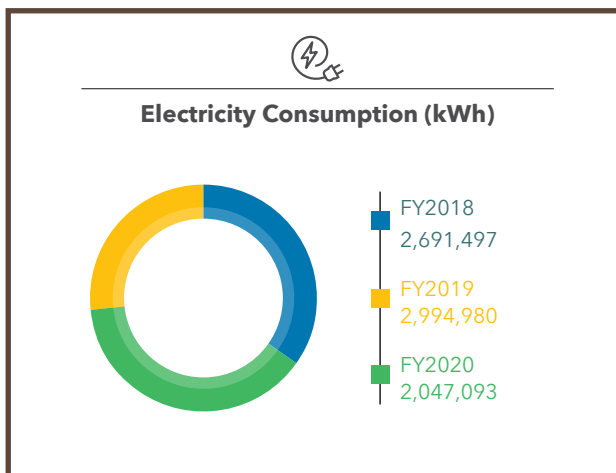


ENVIRONMENTAL STEWARDSHIP

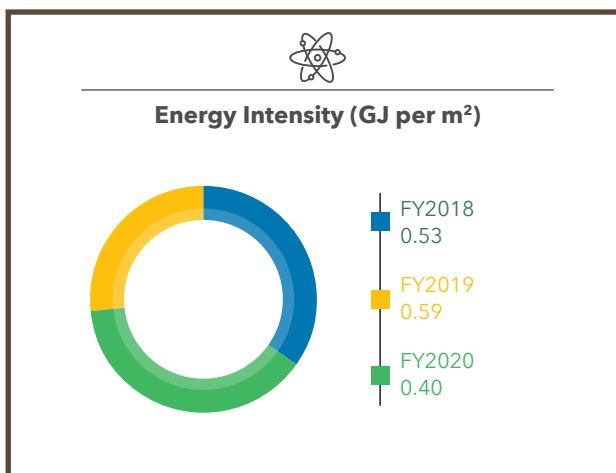
Energy Management

Electricity usage is the main source of energy consumption at our offices, sales galleries, followed by diesel which is used to operate machineries at our construction sites. This year, we monitored electricity consumption at our headquarters, sales galleries and are in the midst of implementing a process to monitor diesel consumption across our project sites.

In FY2020, we recorded a reduction of 947,887 kilowatt-hour (“kwh”) in total electricity consumption and a reduction of 0.19 gigajoule (“GJ”) of energy per square metre of our floor space for headquarters, sales galleries and clubhouses (32%), compared to FY2019.



Figures above capture data at our sales galleries for Eco Horizon, Eco Grandeur, Eco Botanic and our Headquarters



Figures above capture data at our sales galleries for Eco Horizon, Eco Grandeur, Eco Botanic and our Headquarters

The energy reduction is mainly attributed to our employees working from home during the MCO period. However, various energy savings initiatives that were undertaken during the year, including the implementation of the EcoWorld Green Office Guide established in 2017, also contributed to the reduction in energy consumption.

Energy Saving Initiatives implemented in FY2020



Lighting

- Use energy-saving LED bulbs.
- Switch on lights in the show units 11am onwards and use only half the lights at the lounge area during weekdays as there are fewer walk-in customers during weekdays.
- Switch off lights in the common areas after 6pm.



Air-conditioning

- Set air-conditioners at optimum temperature (24°C or above).
- Switch on fewer air-conditioners during weekdays and more during weekends, depending on number of walk-in customers.
- Switch on fewer air-conditioners during weekdays and more during weekends, depending on number of walk-in customers.
- Switch on the air-conditioner at the staff pantry only from 12pm to 2pm.



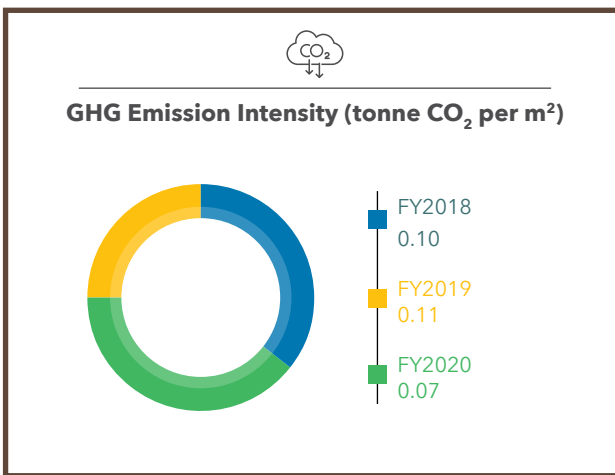
Other Measures

- Unplug appliances during the weekend.
- Always switch off desktops after work.
- Daily inspection of electricity meters.
- Security personnel to check all source of powers are switched off in the sales gallery at night.
- Awareness programme and activities involving the participation of staff during EcoWorld’s Virtual World Environment Week from 1-5 June 2020.

NATURAL CAPITAL

Greenhouse Gas Emissions

Currently, we monitor Scope 2 greenhouse gas (“GHG”) emissions that result from our use of purchased electricity. This year, we generated 1,365 tonnes of CO₂ compared to 1,998 tonnes in FY2019. We managed to reduce our GHG emissions by 0.04 tonne CO₂ per square metre (36%) from FY2019. These positive results were due to electricity minimisation initiatives conducted at our offices and sales galleries, as well as a period of inactivity during the MCO.

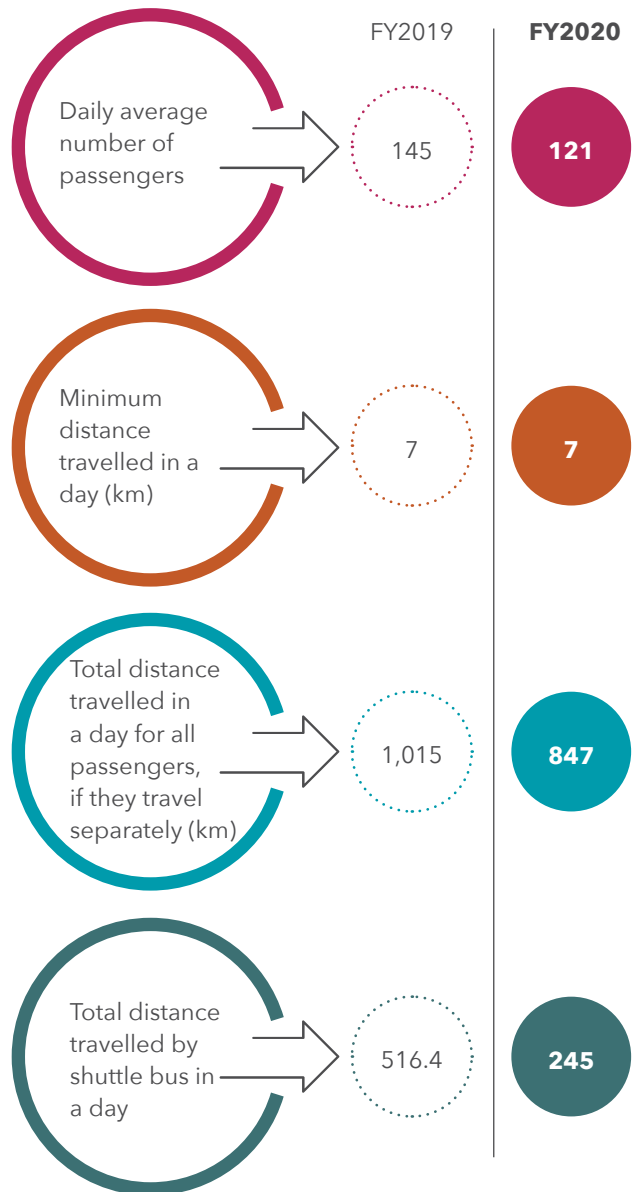


Figures above capture data at our sales galleries for Eco Horizon, Eco Grandeur, Eco Botanic and our Headquarters

Looking ahead, we aim to establish a groupwide carbon footprint tracking mechanism that will include Scope 1 emissions from diesel usage at our construction sites. Using this tracking mechanism, we plan to identify our main sources of GHG emissions and reduce our environmental impact.

Eco Botanic Shuttle Bus Service

At Eco Botanic, we provide shuttle bus services from Eco Botanic to EduCity and Bukit Indah AEON Jusco. The provision of this shuttle bus service aims to provide convenient public transport to our residents and reduce the number of personal vehicles on the road, thus reducing GHG emissions. In FY2020, we managed to attract a greater number of passengers as compared to FY2019.



Eco Botanic, Iskandar Malaysia

Habitat Conservation

The Group recognises our environmental impact on the natural ecosystem where we develop properties. Therefore, we are committed to reintroducing nature to our properties through the provision of green spaces by means of landscaping, tree planting, recreational parks, gardens and bio-swales which are landscaped ditched with porous bottoms to help with storm water run-off.

For our properties, the allocation of green spaces complies with local authority requirements or at least 15% of total area to be developed. This year we have achieved our KPI in which 27% of all our developments have been allocated to green areas. Within our green spaces, we target to plant an average of 20% edible fruit trees of overall tree coverage and an average of 30% edible shrubs of overall shrub coverage across all development projects. For FY2020, we successfully achieved the target by planting 23% edible fruit trees and 30% edible shrubs across all our developments.

Moving forward, we aim to maintain our green spaces to continuously serve the residents and local community with its intended purpose of providing greenery and recreational spaces.

Environmental Monitoring

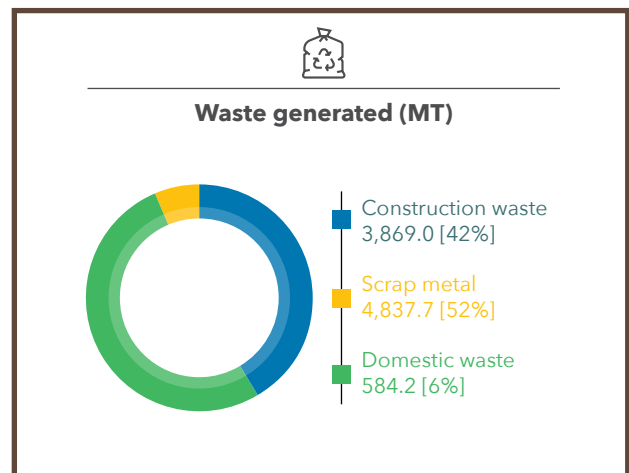
To ensure we continue to operate within permissible regulatory limits, our developments are subject to regular environmental monitoring by external consultants. Through monitoring activities, we evaluate our impacts on water quality, air quality, noise and vibration. Upon completion of analysis, a report is generated for each matter. Using results obtained, we ensure we abide by regulatory requirements and are able to develop measures to limit our environmental impacts.

In FY2020, our Eco Grandeur project underwent water quality monitoring monthly and air quality, noise and vibration monitoring quarterly.

Waste Management

At EcoWorld Malaysia construction sites, we have in place proper construction waste management systems to ensure disposal of waste in approved landfill sites and minimise the risk of illegal dumping which may lead to contamination of water bodies.

In the year under review, we generated 9,291 metric tonnes ("MT") of waste of which 4,837.7 MT (52%) was construction waste, 3,869.0 MT (42%) was scrap metal and 584.2 MT (6%) was domestic waste. Construction and domestic waste were sent to landfills while the scrap metal was sent for recycling.



Figures above capture data for Eco Horizon, Eco Grandeur and Eco Botanic

To further reduce the amount of waste generated at our construction sites, we undertook the following initiatives:

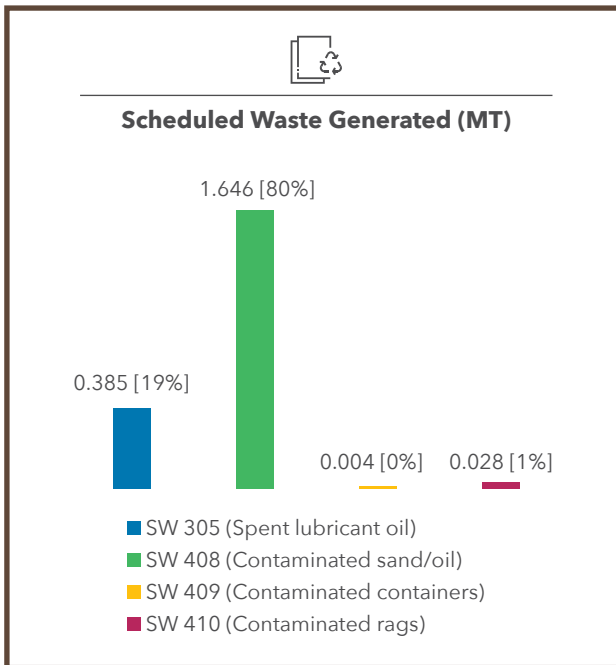
- Reuse of both timber and aluminium formwork. At Eco Horizon, 50% of our formwork is aluminium formwork which has higher reusability compared to timber formwork
- Reuse concrete waste to build temporary access road to project sites
- Recycle landscape waste for composting to produce organic fertiliser
- Reuse used bottles to protect starter bar to avoid corrosion of material

NATURAL CAPITAL

Scheduled Waste

At our construction sites, scheduled waste (also known as hazardous waste) generated include spent lubricant oil, contaminated sand/soil, contaminated rags and contaminated containers.

In FY2020, we recorded 2.064 MT of scheduled waste, of which 1.646 MT (80%) was contaminated sand/soil, 0.385 MT (19%) was spent lubricant oil, 0.028 MT (1%) was contaminated rags and the remaining were contaminated containers. This waste is collected by licensed contractors and sent to approved facilities for treatment, prior to disposal.

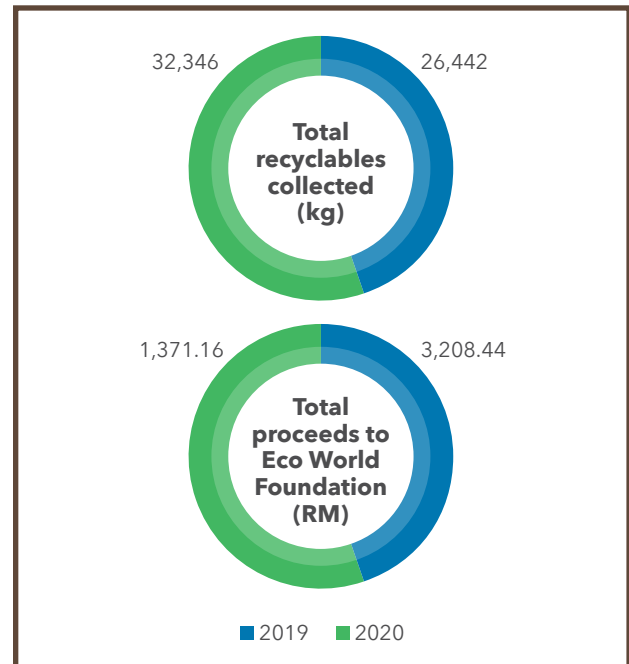


Figures above capture data for Eco Horizon, Eco Grandeur and Eco Botanic

Group-wide Recycling Initiative

We introduced a group-wide Recycling Initiative in August 2018. This initiative aims to create awareness on the importance of waste recycling and to develop recycling habits to further reduce dependency on the use of landfills.

Through this initiative, we continue to encourage employees to segregate recyclable waste from the offices and their houses. This year, we collected 36 types of recyclable waste. The recyclable waste was collected by an approved recycling company, and the total earnings from this activity was donated to the Eco World Foundation to support the execution of their corporate social responsibility programmes this year.



SOCIAL AND RELATIONSHIP CAPITAL

KEY HIGHLIGHTS



Sustainable Procurement Policy established in May 2020



As of 2020, 100% of our suppliers for building materials and main contractors are local



Our Students Aid Programme provided monetary assistance to about 3,000 students from primary, secondary and tertiary educational institutions



SOCIAL AND RELATIONSHIP CAPITAL

CUSTOMER EXPERIENCE AND BRAND REPUTATION

At EcoWorld Malaysia, we provide customers with the highest standard of service across our operations. We strongly believe that our ability to build our reputation as a trusted property developer and to achieve sustainable business growth depend on customer satisfaction levels.

EcoWorld For Generations

We keep abreast with evolving customer needs and lifestyle preferences. In the year under review, we introduced the *EcoWorld For Generations* campaign to communicate to the public about our various property offerings that cater to the needs of every generation. We not only cater to the preferences of different age groups but include preferences such as shared interests, lifestyles and passions.



Customer Engagement Programmes

Throughout the years, we continue to build and strengthen our relationship with our customers as we believe that they are the key drivers behind our success. We are committed to improving homebuyers' experience by conducting engagement programmes to strengthen customer relationships and assist us in better understanding customer expectations and needs.

Further customer engagement events planned for the year were shelved due to the COVID-19 pandemic and our commitment to act responsibly for the health and safety of our customers and the community at large.

Eco Grandeur



Creative Art Sewing Upcycle Workshop to promote creativity in repurposing waste items into valuable items



Christmas celebration



Chinese New Year celebration



Laman Haris Vacant Possession Event

Note:

Events held prior to MCO which started on 18 March 2020

SOCIAL AND RELATIONSHIP CAPITAL

Eco Botanic



Christmas celebration



Chinese New Year celebration with local communities



Basketball competition between Eco Botanic staff and residents



Majlis Bandaraya Puteri Mobile Counter was made available in the Eco Botanic township to provide hassle free payment service for residents

Note:
Events held prior to MCO which started on 18 March 2020

Eco Horizon



Chinese New Year celebration with local communities

Note:
Event held prior to MCO which started on 18 March 2020

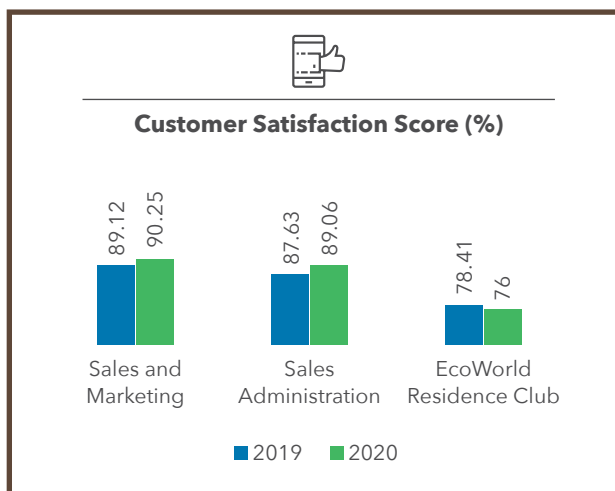
Product Quality

As a reputable property developer, we are committed to delivering properties of quality to our customers. During the construction stage, we conduct monthly assessments to identify potential errors and minimise the occurrence of identified errors in construction. These assessments ensure we are able to complete our projects in a timely manner.

The Group is ISO 9001:2015 certified which is a Quality Management System with the scope of Provision of Property Development Services in Residential, Commercial and Industrial Properties.

Customer Satisfaction

We conduct an annual Customer Satisfaction Survey and using the results of the survey, we are able to identify gaps in our service and address them to better serve our customers. This year, the survey was conducted during the sales and marketing stage and post-sales stage and for EcoWorld Residence Club. The multiple surveys conducted are important for us to gauge customer satisfaction level at all stages. The customer satisfaction scores for both FY2019 and FY2020, are tabulated as below.



Our EcoWorld Class Committee meets regularly to discuss and analyse customer feedback received from the customer satisfaction survey. The team will subsequently develop relevant action plans to close identified gaps and further improve customer satisfaction levels.

COMPLIANCE

EcoWorld Malaysia maintains strict compliance with relevant laws and regulations pertaining to our business. Compliance indicates reputable business practices thereby increasing stakeholder confidence, especially with regulatory authorities, investors and customers. In order to maintain our license to operate and to adhere to the laws and regulations applicable to EcoWorld Malaysia, we have in place stringent measures including legal risk registers that identify potential risks in our projects or organisations. Laws and regulations we adhere to include, but are not limited to:

- ✓ Companies Act 2016;
- ✓ Housing Development (Control and Licensing) Act 1966;
- ✓ Personal Data Protection Act 2010;
- ✓ National Land Code;
- ✓ Town and Country Planning Act 1976; and
- ✓ Occupational Safety and Health Act 1994

Environmental Compliance

As a responsible corporate citizen EcoWorld Malaysia complies with the Environmental Quality Act 1974 and its subsequent regulations, standards and guidelines including but not limited to the following:

- Environmental Quality (Scheduled Wastes) Regulations 2005
- Environmental Quality (Clean Air) Regulations 2014
- Malaysian Ambient Air Quality Guidelines
- National Water Quality Standards

In ensuring compliance to environmental regulations, we appoint an accredited laboratory to conduct monthly monitoring of air, water and noise emissions in and around the areas surrounding our development projects. In FY2020, we recorded zero non-compliances with environmental laws and regulations.

SOCIAL AND RELATIONSHIP CAPITAL

SUPPLY CHAIN MANAGEMENT

Effective supply chain management is important in ensuring we deliver quality properties to our customers and continue to facilitate sustainable business growth. Prior to appointment, all contractors, suppliers and vendors undergo a screening process against a set of criteria to ensure parties will be able to deliver quality products. Once appointed, all contractors, suppliers and vendors are subject to regular performance evaluations to ensure we continuously engage with high-performing partners who are able to assist us in meeting customer expectations.

Our Sustainable Procurement Policy which applies to all procurement activities undertaken by EcoWorld Malaysia was established in May 2020 and aims to encourage our partners to provide solutions,

materials and goods that are eco-friendly. Within the policy, we further recommend product specification requirements, such as Programme for the Endorsement Forest Certification and Forest Stewardship Council, to ensure we source materials responsibly. The policy was circulated to all partners and employees to ensure both parties fully understand the requirements and wherever possible, create more discussion about promoting sustainable options in our business practices.

We believe that by supporting local suppliers, the Group can directly contribute to the growth of local economy and maintain relationships with the local community. We are proud to announce that in FY2020 100% of our suppliers for building materials and main contractors are local.



Eco Terraces, Penang



We are proud to announce that in FY2020 **100%** of our suppliers for building materials and main contractors are local.

COMMUNITY DEVELOPMENT

EcoWorld Malaysia via the Eco World Foundation engages with local communities in key areas, namely youth education and development, nature conservation, and health and wellbeing. Due to the current COVID-19 pandemic, a few of our planned programmes were put on hold. However, we conducted our core programmes involving education and providing financial assistance to underprivileged students.

Students Aid Programme

This year, Eco World Foundation supported close to 3,000 students from primary, secondary and tertiary educational institutions by providing monetary assistance in the form of fee payments, education expenses and financial aid. The breakdown of number of students and respective contributions made are summarised in the table below.

Education Level

	Primary	Secondary	Tertiary
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No of Students

	2,594	333	31
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Annual Contribution

	RM1,000 per student in the form of fee payment and in-kind contributions	RM1,000 per student for Form 1 to Form 3 students; RM1,400 per student for Form 4 and Form 5 students; and RM5,000 per student for pre-university students; In the form of education expenses	RM6,000 per student for diploma in the form of financial aid; and RM8,000 to RM18,000 for the entire course attended
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Under the Students Aid Programme, we organised four award ceremonies in the different regions (North, Central, South and Sabah) for *Ujian Pencapaian Sekolah Rendah* ("UPSR") and *Pentaksiran Tingkatan 3* ("PT3") students.

The award ceremony recognised students who scored high marks in UPSR and PT3 examinations. Students and their parents were invited to the ceremony to celebrate their outstanding achievement and to motivate them to further excel in their education.

166 students received cash prizes, RM300 for UPSR students and RM500 for PT3 students. Along with the cash prizes, the UPSR excellence award recipients received a Malay-English dictionary and a motivational book titled "A+B=C, Attitude + Behaviour = Character". This event was supported by 25 volunteers (22 from EcoWorld Malaysia and 3 from EcoWorld International). The Foundation also recognised 23 teachers for their commitment to the Students Aid Programme and guiding students to achieve academic excellence.



Eco World Foundation provides school supplies for underprivileged students

Note:

Event held prior to MCO which started on 18 March 2020

SOCIAL AND RELATIONSHIP CAPITAL

Eight schools were recognised for their support to the Students Aid Programme, four of which were selected for the Best School Award category and awarded RM10,000 each. The other four schools received the Eco World Foundation Award and received RM8,000 each.

Through the Students Aid Programme, 75 students to date have had the opportunity to pursue tertiary education, of which 45 have graduated with degrees and are currently in the workforce, while the remaining 30 are still pursuing degrees in local universities.

As part of its efforts to provide a conducive environment in which students can thrive, the Eco World Foundation has as of FY2020 cumulatively contributed a total of RM885,000 for the replacement and upgrading of school facilities and furniture including furniture for special schools.

Education for *Orang Asli*

Eco World Foundation supports the *Orang Asli* community by providing educational assistance. We worked with *Persatuan Kebajikan Suara Kanak-kanak Malaysia* (SUKA), a non-governmental organisation to ensure *Orang Asli* children have access to education despite socioeconomic challenges faced.

With the 'Empower 2 Teach' programme, we sponsored school materials and study sessions worth RM125,700 for preschoolers in Kelantan and Pahang. Details on the sponsorship is listed below:

1. Syllabus and school materials for 10 *Orang Asli* preschoolers
2. Training cost for 10 *Orang Asli* pre-schoolers
3. Supervision cost for 10 *Orang Asli* pre-schoolers
4. Operation cost of 3 *Orang Asli* pre-schoolers

In March and June 2020, we partnered with the 4X4 Relief Malaysia for a charity event, *Kembara Amal 2020* that looked to improve the livelihood of the *Orang Asli* communities in Malaysia. Through this event, EcoWorld Malaysia, alongside EcoWorld International Berhad, contributed grocery items, toys and clothing for 200 selected *Orang Asli* families.



Orang Asli teachers supported by the Empower 2 Teach programme

Corporate Social Responsibility Programmes

Despite challenges brought upon by the pandemic, EcoWorld Malaysia continues to find ways to give back to local communities.

This year, we contributed to the improvement of facilities at a local primary school, *Sekolah Jenis Kebangsaan (Cina) Ton Fah*, in Semenyih. We re-turfed the school field in November 2019 in order to improve the school environment as well as encourage students to spend more time outdoors.



Eco World Foundation donates furniture to local schools



Eco World Foundation Dialogue with Parents

CONCLUSION

While the world continues to reel under the impact of the COVID-19 crisis, this pandemic has stimulated lateral thinking and has forced our leadership to rethink and reimagine their vision for sustainability success as part of the 'new normal'. This includes innovative solutions to enable the Group to continue enhancing our sustainability performance across our operations, despite movement restrictions. We also realise the importance of communicating our sustainability strategies effectively to our stakeholders via online platforms.

Looking back, amidst having to make changes to the way we carry out our day to day operations, we are pleased with the positive results of our initiatives. This outcome would not have been possible without the commitment of our leadership team and employees.

We are certain as we journey into the next year, we will continue to improve our sustainability performance as well as foster business growth to meet stakeholder expectations.



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