

ECOWORLD

CREATING TOMORROW & BEYOND



SUSTAINABILITY REPORT **2021**



This year's cover captures the growth across Malaysia through the representation of three distinct butterflies harvesting nectar from an illustrated hibiscus. The watercolour effect renders an elegant image to convey how our projects add sustainable value and creative vibrance to the local property market. Deep green tones are used to anchor the focus on sustainable solutions. The other colour variations symbolise the diverse developments realised to date while the clean layout is in keeping with the sophisticated and focused ECOWORLD brand.



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ABOUT THIS REPORT

Sustainability rests at the heart of everything we do, and Eco World Development Group Berhad ("**EcoWorld Malaysia**" or "**the Group**") is proud to present our fourth annual sustainability report. This report reflects on our journey to create sustainable value for all our stakeholders since we emerged on the Malaysian property scene, and covers the progress of our environmental, social, and governance ("**ESG**") initiatives and performance for the financial year from 1 November 2020 to 31 October 2021 ("**FY2021**").



⬆ Bukit Bintang City Centre, Kuala Lumpur



⬆ Eco Spring, Iskandar Malaysia



⬆ Eco Horizon, Penang



⬆ Eco Grandeur, Klang Valley



FY2021 Reporting Scope

This report contains data obtained from EcoWorld Malaysia's headquarters in Setia Alam, as well as special features highlighting Bukit Bintang City Centre ("BBCC") in Kuala Lumpur; Eco Spring in Iskandar Malaysia; Eco Horizon in Penang; and Eco Grandeur and Eco Business Park V in Klang Valley.



Reporting Framework

This report has been prepared in accordance to Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements, with reference to the Sustainability Reporting Guide (2nd Ed.)

It is our long-term goal to produce increasingly meaningful and relevant reports. As part of these continued efforts, this report has been structured around the International Integrated Reporting Council's Integrated Reporting ("IR") framework. We have referred to the Global Reporting Initiative ("GRI") Standards - Core Option to define our ESG disclosures in this report. By using these international reporting standards, we ensure transparency and year-to-year comparability of our sustainability performance and adherence to global best practices.



Feedback on this Report

We are happy to receive questions, comments, or suggestions on how to improve our sustainability reporting and initiatives. Please write to us at corp@ecoworld.my.



Eco Business Park V, Klang Valley

FOREWORD



In my reading of this Sustainability Report, it is evident that there exists both the Will and the Skill within the organisation to drive sustainable development.


FAROZE NADAR

Executive Director at UN Global Compact Network Malaysia & Brunei

What's in a name? When I first heard of the brand EcoWorld, my first impression was a business that seeks to embed sustainable development as a core strategy to enable the development of townships that enhances both quality of life and quality of environment. Having had the opportunity to know EcoWorld better, I can safely say that my initial impression has shifted to admiration on how sustainability factors are part and parcel of their township development. Whilst it is normal practice to describe sustainability achievements in reports, EcoWorld goes one better with transparency, by providing us at UN Global Compact Network Malaysia & Brunei ("**UNGCMYB**"), first-hand tours of their township. I play witness to the social and environmental considerations that have been put in place; among the many that have left me impressed especially are allocation of larger parcels of green spaces than what is required by regulation and well thought of social designs that allows families peace of mind and security.

In my reading of this Sustainability Report, it is evident that there exists both the Will and the Skill within the organisation to drive sustainable development. With Board and C-Suite leadership coupled with strong KPIs for sustainable actions, EcoWorld Malaysia's place in the Bursa FTSE4Good is well deserved. Last year, EcoWorld participated in our SDG Performance Awards, and had boldly submitted



 Eco Business Park I, Iskandar Malaysia



for one of the more challenging categories of “SDG Ambition Benchmark 2 Award: Net-Positive Water Impact in Water-Stressed Basins”. With their robust water management processes and comprehensive data to support made claims, EcoWorld Malaysia was announced as the inaugural winner of this category. This is testament that target setting and performance disclosures are both data and management driven.

Often, I am asked for examples of good Malaysian organisations that showcase sustainability leadership whilst maintaining financial growth. My reply is to look at organisations where reading their sustainability report would enable understanding of their sustainability strategies, approach, target setting and publicly disclosed data. Oh and of course, making it an enjoyable read while at it. EcoWorld Malaysia’s 2021 Sustainability Report hits the bullseye, and is a true showcase of how sustainable performance results in resilience and competitiveness even in face of the New Normal. I take this opportunity to congratulate EcoWorld Malaysia and their sustainability team for an excellent report. So, what is in a name? Everything!



📍 Eco Botanic, Iskandar Malaysia

A MESSAGE FROM OUR CEO



Dear Shareholders,

2021 marks the 8th birthday of the EcoWorld brand since the September 2013 maiden launch of our very first township, Eco Botanic in Iskandar Malaysia. Accordingly, as we present you with EcoWorld Malaysia's Sustainability Report for FY2021, we also wanted to look back on what we have achieved to date, some key learnings gleaned and how we intend to improve going forward.

DATO' CHANG KHIM WAH

Chairman of Sustainability Committee and
President & Chief Executive Officer, EcoWorld Malaysia



This report sets out EcoWorld Malaysia's efforts over the years to create enduring value for every stakeholder group and expresses our deep commitment to sustainable operations across every stage of the development process. Elements of ESG are embedded in our projects right from conceptualisation, design, construction and up to when we engage with new residents to promote a positive, sustainable future.

To emphasise our focus on sustainability, we formalised our Sustainability Policy this year as a standalone and overarching policy to ensure that our strategies, plans and procedures are aligned with our aspirations for sustainable development. This policy will inform and direct all our ESG initiatives and actions and also forms a tool to foster an organisational culture that embraces sustainability in everything we do.

Behind the scenes, we continue to develop and implement new initiatives to further improve process efficiencies, creating value for our customers and other stakeholders. These include a range of digitalisation initiatives – increasingly essential in today's world as businesses globally shift to improve their online presence. Our digitalisation process includes the development of online property booking systems, e-billing and e-payment systems as well as applications for the convenience of our residents. The push towards more comprehensive digitalisation saves both time and resource costs, improving efficiency throughout our operations.

This year, the COVID-19 pandemic has continued to impact people's lives and livelihoods. At EcoWorld Malaysia, our number one priority has been to maintain the safety and health of our staff and their families. To this end, we initiated the EcoWorld Corporate Vaccination Programme ("EWCVP") in June 2021 and successfully secured vaccinations for all EcoWorld Malaysia team members, their family members, our contractors and consultants covering over 8,000 individuals in total. By September 2021, 100% of our workforce medically eligible to be vaccinated and more than 80% of workers at our project sites were fully vaccinated thus enabling the Group to return to operations at full capacity to catch up on work progress.

While our focus was to keep the team safe during the pandemic, our sustainability efforts and initiatives this year stretched beyond COVID-19 management and recovery. We conducted a re-assessment of our material sustainability matters to assess whether they remain aligned with the Group's goals and ambitions, given the changing priorities regionally and globally since the pandemic. We reached out to representatives from key stakeholder groups to hear their thoughts on our material matters and the relative importance of each. Customer experience, occupational health and safety, and economic performance were the matters prioritised by both the Group and our stakeholders.



Preliminary results of the carbon study pilot project show that 77 tonnes of CO₂ are captured for every 1km of streetscape at Eco Ardence, totalling 1,008 tonnes up to 2021 across the development, since the planting of its greenery in 2017.

To remain resilient in the face of uncertain property market conditions in Malaysia, the Group is focused on offering a range of products which suit a variety of customer lifestyles and budgets. Our diversified offerings mean that there is something for everyone, including several types of properties targeted at the M40 income demographic. Our Co-Home is one example - by splitting the traditional townhouse footprint into two separate single-level units we have been able to provide a cost-effective solution for buyers looking to buy a quasi-landed property on a tight budget.

As the impact of climate change continues to be felt around the world, we are increasingly conscious of the Group's carbon footprint, and the importance of monitoring and reducing our greenhouse gas emissions. This year, we have begun to report our operations' scope 1 and scope 2 carbon emissions. By understanding the emission sources, we can make informed decisions on developing emission reduction initiatives.

We also examined how we can contribute positively to help reduce the amount of carbon dioxide in the atmosphere via carbon sequestration. A pilot study was conducted at Eco Ardence this year where we worked with a carbon researcher and laboratory to sample different types of grass, trees, and shrubs commonly used in landscaping across EcoWorld Malaysia's townships. Preliminary results from the carbon assessment of just this one project indicated that approx. 1,008 tonnes of CO₂ was absorbed by our urban landscaping efforts up to 2021 across the development, since the planting of its greenery in 2017. This initial assessment is the first step towards providing us with a measurable understanding of the carbon-sink potential within our existing and future developments. We will be extending the pilot study further in the upcoming years to our other projects and by understanding more about the types of trees and shrubs species that are able to sequester more carbon, we will be able to be even more effective in our efforts to contribute towards the removal of harmful CO₂ in the atmosphere.

The challenges of the pandemic have shown us the true value of community spirit, teamwork, and reaching out to those in need. As we continue to make progress on our sustainability journey, we will never forget that our success is made possible through the hard work and dedication of our amazing team. A heartfelt thank you to our staff, for continuing to embrace EcoWorld Malaysia's culture of sustainability, and embedding that culture in every aspect of work. And thank you, reader, for supporting us as we strive to create a sustainable future, tomorrow and beyond.

THE VALUE WE CREATE

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
- Innovation



Natural Capital

- Materials
- Energy



Social & Relationship Capital

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



Vision

Creating Tomorrow & Beyond



Mission

- **Create world-class Eco-Living** by providing products and services that continue to exceed expectations.
- Generate & initiate ideas that **disrupt the status quo** and **inspire people**.
- Continuously raise the bar of excellence, through **borderless teamwork** across EcoWorld.
- **Unleash, support and grow** everyone's potential in Team EcoWorld.
- **Commit 2x2x5x5=100%** energy, focus & passion in everything we do.

Strategic Focus

Governance Structure

Risk Management Practices

Our Material Matters



Brand Core Values



Sustainability



Tenacity



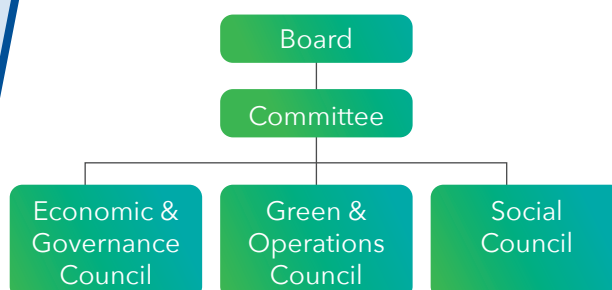
Solidarity



Innovation



Three-Tier Governance Structure



Communicate

Monitor

The Green Realisation Plan



Green Planning and Design



Green Landscape



Green Construction





Value Generated

For Our Stakeholders

- **RM535.9** million direct economic value generated

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

- **100%** of contracts awarded to local suppliers and contractors

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

- **15,205** hours of training delivered
- **46** new hires

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

- **66km** of pedestrian and cycle paths constructed at Eco Spring
- **23%** of BBCC's total footprint is covered by vegetation and 10% by water features

As a conscientious property developer, we comply with applicable legislation and minimise the impact of our operations on the public

- Approximately **1,008** tonnes of CO₂ emissions sequestered from urban landscaping at Eco Ardence
- **3,226** trees salvaged and replanted at development sites
- **28,129kg** of waste recycled

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

- Over **RM140,000** donated to COVID-19 relief initiatives
- **90%** average customer satisfaction survey rating

We donate our resources and time to improve lives of less privileged communities



Collaboration



Inclusion

Identify

Evaluate

Manage

Continuous Risk Management

Green Image, Awareness and Engagement

THE ECOWORLD DNA

From the very outset, the EcoWorld brand has been about the creation of truly special developments that our buyers will be proud to own, delivering long-term value for generations to come.

Informed by our Vision of *Creating Tomorrow & Beyond*, we have endeavoured to create developments with a distinctive look and feel. The majestic grand entrances, signature roundabouts, emblematic fencing, landscaped waterways, parks and gazebos as well as our artistic project markers, all embody this vision of ours. While the features are unique and different in each of the projects, they are recognisable as being part of the EcoWorld Brand commonly referred to as the **EcoWorld DNA**.



Apart from representing the essence of what makes a project uniquely EcoWorld, the EcoWorld DNA expresses our pledge to weave and embed the best elements of Design, Nature & Art holistically into all our developments to bring it to another level, in a way that redefines living, business and leisure.

Design - Masterplans and built structures that stand the test of time

Every project begins with a masterplan. At the conceptualisation stage we consider the accessibility of our projects and how it can be enhanced by investing in local infrastructure and amenities. These considerations help us plan and design secure liveable spaces as well as economically vibrant communities where businesses will thrive.

State-of-the-art security systems leveraging on digital technology (e.g. radio-frequency identification "RFID" smart access for vehicle entry and perimeter intrusion detection systems) are incorporated into the design masterplan to enable better management of security at each precinct. This is supported by trained security guards to man guardhouses and provide round-the-clock surveillance, complemented by the presence of EcoWorld Auxiliary Police for unobtrusive yet effective security.

EcoWorld's Green Infrastructure Design principles give visible expression to the natural environment and human ecosystem working together across scales and contexts to provide multiple benefits for residents and the surrounding environment. The parks and gardens, including back-lane gardens, linear gardens and green streetscapes along with ample bicycle lanes and walkways for green mobility and connectivity within and around the precincts help reduce our carbon emissions.

Our buildings are designed to optimise natural light while preventing excessive sun exposure. Size and positioning of windows are carefully considered to find the right balance between outside views, natural light penetration and heat gains. The layout of the building and ceiling heights take into consideration the importance of cross-ventilation to help draw in natural air while allowing hot air to escape, thus providing a comfortable indoor room temperature.

Nature - Ecosystems designed and maintained in perfect harmony with our surroundings

EcoWorld's developments are known for their beautiful greenery and landscaping. Every project is planned to prioritise the preservation of flora and fauna for the ecosystem and community.

The following are integral elements that form part of EcoWorld's sustainable landscape planning and design:

Tree Transplantation

We actively transplant existing or mature trees in efforts to preserve them within our development. Apart from providing shade and an overall look of maturity to the landscape, it also helps minimise disturbance to the natural habitat of local fauna.

Biodiversity and Ecological Integration

In order to cultivate rich biodiversity, our parks and waterways are designed with plants that will attract suitable animal species such as birds, butterflies and other friendly insects. Pollinator gardens are incorporated to attract pollinators and native plants are used extensively to help the natural ecosystem around each neighbourhood. These indigenous plant species usually require less maintenance and have lower water requirements which reduces both cost and environmental impact.



Eco Forest, Klang Valley

Eco landscaping principles are applied in the design of detention ponds which serve as recreational areas, cooling agents, security buffers, flood mitigators and a natural habitat for animals. Along with our lakes and waterways, the presence of such large waterbodies helps to lower the ambient temperature of the surrounding environment while creating a sense of peace and calm which adds to the overall liveability of our developments.



Conservation of the Environment

To reduce the strain on the environment, we source water from renewable sources such as ponds and lakes to water the plants, instead of using the local water supply. Landscape waste is converted into compost that can be used as fertilisers to keep landscapes healthy and beautiful. This also improves soil moisture as the compost holds water in when rainfall is low, and prevents soil run-off when rainfall is high. In addition, it is an eco-friendly alternative and sustainable method of nurturing growing plants.



Recreational Opportunities and Community Building

Recognising the need for more sustainable green spaces in an urban environment, our town parks and pocket parks are conceived to serve the needs of residents and the broader community. Each signature EcoWorld development offers a wide range of communal amenities to promote healthy living, togetherness, and enhance family ties. Elements such as herb and edible gardens, recycling bins, regular recycling campaigns and green activities increases environmental awareness among residents.



Art - Crafting unique concepts and beautiful masterpieces

Each project has a specific design and architectural language (for example: Straits Colonial/Victorian/Classical European/Modern Tropical) that is consistently applied across the entire development.

Thematic inspirations from the particular era or concept are artistically woven into every component from the grand entrance statement, majestic roundabouts, iconic project markers, individual building designs down to the surrounding environment.


Landscapes and communal spaces also reflect the design language adopted with softscapes (flower, shrubs and trees) and hardscapes (stone, bricks and wood) meticulously executed at every project site creating highly recognisable and aesthetically pleasing visual masterpieces that uniquely define each development.



Eco Botanic, Iskandar Malaysia

OUR COMMITMENT TO SUSTAINABILITY



 Eco Ardence, Klang Valley

OUR SUSTAINABILITY POLICY

Sustainability is an integral part of our business strategy, which is built on the three pillars of Economy, Environment and Society, held together by our pledge to uphold high standards of Governance in all our endeavours.

To reflect the focus on sustainability embedded in our development philosophy and expressed through the EcoWorld DNA, in 2018 we expanded our Quality, Environment, Health and Safety Policy to incorporate Sustainability (referred to as our “Integrated Policy”). The Integrated Policy formed the backbone that supported our constant drive to deliver unmatched service and product quality, our proactive approach to protect the natural environment in which we operate, and the well-being of our local communities in tandem with the need to generate sustainable returns for our stakeholders.

This year, as part of our commitment to continuous improvement and accountability, we improved on our Integrated Quality, Environment, Health, Safety & Sustainability Policy by creating a standalone and overarching Sustainability Policy. The Sustainability Policy, which is set out in full below, reflects our deep commitment to sustainability and aligns with the overall direction, vision, mission and core values of the Group. The Sustainability Policy also outlines our Sustainability Governance Structure, Approach and Implementation, as well as our Commitments in the pursuit of sustainable development and the establishment of a sustainable society.

In addition to the Sustainability Policy, in FY2021 we updated our Sustainable Procurement Policy (refer to page 40).



EcoWorld and Sustainability

Sustainability is at the core of EcoWorld’s vision of Creating Tomorrow and Beyond and is the #1 Core Value of the EcoWorld Brand. As a property developer that is conscious of the environmental, economic and social challenges in our industry, we are committed to driving sustainable development on the ESG fronts both in our operations and in the communities we serve. We pledge to continuously work towards enhancing our efforts (both short-term and long-term) in growing the business sustainably and creating value for our stakeholders while minimising our impact on the environment and acting responsibly towards the communities in which we operate.



Sustainability Governance - Three-Tier Structure

The EcoWorld Board of Directors is the ultimate authority over the Group’s sustainability strategy and governance, reviewing and approving all sustainability-related policies and initiatives. The Sustainability Committee, comprising key senior management personnel covering all disciplines and regions of operation, shall assist the Board in the implementation of sustainability goals and initiatives, and report progress on a half-yearly basis.

The Sustainability Committee shall be supported in its execution of ESG-related plans and initiatives by the Economic & Governance Council, Green & Operations Council and Social Council. Members of the respective councils are to be appointed by the Sustainability Committee, and are responsible for reporting on the implementation status of ESG initiatives, and for the collation of relevant data for monitoring and analysis purposes.



Tier 1

**Board of Directors**

- General oversight of progress
- Reviews and approves strategies, policies, and initiatives
- Endorses the material sustainability matters



Tier 2

**Sustainability Committee**

- Develops sustainability policies
- Reviews and approves sustainability related internal guidelines
- Oversees implementation of sustainability initiatives
- Reports progress to the Board twice a year



Tier 3

**Economic & Governance Council**

- Reports progress to the Sustainability Committee
- Develops sustainability guidance documents for internal use
- Collects and monitors sustainability data

**Green & Operations Council**

- Green Council
- Service Quality
- Product Quality
- Landscape
- Product Innovation
- Health & Safety

**Social Council****Sustainability Approach & Implementation**Overall Direction

In setting EcoWorld's sustainability strategy and focus areas, we are informed by EcoWorld's Vision, Mission and Core Values which are reproduced in this policy for easy reference:

**Vision - Creating Tomorrow & Beyond**

The EcoWorld brand is about the pursuit of better, greater ways to complete people's living experience. We want to be thought leaders and innovators – a non-traditional business with positive economic, social and environmental impact. We push boundaries in our vision of Creating Tomorrow & Beyond.

In order to become the brand we want to be, we will leverage on the power of positive collaboration, passionate energy and fresh ideas that move communities, as outlined in our Mission Statement.

**Mission Statement**

We will achieve our Vision through EcoWorld's Culture of Excellence, harnessing our Time, Talent and Resources to:



Create world-class Eco-Living by providing products and services that continue to exceed expectations.



Generate & initiate ideas that **disrupt the status quo** and **inspire people**.



Continuously raise the bar of excellence, through **borderless teamwork** across EcoWorld.



Unleash, support and grow everyone's potential in Team EcoWorld.



Commit 2x2x5x5=100% energy, focus & passion in everything we do.

OUR COMMITMENT TO SUSTAINABILITY



Brand Core Values



Sustainability

Not just about being green, but in everything we do, we consider the longevity of the positive impact we make on the world.



Tenacity

Being resilient and not break under pressure, a start-up-like spirit that keeps us staying driven and focused.



Solidarity

Under the EcoWorld banner, we are one family - no matter if we are in different offices or across distinct EcoWorld communities.



Innovation

Keep pushing the boundaries, disrupting the status quo, always rethinking and seeking for better ways to create value for all.



Collaboration

Spirit of mutual respect; not about going fast alone, but going far together - and in the process, bringing out the best in people.



Inclusion

An empathetic brand that is open to dialogues and is supportive of worthy causes, within & beyond EcoWorld communities.

The United Nations defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Our vision, mission and brand core values reflect our commitment towards achieving the UN's sustainable development agenda.

We are also guided by the 17 Sustainable Development Goals ("SDG") designed by the United Nations as a "blueprint to achieve a better and more sustainable future for all". We are committed to taking positive steps towards greater achievement of the goals most relevant in the context of our operations in the hopes that our efforts will count towards the global achievement of the SDGs.

Identifying Our Material Sustainability Matters

We believe in the spirit of openness and transparency in communication with our stakeholders (including but not limited to employees, customers, investors, regulators, contractors & suppliers, media and non-governmental organisations). Frequent and robust engagement with stakeholders via various methods of communication will allow us to keep abreast of their needs and expectations, and identify the areas that matter most to them.



Our Commitments

In the pursuit of sustainable development, EcoWorld Malaysia commits to take responsible actions in the following areas in a timely manner:

Good Governance and Good Business Practices

We uphold integrity, good governance and ethical behaviour in all our business practices in order to maintain the trust of our stakeholders and our social license to operate. We are committed to providing quality products and services to all our customers and residents in our developments. We strive to conduct our business responsibly, causing minimal disruption to the communities around our developments. We pledge to conduct our business in accordance with applicable laws and regulations by which we are bound. In the event of shortcomings, we will take the necessary and appropriate remedial actions as soon as we are able to and within reasonable timelines.

Displaying Exemplary Labour Practices & Protecting Human Rights

We will provide a safe, healthy and equal opportunity working environment for our employees and we positively engage with our supply chain partners to encourage and incentivise them to do the same. We are committed to ensuring that the appropriate labour standards will be applied and that our employees will receive fair salaries/wages for fair working hours. Our employees shall receive equal access to training and development programmes as well as opportunities for career growth. We will put in place (and continuously improve) health and safety procedures and measures to ensure the safety of all present at our business premises.

We will strive to uphold the human rights of our employees and our communities. We stand strongly against practices such as child labour and forced labour. Discrimination (in respect of race, religion, gender, age, disabilities, nationality, etc.), bullying and harassment will not be tolerated.



Addressing Climate Change & Protecting Biodiversity and the Environment

We are committed to operating responsibly and safeguarding the environment. We acknowledge the negative impacts of climate change, biodiversity loss and environmental degradation resulting in global warming. With this in mind, we will endeavour to assess and control our greenhouse gas emissions, pollution and waste production. We will also monitor and conserve (where possible) the use of energy, water and resources, and encourage recycling and reuse wherever practicable.

Through our Sustainable Procurement Policy, we seek to work with supply chain partners who consider environmental issues in their everyday business and encourage them to provide solutions, materials and goods that are sustainable and eco-friendly. Priority is given to the purchase of items produced that take environmental and social issues into consideration and to supply chain partners who are proactive in caring for and conserving the environment. This applies to all our supply chain partners, which include but are not limited to contractors, consultants, suppliers, vendors, product manufacturers and product distributors, as we partner with them to progressively reduce the environmental burden within our entire supply chain.

Through our collaboration with internal and external stakeholders, continuous education and awareness on climate change metrics (particularly in Science-Based Target setting), and commitment from our senior leadership, we intend to work towards a Net Zero Carbon future.

Supporting the Community

We acknowledge the role we play as good corporate citizens in being responsible towards the communities around us. We are committed to engaging with the communities in and around our developments and supporting them by providing the infrastructure necessary for economic and social development and opportunities for employment. Through the Eco World Foundation, we are also committed to providing equal access to education for children from underprivileged backgrounds in the hopes of eventually elevating the financial and social status of the families under our care.



Our Implementation Methods

The following are the procedures EcoWorld shall undertake to ensure that our chosen sustainability strategies are carried out effectively:



Conducting awareness and training programmes to ensure that our employees, business associates and the community are well informed on matters relating to sustainability and to obtain their buy-in and cooperation in sustainability initiatives.



Developing guidelines for the implementation of sustainability initiatives and templates to enable efficient and effective collection of data for monitoring purposes.



Monitoring the implementation status of sustainability-related programmes and assessing their effectiveness and impacts.



Accurate and timely reporting on the implementation status of sustainability activities to the Sustainability Committee and Board of Directors.



Annual sustainability reports to be prepared with the principles of comparability, clarity, accuracy, timelines and reliability for the purpose of public disclosure.

To measure our sustainability performance and track progress, we have formulated specific key performance indicators ("KPI") based on operational goals and targets, which will be continuously improved upon going forward. As we advance on our sustainability journey, we aim to further improve on our efforts in contributing to the establishment of a sustainable society. Accordingly, this Sustainability Policy is subject to ongoing review and revisions where necessary to reflect the Group's commitment to continuous improvement.

OUR COMMITMENT TO SUSTAINABILITY

OUR JOURNEY SO FAR

Since our first sustainability statement published in 2017, we have maintained good momentum in our sustainability journey. We are continuously working to improve our disclosures, expand our reporting scope, and implement more robust targets and goals.





THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet. At its core are the 17 SDGs, which represent a call for action by all countries in global partnership. At EcoWorld Malaysia, we have adopted 11 SDGs that are most relevant to our operations, where our efforts can have the greatest impact.

17 PARTNERSHIPS FOR THE GOALS

- Pursuing partnerships with NGOs and industry leaders to elevate our sustainability performance and accountability

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Establishing clear, accessible policies and reporting mechanisms which outline our zero-tolerance for corruption, bribery, and discriminatory behaviour

15 LIFE ON LAND

- Actively incorporating elements that will promote biodiversity and the preservation of local flora and fauna during the conceptualisation, masterplanning and project execution phases of each development

13 CLIMATE ACTION

- Embracing the needs of the planet through landscaping initiatives which protect mature trees and absorb carbon from the atmosphere

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Utilising the Sustainable Procurement Policy to engage with suppliers who are like-minded with regards to promoting sustainability within the local economy and minimising adverse environmental impacts



3 GOOD HEALTH AND WELL-BEING

- Supporting the health and wellness of our staff through strong OHS policies and procedures, and health and safety training
- Supporting the health and well-being of our community through the implementation of stringent SOPs to control and mitigate the spread of COVID-19

4 QUALITY EDUCATION

- Prioritising the career development of our employees through training programmes
- Supporting underprivileged students to achieve their educational goals through the Eco World Foundation's Students Aid Programme

5 GENDER EQUALITY

- Non-discriminatory hiring and remuneration practices promote fair and equal opportunity for all

8 DECENT WORK AND ECONOMIC GROWTH

- Providing a safe and conducive work environment for our employees, and supporting the local economy through our operations

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Embedding innovative design features and green infrastructure into all our properties and projects







11 SUSTAINABLE CITIES AND COMMUNITIES

- Focusing on interconnectedness of our townships and developments, and building to fit the existing lay of the land

SUSTAINABILITY HIGHLIGHTS

KEY PERFORMANCE INDICATORS

We have a series of KPIs to track our performance, embed accountability, and improve comparison of critical metrics between reporting years. The three KPIs newly developed for inclusion this year cover areas relating to climate change, workplace safety, and building partnerships for sustainable development.

KPI	Target	Progress from Previous Years	FY2021 Achievement
 Green Design, Energy and Habitat Conservation			
Green Building Certification	Obtain a minimum "certified" rating from a Green Building Certification body for all new and existing projects	FY2019 - Provisional Building and Construction Authority Green Mark certification for Eco Grandeur FY2020 - No new projects	 Eco Forest received provisional Green Building Index ("GBI") certification in June 2021. Approximately 70% of EcoWorld Malaysia projects are now certified under GBI, Green Mark or Leadership in Energy & Environmental Design ("LEED") Refer below for additional detail
Accessibility for electric vehicles	Install at least one electric vehicle charging station at each EcoWorld Malaysia premise	FY2019 - 72% of EcoWorld Malaysia premises have installed at least one electric vehicle charging station FY2020 - 80% of EcoWorld Malaysia premises have installed at least one electric vehicle charging station	 87% of EcoWorld Malaysia premises have installed at least one electric vehicle charging station, with three new charging stations installed this year at: <ul style="list-style-type: none"> • LaLaport BBCC; • Eco Business Park II sales gallery; and • Eco Tropics & Eco Business Park III sales gallery
Providing open spaces and natural environment	Dedicate at least 15% of development area to open green spaces	FY2019 - open green spaces comprised 24% of development area FY2020 - open green spaces comprised 27% of development area	 Open green spaces currently comprise 22% of development area Refer below for additional detail
Growing valuable and quality foliage	Plant at least 10% edible fruit trees and 10% edible shrubs across all developments (of the overall tree coverage and shrubbery coverage planned)	FY2019 - 23.2% edible fruit trees and 30.5% edible shrubs FY2020 - 23% edible fruit trees and 30% edible shrubs	 23% of edible fruit trees and 30% edible shrubs planted
Climate change	To measure how the landscaping at EcoWorld Malaysia developments can be applied as carbon sinks	New KPI for FY2021	 Preliminary results of the carbon study pilot project show that 77 tonnes of CO ₂ are captured for every 1km of streetscape at Eco Ardence, totalling 1,008 tonnes across the development development, since the planting of its greenery in 2017 Refer below for additional detail



KPI Achieved



KPI Not Achieved



Ongoing Progress





KPI On Hold



KPI	Target	Progress from Previous Years	FY2021 Achievement
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Talent Attraction and Retention

Employee turnover	To record a staff attrition rate below 12%	FY2019 - 10.8% attrition rate FY2020 - 8.7% attrition rate	 16.9% attrition rate Refer below for additional detail
Employee satisfaction	To achieve a Peoples Heartbeat Survey overall engagement score of 85% or higher	FY2019 - Score of 89% FY2020 - Score of 88.6%	 The Peoples Heartbeat Survey has not been conducted in FY2021 Refer below for additional detail



Training and Development

Opportunities for employee training	For 81.6% of staff to attend training	FY2019 - 99.3% of staff attended training FY2020 - 99.3% of staff attended training	 82.1% of staff attended training The drop in training can be attributed to a focus on meeting business objectives for the year
Workplace Safety	Zero workplace fatalities, including contractors, across all project sites	New KPI for FY2021	 One workplace fatality occurred in FY2021



Community Development

Contributing to the local community	To record six hours of corporate social responsibility ("CSR") activity time per employee	FY2019 - Nine hours of CSR activity time per employee Target frozen in FY2020 due to the COVID-19 pandemic	 Target has remained frozen for FY2021 due to the COVID-19 pandemic, which prevents us from recording in-person CSR hours for employees. However, extensive efforts have been made for community engagement despite the restrictions Refer below for additional detail
Partnerships for Sustainable Development	To actively engage with organisations that share common sustainability goals	New KPI for FY2021	 Became a member of The United Nations Global Compact, Malaysia Chapter in April 2021 Industry Collaboration between Taylor's University and EcoWorld Malaysia to provide constructive feedback on micro-credentials on Sustainable Construction soon to be offered under its School of Architecture, Building and Design



KPI Achieved



KPI Not Achieved



Ongoing Progress



KPI On Hold

SUSTAINABILITY HIGHLIGHTS



Green Building Certification

At EcoWorld Malaysia we take our commitment to the environment seriously - this can be seen in the Sustainability KPIs we have set as disclosed in our Sustainability Reports and our efforts to obtain Green Certification for all our projects - to date, approximately 70% of our projects have been certified by various local and international accreditation bodies as listed below:



Development	Certification Body	Certification Status	Date Achieved
Eco Sky	GBI	Certified - Final	9 January 2019 (non-residential) 7 June 2021 (residential)
	Green Mark	Certified - Final Certified - Final	12 April 2018 (non-residential) 28 July 2021 (residential)
	LEED	Certified - Pre-Certification	September 2014
Eco Sanctuary	Green Mark	Certified - Final	5 June 2018 (districts) 15 November 2019 (districts - international)
BBCC	GBI	Gold - Provisional Certified - Provisional Certified - Provisional	14 April 2016 (township) 28 December 2016 (non-residential) 12 November 2018 (residential)
Eco Majestic	GBI	Certified - Provisional	3 August 2017
Eco Ardence	GBI	Certified - Provisional	12 October 2018
Eco Grandeur	Green Mark	Certified - Final	4 December 2020
Eco Forest	GBI	Certified - Provisional	7 June 2021
Eco Nest @ Eco Botanic	Green Mark	Certified - Final	16 October 2018
Eco Botanic	Green Mark	Certified - Provisional Certified - Final	27 February 2017 (districts) 29 March 2017 (landed houses)
Eco Business Park I	GreenRE	Bronze - Final	6 March 2019
Eco Business Park II	GreenRE	Bronze - Final	9 March 2020
Eco Terraces	GBI	Gold - Final	16 November 2020
Eco Meadows	GBI	Certified - Provisional	15 July 2016
Eco Bloom @ Eco Meadows	GBI	Certified - Provisional	4 December 2017
Eco Horizon	GBI	Certified - Provisional	10 May 2019 (township) 28 February 2020 (non-residential) 28 January 2021 (residential)



Providing open spaces and natural environment

The metric used to calculate this KPI is: (total green space developed/total developed land). We have set a target of 15% open green spaces to be achieved upon completion of the entire development. This is approximately 50% higher than the minimum threshold imposed by most of the regulatory authorities where our projects are located. The reason that the percentage achieved is so high currently is attributable to our commitment to complete a large proportion of the landscaping and recreational greens upfront in the early years of each development. Apart from enabling our residents to be able to enjoy the full spectrum of the lifestyle amenities associated with the EcoWorld Brand when they first move in, it also accelerates value creation for the project. This percentage is expected to gradually decrease with time, as the remaining lands of each project are fully developed. Nevertheless, our goal will always be to remain above 15% green space overall, in line with the EcoWorld DNA and our belief in fully integrating nature with community at all our developments.



Climate change

The Group has always prioritised landscaping during the masterplanning and execution phases of our developments and we take great pride in the beauty of our lush and verdant greenscapes. However, prior to initiating a study on the carbon sequestration capacity of our developments, the extent to which CO₂ emissions can be offset through urban landscaping has remained largely unknown. Data on carbon capture from natural landscapes such as rainforests, mangroves, and peat forests cannot be applied to the urban setting as the biophysical environment in which the trees and plants grow is vastly different. For FY2021, we have used Eco Ardence as the site to conduct a pilot study on the carbon sink potential of our landscaping efforts.

Samples of vegetation were taken from two grass species, three shrub species, and three tree species. The samples were dried, and the dry biomass value was used to model and calculate the overall carbon content of the plants. From these samples, modelling was used to generate an estimate of total carbon content throughout the landscaped areas. Preliminary results from the carbon assessment indicate 77 tonnes of CO₂ are absorbed by every 1km of landscaped streetscape, with a total of 1,008 tonnes of CO₂ absorbed across the entire development as at 2021 since the planting of greenery in 2017. This value will gradually increase year on year as planted trees grow larger. Refer to the Climate Change section of this report (page 57) to read the full findings of the pilot study.



Employee turnover and satisfaction

Late last year, in order to combat the uncertainties of a prolonged COVID-19 pandemic, Management undertook a comprehensive Group-wide review of costs to increase efficiency, ramp up productivity, implement cost control and reset overhead costs including staff salaries. Although painful, these measures, including the salary adjustments made, contributed substantially to the cost savings necessary to lay a foundation for greater resilience and competitiveness for the Group going forward thus assuring the long-term sustainability of our business. Arising from such an exercise, staff attrition in FY2021 has been higher than usual, with a turnover rate of 16.9%.

For FY2021 in place of the traditional People's Heartbeat Survey, we have undertaken a series of more personalised engagements between our employees and our Executive Chairman as well as our President and CEO to listen to our team, obtain their feedback as well as communicate to them their continued prospects for personal as well as career growth in tandem with the Group's financial performance and profitability. As the Group overcomes this temporary hurdle and we continue to grow and improve, an updated version of the People's Heartbeat Survey based on feedback from the team and adapted to better reflect the new post-pandemic challenges that we and every business needs to address will be reinstated.



Contributing to the local community

Although we have been unable to record CSR hours for our staff due to travel and gathering restrictions this year, we have not forgotten the importance of engaging and supporting our surrounding communities. Our teams went above and beyond to assist our Students Aid Programme families, by fundraising in order to assist them to meet the daily necessities of life. Refer to the Community Development section of this report (page 70) to read more about our CSR initiatives for the year.

SUSTAINABILITY HIGHLIGHTS

AWARDS AND RECOGNITION



FTSE4Good

December 2020 - included in the FTSE4Good Bursa Malaysia (F4GBM) Index



April 2021 - EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award 2021



Participant of the United Nations Global Compact, working with the Malaysian chapter

Winner of the SDG Ambition Benchmark 2 at the inaugural Sustainability Performance Awards

Constituents of the FTSE4Good Bursa Malaysia Index are selected from the top 200 Malaysia Stocks in the FTSE Bursa Malaysia EMAS Index, screened in accordance with a transparent and defined set of environmental, social, and governance criteria. In order to be included in the index, companies must demonstrate strong ESG performance against 14 ESG "topic themes" with variable weightage depending on the industry.

The EdgeProp Malaysia's Best Managed and Sustainable Property Awards was held in April 2021. Awards were presented to developments and property developers who displayed outstanding practices in property management and sustainability. By achieving this award, EcoWorld Malaysia has been inducted into EdgeProp's Malaysia Developers' Hall of Fame.

EcoWorld Malaysia became a member of the UNGCMYB in April 2021. The UNGC is a strategic policy initiative which aims to mobilise a global movement of sustainable companies and stakeholders to achieve the UN's vision for sustainability. In FY2021, our engagement activities have included speaking at two international and national level webinars:



SDG Ambition:

Mobilising Ambitious Corporate Actions Towards the Global Goals

CEO Climate Virtual Roundtable discussion:

Enabling a Net Zero Carbon Economy Pathway for Malaysia

EcoWorld Malaysia was conferred the SDG Ambition Benchmark 2: Net-Positive Water Impact in Water-Stressed Basins Award at the UNGCMYB inaugural Sustainability Performance Awards 2021.

EcoWorld Malaysia's win was in recognition of its water conservation efforts. The Group's Landscape department utilises water collected from detention ponds within their developments to water the grass, plants and foliage as an alternative to using treated water. For the three years from 2019 to 2021, the estimated total conservation on treated water usage through this initiative is approximately 180,000 m³.

Going forward we aim to work more closely where possible with the UNGC in their sustainability initiatives in the property development sphere.



Deputy Chief Executive Officer of EcoWorld Malaysia, Dato' Seri Sundarajoo A/L Somu was present at the awards ceremony on 9 December 2021



ECO GRANDEUR - WHERE ENVIRONMENT AND COMMUNITY COMBINE



Environment



Community



**Infrastructure
planning and
investment for
economic growth
and sustainable
communities**



Environment

Eco Grandeur is located in the Puncak Alam region, northwest of Klang Valley. The site is a prime habitat for birdlife, being situated along a migratory route for Australian and North Asian birds. In addition to migratory species, due to its proximity to wetlands, forests, and parks, the site boasts a high diversity of local bird species. When creating the masterplan for Eco Grandeur, we wanted to nurture and preserve this wildlife, to minimise our impact on the environment and for our residents to enjoy the peace and serenity of nature from their homes.

Several landscaping zones have been identified throughout the development, each catering to specific species. For example, the *countryside landscape* of our urban parks supports grassland species such as the chestnut-breasted malkoha and orange-bellied flowerpecker, while the *wetland plains landscape* surrounding our lake supports sea eagles and the white-throated kingfisher. Our *sunny meadows landscape* is designed for pollinating butterfly species such as the painted jezebel.

Tree and shrub species have been specifically selected as food plants to further encourage the local bird and butterfly species to visit and remain in the township. Eco Grandeur has also been designed to incorporate extensive wildlife movement corridors, minimising the isolating effects of new developments on animal species.

The waterways and waterbodies in Eco Grandeur were reconfigured not only to restore the natural landscapes of the site, but to act as water retention ponds designed with additional storage capacity to attenuate surface runoff during rainfall events for flood mitigation purposes.



The wildlife corridors built into Eco Grandeur's masterplan to facilitate wildlife movement

SUSTAINABILITY HIGHLIGHTS



Community

Eco Grandeur is strategically located nearby the growth areas of Sungai Buloh and Kota Damansara. The site on which the project sits had been abandoned for over two decades when the development, originally promised through the Green Revolution Plan (Stages II and III) by the previous developers, failed. As a result of the project abandonment, more than 980 settlers from the area, who were the original landowners, were left empty handed without their promised home.

In 2016, EcoWorld Malaysia stepped in to right the wrong these settlers had been facing for the past 20 years via Paragon Pinnacle Sdn Bhd, the developer of Eco Grandeur and Eco Business Park V today which is jointly owned by EcoWorld Malaysia (60%) and the Employees Provident Fund Board (40%). One of the very first precincts of Eco Grandeur to be released was Laman Haris, providing 987 homes promised to the settlers all those years ago. Each settler received a double-storey terraced home, with three bedrooms. The keys to the homes were handed over in February 2020.

Residents of Laman Haris will have access to all of Eco Grandeur's features and public amenities, including the recreational areas, community hall, schools, and places of worship. Additionally, the Esplanad, Grandeur Labs and other upcoming retail outlets and Eco Business Park V located in the vicinity will provide employment, and industrial and commercial opportunities. Future plans for an entertainment centre, offices, wellness centres, a hotel and convention centre will add further value to the fast growing township.



Over 1,500 attendees joined to celebrate the key handover at Laman Haris in February 2020



Infrastructure planning and investment for economic growth and sustainable communities

There is a critical road junction near Eco Grandeur that links Puncak Alam to other major townships such as Meru, Ijok, Sg Buloh, Jeram, Bandar Tasik Puteri and Bukit Jelutong. Naturally, the junction experiences high traffic volumes and the communities are heavily dependent on the popular crossroad on a daily basis to reach work and commercial places. However, the junction and roads leading to the junction suffered from poor conditions which led to frequent flooding.

Based on poor drainage and road issues identified in 2017 during the site assessment process, Eco Grandeur took on the challenge of carrying out the necessary drainage and road improvements. The issues are immensely costly to resolve and the public roads are technically beyond Eco Grandeur's boundary. However, rather than taking the passive conventional approach of waiting for the local authority to improve the public infrastructure, Eco Grandeur took proactive measures to include roads and drainage system upgrades into its masterplan to ensure the issues are not overlooked for the benefit of the broader community and to accelerate value creation for its own projects via improved accessibility.

The Persiaran Mokhtar Dahari was upgraded from a single carriageway 4-lane to dual carriageway 6-lane with enhanced drainage system and completed in November 2019. Similarly, the upgrading works of Jalan Meru Tambahan from single carriageway 2-lane to dual carriageway 6-lane with enhanced drainage system are being carried out and is estimated to complete in mid-2022 to solve poor road, traffic and drainage issues in the area.



^ Persiaran Mokhtar Dahari upgrading works were completed in November 2019

Taken as a whole, the 2,297-acre Eco Grandeur (mixed development township) + Eco Business Park V (industrial park) + Laman Haris (Settler Home Precinct) is EcoWorld's most comprehensive expression of our Sustainability aspirations to date from an Environmental, Economic as well as Societal standpoint.

Within a relatively short time span of less than six years since the development lands were first acquired in 2016, the entire Puncak Alam corridor where the projects are situated has been transformed into a thriving residential, commercial and industrial hub. Value creation has also been accelerated and enhanced via judicious infrastructure investment and sustainable masterplanning with potential for much further growth as both Eco Grandeur and EBP V continue to progress and mature.

Please scan the QR Code to watch a video of what has been achieved on site to date.



^ Jalan Meru Tambahan upgrading works are estimated to complete in mid-2022

IDENTIFYING & MANAGING RISKS AND OPPORTUNITIES

The Group adopts a holistic and integrated view on managing its risks and opportunities, beyond the traditional, functional or departmental parameters. The Group's Enterprise Risk Management ("ERM") Framework is benchmarked against ISO 31000:2018 and it considers the full spectrum of Group's risks (both financial and non-financial) which are linked to our ESG practices and priorities. The table below summarises the Group's key risks mapped against our identified material sustainability matters.

Key Risks	Description	Key Mitigation Measures	Material Sustainability Matters	Risk Trend
Acquisition of unsuitable land	Risk of acquiring land with hidden adverse topography or encumbrances, or land which could not be developed feasibly to achieve the desired return	<ul style="list-style-type: none"> • Conduct thorough feasibility studies and market surveys prior to each acquisition • Avoid over-concentration of investment in one project • Commit to only source for deforestation-free and non-peat lands for its future development needs 	<ul style="list-style-type: none"> • Supply chain management • Community development • Biodiversity 	↔
Liquidity	Risk of the Group being unable to generate sufficient cash flow to meet its financial obligations	<ul style="list-style-type: none"> • Close monitoring of cash flow requirements and continuous financial planning • Regularly explores new funding opportunities in capital market • Continuously be aware of banks' lending appetite and preferred loan profile • Prioritise selling of unsold completed stocks to enhance liquidity • Group-wide cost rationalisation 	<ul style="list-style-type: none"> • Economic performance 	↔
Weak market sentiment	The Group's sales performance is dependent on the performance of the property market	<ul style="list-style-type: none"> • Providing value-added products and quality services, with more innovative and aggressive marketing strategies • Enter into joint ventures with suitable partners to gain accelerated and more extensive access to target markets • Embark on digitalisation journey to enhance customers experience via online sales booking • Continue to focus on landed properties and affordable homes where demand is still resilient 	<ul style="list-style-type: none"> • Economic performance • Customer experience and brand recognition 	↑



Key Risks	Description	Key Mitigation Measures	Material Sustainability Matters	Risk Trend
Increasing cost of construction	The ability of the Group to achieve the desired profitability is directly affected by the cost of construction	<ul style="list-style-type: none"> • Through the Group's trading arm, source for alternative supplies and increase the pool of suppliers to provide eco-friendly building materials and goods at competitive prices by consolidating the materials purchase requirements of all on-going projects • Effective and transparent open tenders for award of construction contract • In-depth cost estimates for each project prior to tender to ensure that the Group gets the best pricing • Variation order management • Value management and re-engineering to bring down overall cost in the event of cost overruns 	<ul style="list-style-type: none"> • Material and waste management • Supply chain management • Sustainable design 	↑
Non-performing contractors	Risk associated with product quality, health and safety practices and project delays	<ul style="list-style-type: none"> • Robust contractor selection and evaluation process. Contractors are assessed in terms of quality, on-time delivery, financial capability and environmental consciousness • Close monitoring of contractors' performance during construction, in terms of timelines, quality of work and health and safety practice at site 	<ul style="list-style-type: none"> • Supply chain management • Labour practices and decent work 	↔
Lack of interest from investors	Risk of inability to secure investors for the Group's projects with large commercial content	<ul style="list-style-type: none"> • Design project master plans with right product mix, supported with market research and intelligence on the surrounding area • Experienced leasing team to actively source for tenants through a match-making service. This value-added service also helps the Group to determine the quality of tenants occupying the commercial area 	<ul style="list-style-type: none"> • Economic performance • Customer experience and brand recognition 	↔

For more information on the Group's risk management practices, refer to the Statement on Risk Management and Internal Control in our Annual Report 2021.





STAKEHOLDER ENGAGEMENT

Open and transparent communication is key to maintaining stakeholder trust. We regularly engage with our key stakeholder groups, giving us the opportunity to hear their concerns and suggestions, and enabling us to adjust our performance in a way that is meaningful to them.

The ongoing COVID-19 pandemic has brought on communication challenges. However, by embracing today's technology, we have been able to actively communicate with our stakeholders virtually. This allows the Group to keep abreast of our stakeholders' desires and expectations.

	Areas of Interest	Methods of Engagement	How We Respond
	Employees		
	<ul style="list-style-type: none"> Corporate direction and growth plans Job security Remuneration and benefits Workplace health and safety Labour and human rights Work-life balance Opportunities for volunteering 	<ul style="list-style-type: none"> Management meetings with employees as and when required Virtual townhall session(s) Periodic Salary Benchmark Survey Peoples Heartbeat Survey (postponed this year as explained above) Annual Chairman 360 (held online) Quarterly CEO Townhall Meetings (held online) Leadership, soft skills, technical and non-technical training programmes throughout the year 	<ul style="list-style-type: none"> Employee engagement programmes to ensure healthy work-life balance Strict occupational safety and health policies and procedures Embed a culture of safety and health through our training programmes Training programmes to support career growth and personal development Comprehensive benefits and competitive remuneration packages
	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"> Press conferences held as and when required Quarterly Analyst, Banker, and Fund Manager briefings (held virtually) Regular meetings with Analysts, Bankers and Fund Managers throughout the year (held virtually) 	<ul style="list-style-type: none"> Strengthen corporate governance by establishing internal policies such as the Anti-Bribery and Anti-Corruption ("ABC") Policy, Whistleblowing Policy, Board Diversity Policy, etc. Conduct risk assessments to identify and mitigate potential risks Report relevant ESG aspects of performance to show accountability to sustainability practices
	Customers		
	<ul style="list-style-type: none"> Pricing Quality and workmanship Energy conservation Property design features Product safety Defect rectification Customer service and experience 	<ul style="list-style-type: none"> Corporate and Brand campaigns Corporate website and social media channels Advertisements and marketing promotions Customer Satisfaction Survey delivered at seven stages throughout the purchasing process EcoWorld Residence Club (ongoing engagement with residents via email, WhatsApp, and phone calls) 	<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. These are then discussed by our EcoWorld Class Committee

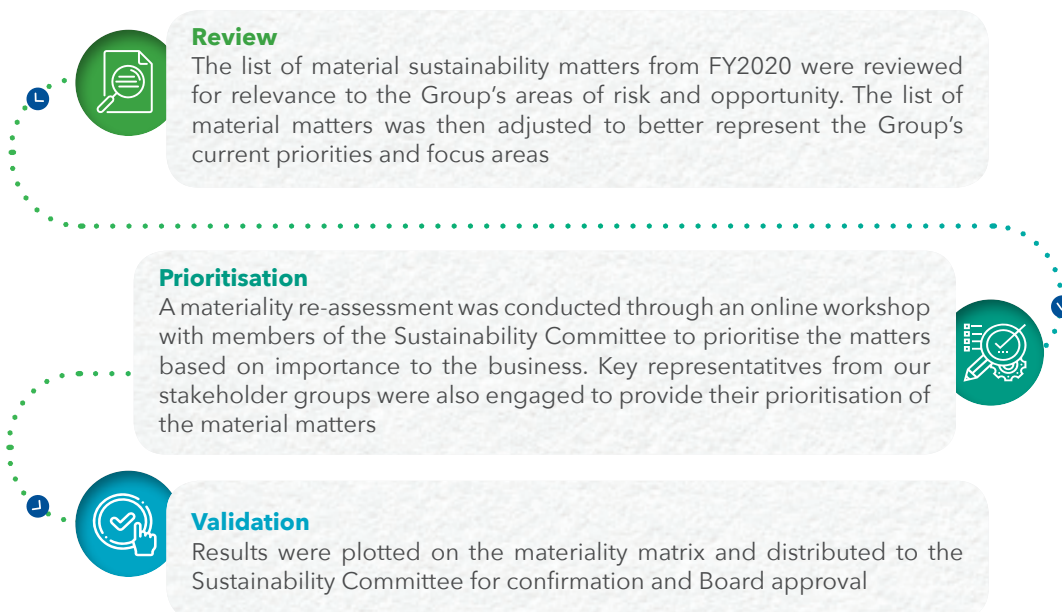


Areas of Interest	Methods of Engagement	How We Respond
<ul style="list-style-type: none"> Resource efficiency and utility savings 	<ul style="list-style-type: none"> EcoWorld Labs and LifeSpace activities (when permitted by authorities and following all requisite SOPs) 	
 Regulators		
<ul style="list-style-type: none"> Legal compliance Security issues Waste management Public nuisance issues Labour practices Anti-Corruption 	<ul style="list-style-type: none"> Site inspections when required 	<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
 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"> Contract negotiation Biannual supplier audit and evaluation (completed with forms to eliminate need for face-to-face gatherings) Vendor registration 	<ul style="list-style-type: none"> Ensure a fair and transparent tender process Conduct supplier and vendor evaluations
 Media		
<ul style="list-style-type: none"> Company reputation Advocating green consumerism and lifestyle 	<ul style="list-style-type: none"> Interviews and engagement sessions (all virtual or through phone calls and texts) Press releases Press conferences 	<ul style="list-style-type: none"> Organise engagement programmes to boost brand reputation
 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"> Donations and Financial Aid such as the Students Aid Programme Contribute towards environmental protection and social upliftment Sustainability and related programmes 	<ul style="list-style-type: none"> Manage the Eco World Foundation to ensure that we contribute and give back to the community where possible

MATERIAL SUSTAINABILITY MATTERS

MATERIALITY ASSESSMENT

Our last materiality assessment was conducted in FY2018. In light of the ongoing COVID-19 pandemic, and anticipating a shift in the main concerns of our stakeholders, we conducted a re-assessment of our material matters. The list of 12 material matters identified in FY2018 to represent our ESG risks and opportunities was reviewed and adjusted to reflect our current priorities. The resulting 13 material sustainability matters were then assessed using a weighted ranking method to determine their relative significance. This year, we extended the materiality assessment process to include representatives from key stakeholder groups.



The results of the materiality assessment are plotted on the matrix below.

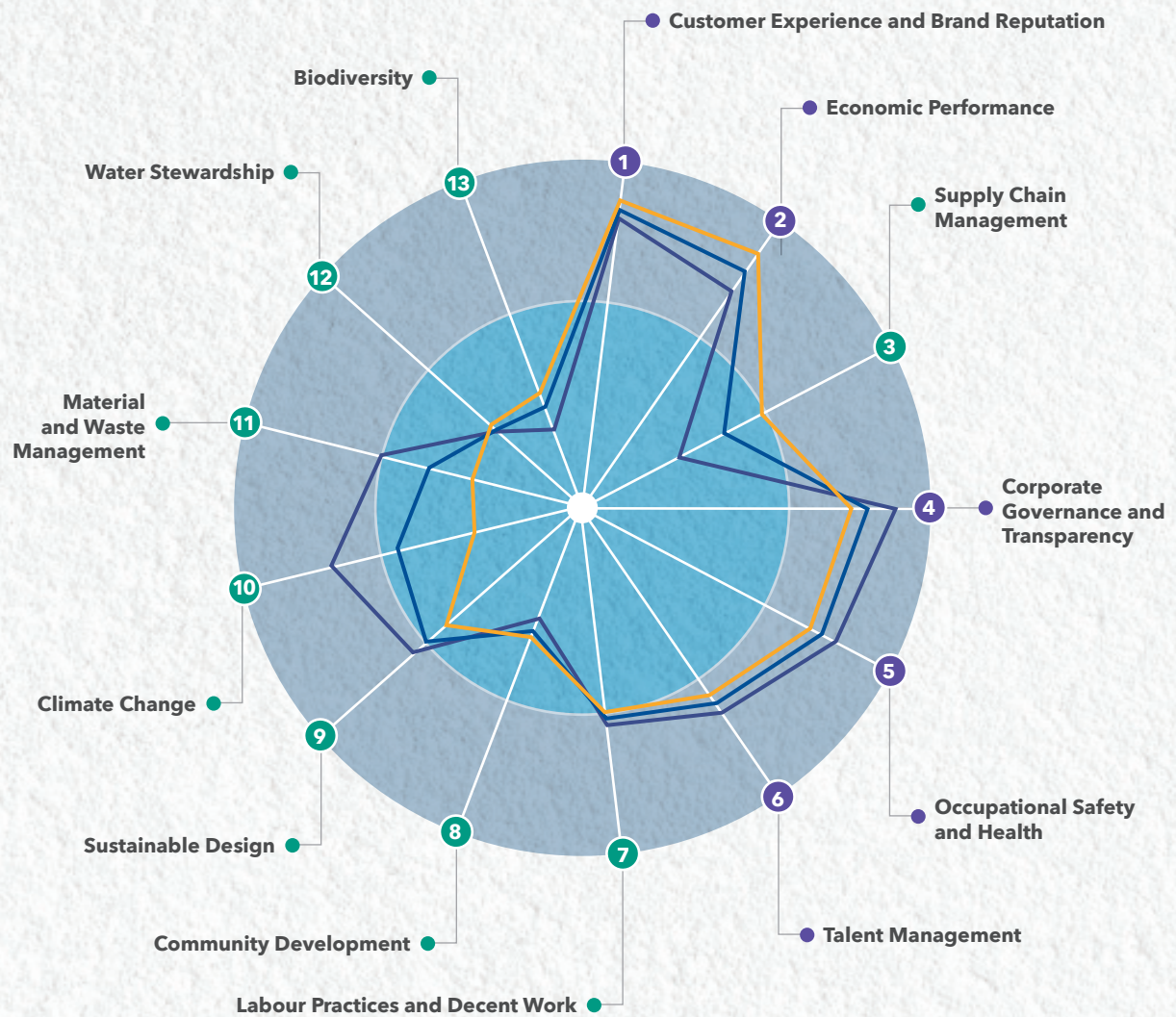
Customer Experience and Brand Reputation has remained our highest priority material matter. Our top five material matters also include: Economic Performance (a new material matter introduced for FY2021), Corporate Governance and Transparency, Occupational Safety and Health, and Talent Management. Occupational Safety and Health's ranking and position on the matrix significantly increased compared to the previous matrix. This is attributed to the impacts of the COVID-19 pandemic, increasing concern among stakeholders for employee health and well-being.

The style of the matrix enables comparison between the relative importance of each material matter to the business and the relative importance of each material matter to our valued stakeholders. Climate Change is the topic where we observed the largest gap between the business perspective and the stakeholder perspective. We noted this gap and have taken additional measures to improve our climate change performance and reporting this year, with the full disclosure of all scope 1 and scope 2 greenhouse gas emissions, the successful completion of the carbon sequestration pilot study at Eco Ardence, and the adoption of the UNSDG 15 - Life on Land, in addition to UNSDG 13 - Climate Action which we adopted last year.



THE MATERIALITY MATRIX

EcoWorld Malaysia Materiality Matrix FY2021















Legend

- Average Importance
- Importance to Stakeholders
- Importance to Business
- EcoWorld Malaysia's Material Sustainability Matters
- Top 5 Material Sustainability Matters
- Very High Importance
- Moderate Importance

MATERIAL SUSTAINABILITY MATTERS

MAPPING OUR MATERIAL MATTERS

Our material matters have been categorised against the six capitals of Integrated Reporting. To further demonstrate the interconnectedness of our sustainability efforts, the table below maps the material matters against the Group's adopted UNSDGs and relevant stakeholder groups.

	Material Sustainability Matters	Key Stakeholder Groups	UNSDGs
	Financial Capital		
	Economic Performance	<ul style="list-style-type: none"> Investors Employees 	
	Manufactured Capital		
	Supply Chain Management	<ul style="list-style-type: none"> Contractors/Vendors/Suppliers Customers 	  
	Human Capital		
	Corporate Governance and Transparency	<ul style="list-style-type: none"> Regulators Employees 	
	Occupational Health and Safety	<ul style="list-style-type: none"> Employees Regulators 	
	Talent Management	<ul style="list-style-type: none"> Employees 	
	Labour Practices and Decent Work	<ul style="list-style-type: none"> Employees Regulators Contractors/Vendors/Suppliers 	 
	Intellectual Capital		
	Sustainable Design	<ul style="list-style-type: none"> Customers Non-Governmental Organisations Investors 	   
	Natural Capital		
	Climate Change	<ul style="list-style-type: none"> Non-Governmental Organisations Customers Media Regulators 	 
	Biodiversity	<ul style="list-style-type: none"> Non-Governmental Organisations Customers 	 
	Material and Waste Management	<ul style="list-style-type: none"> Regulators Non-Governmental Organisations 	 
	Water Stewardship	<ul style="list-style-type: none"> Regulators Non-Governmental Organisations 	
	Social and Relationship Capital		
	Customer Experience and Brand Recognition	<ul style="list-style-type: none"> Customers Media Investors 	
	Community Development	<ul style="list-style-type: none"> Non-Governmental Organisations Regulators 	  



FINANCIAL CAPITAL

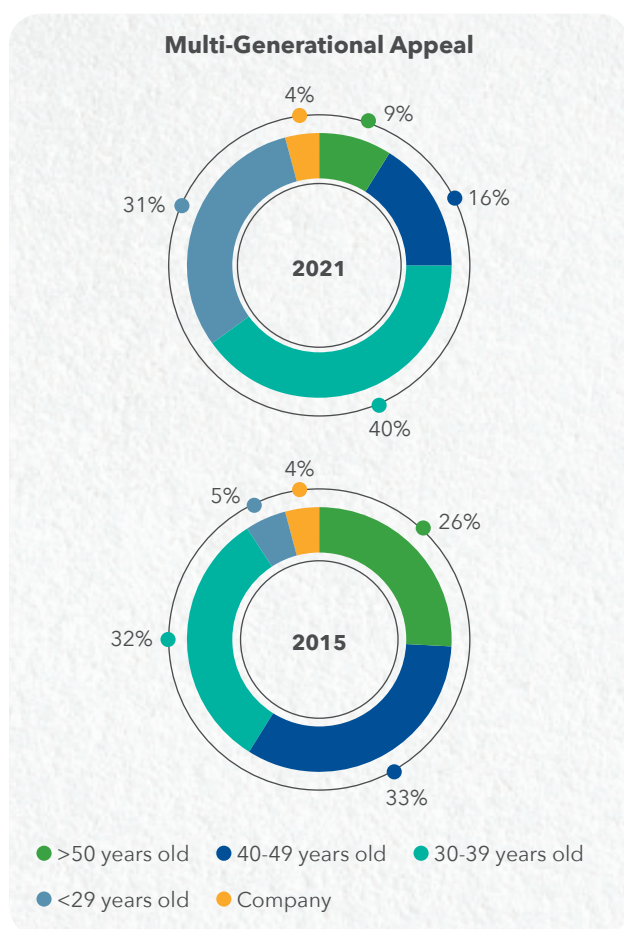
Our financial capital represents the economic impacts of our business, how we transform financial inputs into value for our stakeholders and contribute to the health of the local economy.



FINANCIAL CAPITAL

ECONOMIC PERFORMANCE

We are proud that due to our team's resilience, willingness and flexibility to adapt to the changing times, EcoWorld Malaysia has withstood the hardships currently impacting the global economy. We have been making concentrated efforts to widen the range of our product offerings. This has resulted in a significant increase in the diversity of our customer base, which has sustained our sales and overall economic performance. The figures below illustrate the broadened customer base as a result of our diversified product offerings, with over 70% of our customers now below 40 years of age.



We launched a new range of affordably priced housing with the M40 and the younger generation market segments in mind. Both these segments were severely impacted by the pandemic and would have a tighter budget when looking to purchase a house. The launches include a range of offerings to meet the needs of our varied clients such as the Co-Home at Eco Grandeur and Eco Horizon, and ErgoHomes at Eco Forest.



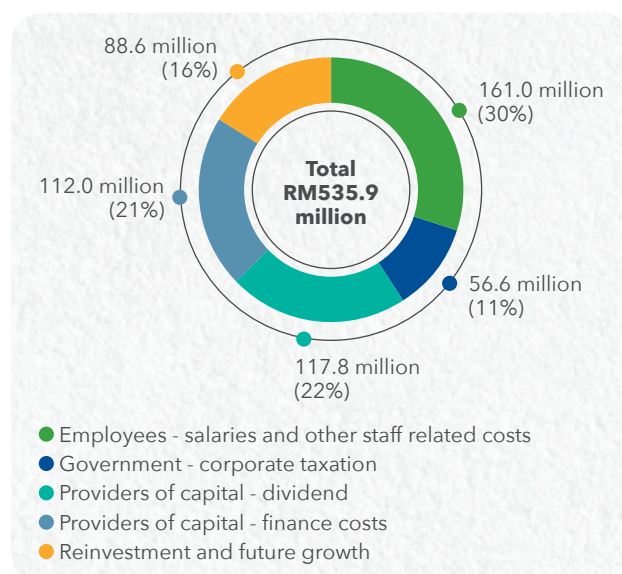
⬆ ErgoHomes@Eco Forest, Klang Valley

Co-Home is a revolutionary idea of a hybrid landed living concept. It is basically a 2-storey terraced house, but split into two units with the same footprint - one unit for each level. This design addresses two primary needs of aspiring homebuyers - a landed living lifestyle and an affordable price. An added benefit is the opportunity for young families to live closer to their elders or siblings without having to compromise their privacy.

With ErgoHomes, it was a 'communal spirit meets efficient space planning' idea, inspired by the science of ergonomics. Unlike traditional terrace houses, each unit is designed to be a corner unit because of its unique placement. ErgoHomes was born out of a need for a landed property that was affordable yet spacious enough.

We also launched a sub-brand called *duduk* in 2020 - specially crafted 1,000 sq ft apartments with practical layouts to cater specifically to the needs of the M40 group, while taking advantage of the excellent infrastructure, built environment and comprehensive amenities within the matured EcoWorld townships of Eco Ardence and Eco Sanctuary.

We continue to practise strict financial discipline in the management of our operations, to ensure stability and sustainability of our business. This year, the total economic value we generated was RM535.9 million.



For more information on the Group's financial performance, please refer to the Annual Report 2021.



INTELLECTUAL CAPITAL



Our brand and reputation are built on our passion for innovation. Our intellectual Capital highlights how we transform and mobilise our team's vast knowledge base and creativity into solutions for sustainable living.

INTELLECTUAL CAPITAL

SUSTAINABLE DESIGN

To maximise the potential for sustainability within our projects, the initiatives must begin at the design phase.

At Eco Spring, we integrated the concept of sustainability into the masterplan. For example, the design included bicycle paths and pedestrian walkways covering 24km and 42km, respectively. These routes are separated from roads to keep cyclists and pedestrians safe from vehicular traffic.

The North-South orientation of homes, combined with the precise window-to-wall ratio, is designed to minimise sun exposure while still allowing ample natural light. This keeps the buildings cooler, with less reliance on electricity for air conditioning. The cross-ventilation systems provide a constant flow of air moving through the house - also regulating temperatures, and supplying healthy, fresh air directly to our residents.



Universal Design Features

Our galleries, clubhouses, and showrooms are designed to provide easy access to all visitors, including the elderly and disabled. We provide gentle gradient ramps, and dedicated parking spaces and washrooms. Tactile paving is used to alert those who are visually impaired of the escalators and the lift buttons have braille.



Universal design features at Eco Horizon, Penang



Design2Own

Our commitment to innovation is one of our core values. Through our internal "Design Innovation Challenge", our team generated a variety of creative and pioneering ideas to improve the environmental performance of our properties. Through this initiative, we established several successful new design features, including Co-Homes, ErgoHomes (efficient, open-plan layouts inspired by the principles of ergonomics), and Design2Own.

Introduced in 2019, Design2Own was an initiative developed to reduce construction waste. The concept was launched as we noticed a significant amount of waste being generated due to renovations undertaken by our customers after purchase. Design2Own allowed our buyers to customise the layout of their home from several options before construction commences. This substantially reduced the amount of time spent renovating, and the wastage of construction materials. We have since been able to use the information on customer preferences gained from the Design2Own programme to inform and improve layout designs for our most recent launches and for future developments.



Garden Homes

Our Garden Homes have been developed following the principles of passive design, where layout and building design are used to promote natural heating and cooling, reducing reliance on electronic air conditioning systems. Garden Homes are spacious and bright, with above-standard high ceilings that promote natural air flow. There are windows in almost every room to allow natural light to penetrate the extent of the house, while the homes have been carefully positioned to minimise heat transfer from the sun.



Smart Meters

The use of smart meters will enable our purchasers and residents to better manage their electricity usage by tracking and monitoring their usage for a greener and more energy efficient future.

In line with the government's nationwide initiative which is being rolled out by Tenaga Nasional, we have begun installing smart meters in the new parcels of homes launched in the Klang Valley namely, Eco Majestic, Eco Forest and Eco Grandeur. BBCC has also installed smart meters at its Entertainment Hub and Stride Strata Offices.

In addition, plans are in place to progressively replace existing meters with smart meters from 2022 - 2024 for our galleries and common facilities such as the clubhouses as well as residential units located in our older parcels in the Klang Valley, Iskandar Malaysia and Penang.



Digitalisation

The COVID-19 pandemic and adopting the “new normal” has resulted in a rapid shift towards digitalisation and working remotely. This shift has reduced the carbon emissions caused by commuting to the office and other work-related travel. Also, paperless billing and receipts have reduced the use of paper and waste generation.

Commonly referred to as the Fourth Industrial Revolution, or “4IR”, the age of digitalisation is characterised by accelerated growth in digital technology, interconnectedness of people, and unprecedented computer processing power. To continue to thrive in this ever-changing digital environment, companies must embrace these innovative new technologies and integrate them with their existing systems.

At EcoWorld Malaysia, our efforts to go digital includes the development of several apps for our residents and future customers, integrating sales as well as customer engagement with technology. Our branding and marketing activities are carried out across a wide range of online and social media platforms, giving us better reach and improved engagement with all generations of consumers. We have introduced the MyEcoWorld Property website, the first of its kind in Malaysia, which is a platform that allows the purchaser to shop for their preferred EcoWorld property, view site plans and specifications, compare prices and select their preferred units.

The EcoWorld Neighbourhood App was designed for the convenience of residents, helping them settle into community living and enabling them access to the various amenities on offer. We have also established electronic bill payment systems, implemented eReceipts and ePayments for bank loans, and an online booking system for visits to our galleries and showrooms.



ESG Highlight: BBCC, a Case Study in Urban Regeneration

An oasis of future living, BBCC is nestled in the heart of Kuala Lumpur. Designed to cater to all the requirements of the modern lifestyle, BBCC is set to be the destination for urban living, seamlessly merging sustainable design and town planning with premium trimmings.

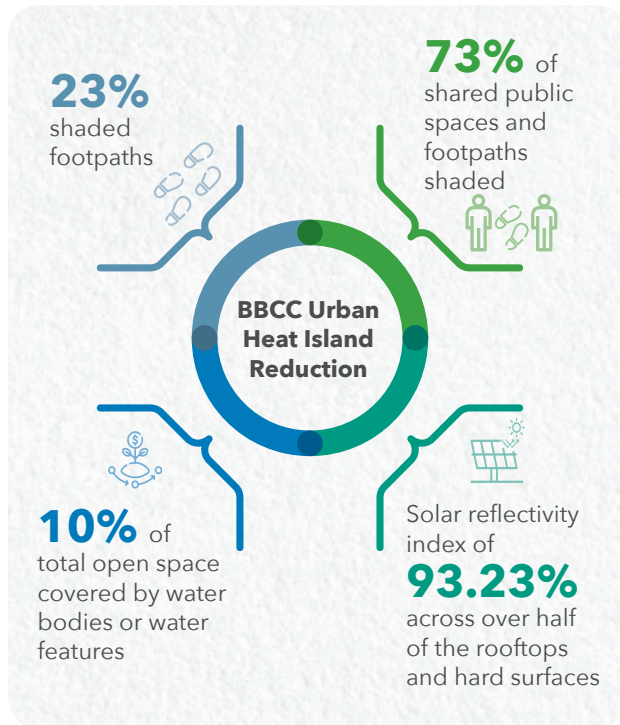
BBCC was awarded provisional Gold GBI certification in 2016, receiving the maximum allowed points for design principles such as Urban Heat Island Reduction and the Green Transport Masterplan. The finalisation of the Gold certification is expected in 2022.

The Urban Heat Island is an effect where the concrete, rooftops, and hard surfaces of the urban environment absorb solar heat and slowly release it back into the immediate surroundings. Heat islands can be several degrees warmer than the rural or natural environments surrounding them. This phenomenon can have an impact on the wear and tear of building and infrastructure, and be detrimental to human health. To combat this, there has been an increased focus on designing with green spaces and reflective areas that reject the absorption of sunlight.



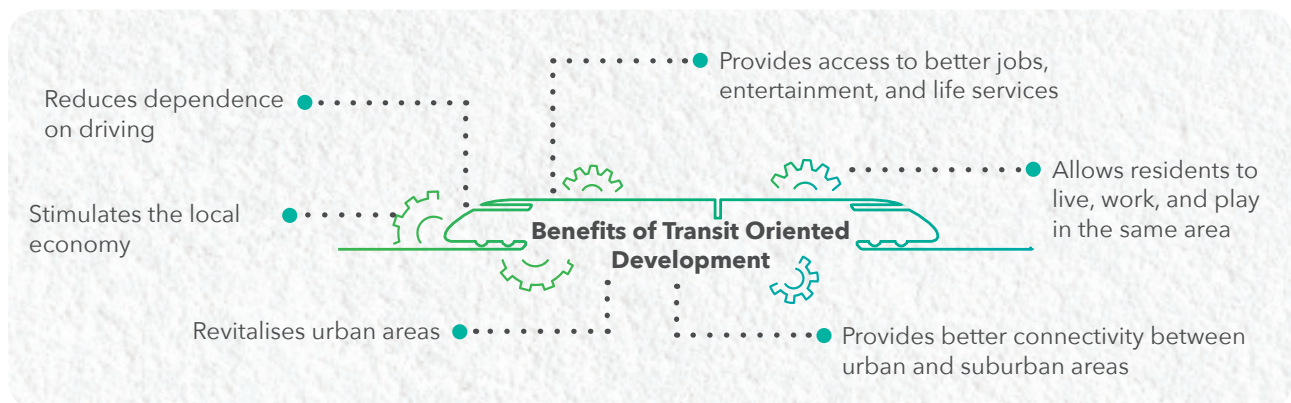
Heat island reduction at BBCC - green areas indicate shaded green space, blue indicates water features

INTELLECTUAL CAPITAL



BBCC Pedestrian Link Bridge

The Green Transport Masterplan incorporated into BBCC's design follows the principles of Transit Oriented Development ("TOD"). TOD is a rapidly growing trend in sustainable design around the world, focusing on the creation of compact, pedestrian-oriented, mixed-use community spaces all supported by a central, high quality train system. It helps to mitigate the environmental impact of an urban sprawl, by creating dense yet liveable communities that greatly reduce the need for driving and energy consumption.



BBCC is within close proximity to bus stops and the light rail transit and monorail networks via Hang Tuah Station and Imbi Monorail Station, respectively. Shaded walkways and clear signage encourage pedestrian travel, with bicycle pathways and parking. The bicycle sharing system will enable users to rent biked without the hassle of purchasing or storing their own bicycle.

A range of sustainable living features have been incorporated into BBCC's design. One of these is the Community Recycling Programme, with a recycling hub located centrally at the retail mall. Other features include ramps and other provisions for universal access. The development also follows the principles of crime prevention with features such as ample lighting, clear signage, and open lines of sight. Another feature is the sustainable stormwater management system which provides flooding mitigation as well as rainwater collection for washing and landscaping.



MANUFACTURED CAPITAL




Our manufactured capital captures how we work with our extensive landbank and team of suppliers to transform raw space and materials into quality homes to be enjoyed for generations.



MANUFACTURED CAPITAL



 Eco Nest@Eco Botanic, Iskandar Malaysia

SUPPLY CHAIN MANAGEMENT

When sourcing materials and contractors for our developments, preference is given to local suppliers and local contractors. 100% of building materials for this financial year was sourced from local suppliers. This not only benefits the local economy but also results in a reduced carbon footprint with regards to the transportation of materials.

Our Sustainable Procurement Policy was established last year (FY2020), and applies to all procurement activities undertaken by EcoWorld Malaysia. This year, the Policy was updated and made available publicly on our corporate webpage. It sets out guidelines for all our supply chain partners and encourages them to provide eco-friendly solutions and materials. We strive to work with supply chain partners who consider the environment in their everyday business, helping us in our efforts to contribute to a sustainable society.



Sustainable Procurement Policy

EcoWorld's Sustainability Objectives

Our galleries, clubhouses, and showrooms are designed to provide easy access to all visitors, including the elderly and disabled. We provide gentle gradient ramps, and dedicated parking spaces and washrooms. Tactile paving is used to alert those who are visually impaired of the escalators and the lift buttons have braille. EcoWorld Malaysia's sustainability efforts are guided by the 17 SDGs designed by the United Nations as a "blueprint to achieve a better and more sustainable future for all". We are committed to taking positive steps towards greater achievement of the goals most relevant in the context of our operations in the hopes that our efforts will count towards the global achievement of the SDGs. This Sustainable Procurement Policy reflects our commitment to embedding sustainability in everything we do.

Procurement plays a large role in the work that we do, from daily administrative needs to the building blocks of our developments. Conducting the procurement function sustainably means making sure that the products and services that we source, and their related suppliers are both environmentally and socially responsible. Sustainable procurement must also be ethically sound and make good financial sense.

This Sustainable Procurement Policy serves as a guide for EcoWorld Malaysia procurement activities as well as the procurement practices of our supply chain partners conducting business with and on behalf of EcoWorld Malaysia.

The Sustainable Procurement Policy is endorsed by EcoWorld Malaysia's Sustainability Committee and approved by the EcoWorld Malaysia Board of Directors.



Social responsibility

EcoWorld Malaysia places great emphasis on respect for human rights, good labour practices and adherence to the laws of the land. Our supply chain partners are similarly expected to practice good governance, treat employees with dignity, and care for the community at large. Proper health and safety procedures must be in place for employee protection and modern slavery practices such as forced or child labour will not be tolerated.

We fully support employee rights to collective bargaining and freedom of association, as well as their rights to a decent and non-discriminatory workplace environment.

Partnerships for growth

EcoWorld Malaysia believes in creating collaborative and mutually beneficial relationships with our supply chain partners, where both parties engage in ethical business transactions, embrace opportunities to learn from each other and promote innovation and continuous improvement.

Stimulation of local economy

Where practical and practicable, we will exercise our preference for local supply chain partners and locally sourced materials in the interest of creating economic growth and employment opportunities domestically within our areas of operation.

Equal opportunity entry for all

We commit to conducting supplier pre-qualification and tender evaluations in a fair and transparent manner, based on clearly stipulated and reasonable criteria.

Environmental consciousness

In the interests of environmental protection and minimising our carbon footprint, EcoWorld Malaysia is committed to finding eco-friendly alternatives which are least harmful to nature. Where practical and financially sensible, preference will be given to suppliers whose products and services are designed, sourced and manufactured taking into consideration resource (i.e. energy, water, raw materials) efficiency, climate change impacts and biodiversity conservation.

Our Principles of Sustainable Procurement



MANUFACTURED CAPITAL

Measurement of Supplier Performance

The Group reserves the right to conduct periodic assessments on supply chain partners' performance in the aspects of (but not limited to) sustainability practices, product and service quality, adherence to EcoWorld Malaysia's procurement criteria, compliance with rules and regulations, ethics, and financial health. Opportunities for improvement will be communicated and deliberated in a respectful manner with the relevant supply chain partners.

Communication of the Policy

This Policy and its supplementary guidelines will be made available to all staff on the intranet portal, and are also to be communicated to current and prospective suppliers. The Policy will also be made available for viewing by the public via the EcoWorld Malaysia corporate website www.ecoworld.my.

Training and awareness sessions will be conducted for all staff periodically to ensure that the spirit of the Policy is widely understood and practised robustly.




Screening Suppliers

All building material suppliers undergo a pre-qualification process, in which we assess the supplier's financial strength and historical track record. Upon successful completion of the pre-qualification, they are added to our approved suppliers list. We conduct yearly evaluations on our existing suppliers to monitor their performance across areas such as delivery of service, quality of products and price competitiveness.

We expect third parties to conduct business with the same ethical standards to which we hold our own team. Our ABC Policy, along with our expectations of operational integrity, are communicated to all building suppliers and main contractors whom we engage with.

The Group has a systematic monitoring process for all third parties involving various SOPs to ensure overall compliance with the Group's standards. These include due diligence and background checks to ensure business partners are duly formed and in good standing, with sound corporate governance. The SOPs are applicable for every transaction with potential or new business partners.



 Eco Botanic, Iskandar Malaysia



HUMAN CAPITAL



People are the driving force behind our successful brand, and our human capital practices emphasise their value. We provide a supportive, collaborative, and conducive work environment to foster the growth and development of our team - creating leaders who will take the business into the future.



HUMAN CAPITAL

CORPORATE GOVERNANCE AND TRANSPARENCY



Ethics and Integrity

The Group expects all employees to embody our company spirit by displaying ethical behaviour and integrity in all aspects of their work. Our Code of Conduct and Business Ethics ("**the Code**") outlines our core values and the standards to which we operate. In line with the Malaysian Anti-Corruption Commission Corporate Liability Provision which came into effect last year, the Group established its ABC Policy. The ABC Policy outlines the Group's expectations of its staff members on matters such as receiving gifts, entertainment and hospitality, payments, sponsorships and donations. The Policy also covers what to do when there is a conflict of interest. The ABC Policy was endorsed by the Chairman and the Board.

Our anti-corruption compliance programme is based on the TRUST principles under the Guidelines on Adequate Procedures published by the Prime Minister's Office of Malaysia in December 2018. The anti-corruption compliance programme is led by the Integrity Team which is headed by the Group's Chief Financial Officer and reports to the Audit Committee.

Our Whistleblowing Policy has been established to address any potential incidence of non-compliance with the Code or the ABC Policy. It provides a safe channel for employees to express concerns anonymously without fear of reprisal. The Group encourages "self-responsibility to report" any misconduct or grievance, including bullying or harassment, using the available channels:



All reports received through these channels are treated confidentially, with disclosures made on a "need to know" basis to facilitate investigations if necessary. There is a dedicated SOP, "Handling Complaints of Misconduct or Improper Activities Lodged by Whistleblower", to ensure anonymity of the reporter, protection against retaliation, investigation and follow-up reporting to relevant parties. There were no whistleblowing cases received in FY2021.

The Group's Code, ABC Policy, and Whistleblowing Policy are available on our corporate website. Training on all policies is provided to new hires during the onboarding process. Refresher courses are offered regularly to all staff, and any changes or updates to the policies are communicated via company-wide email. Training sessions cover all contents of the Code of Conduct, ABC Policy, and Whistleblowing Policy comprehensively.



Compliance

EcoWorld Malaysia maintains strict compliance with relevant laws and regulations at all times. Compliance is essential in building trust within the community, maintaining stakeholder confidence, and maximising our positive brand reputation. Our legal risk register is in place to ensure we are proactive in identifying and managing areas where there is a potential risk of non-compliance.

The primary 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 1965
- ✓ Town and Country Planning Act 1976
- ✓ Occupational Safety and Health Act 1994
- ✓ Stamp Act 1949
- ✓ Income Tax Act 1967
- ✓ Environmental Quality (Scheduled Wastes) Regulations 2005
- ✓ Environmental Quality (Clean Air) Regulations 2014
- ✓ Malaysian Ambient Air Quality Guidelines
- ✓ National Water Quality Standards
- ✓ Strata Titles Act 1985
- ✓ Strata Management Act 2013
- ✓ Street, Drainage and Building Act 1974
- ✓ Local Government Act 1976
- ✓ Capital Market and Services Act 2007
- ✓ Malaysian Anti-Corruption Commission Act 2009
- ✓ Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001
- ✓ Bursa Malaysia Main Market Listing Requirements
- ✓ Malaysian Code of Corporate Governance 2017
- ✓ Employment Act 1955



📌 Eco Business Parks' Innovative Flexi-Space Concept to cater to a wide range of business

To maintain environmental compliance, we conduct monthly monitoring of air, water, and noise emissions on site and in areas adjacent to our project sites. Samples are tested by an accredited laboratory.

The Group adopts a Risk Management and Compliance Framework that is designed to manage compliance with laws, regulations, and guidelines which are specific to the nature of the property development industry and the Group.

01

Establishes a Group-wide risk management and compliance culture

02

Ensures that relevant stakeholders understand and commit themselves to the Group's legal obligations (i.e. compliance with legislation and internal policies)

03

Sets appropriate practices and processes to monitor and ensure compliance with regulatory obligations

04

Sets appropriate action with a view to prevent occurrence of non-compliance, violations, or breaches

Where necessary, legal advice is sought and training on legal requirements is provided. Internal audits and system checks are carried out regularly throughout the year. Please refer to the Statement on Risk Management and Internal Control in the EcoWorld Malaysia Annual Report 2021.

The Group has not received any fines or sanctions related to environmental regulations (including water quality), anti-corruption regulations, or labour standards in FY2021.

OCCUPATIONAL HEALTH AND SAFETY



Our COVID-19 Response

Maintaining the safety of our team is vital to us, and we worked diligently to secure COVID-19 vaccines for our entire workforce as early as possible. These vaccines were procured by the Group and provided at no cost to our staff members¹. The priority given for administering vaccines under the EWCVP which commenced in June 2021 was based on job function risk, not corporate rank or seniority.

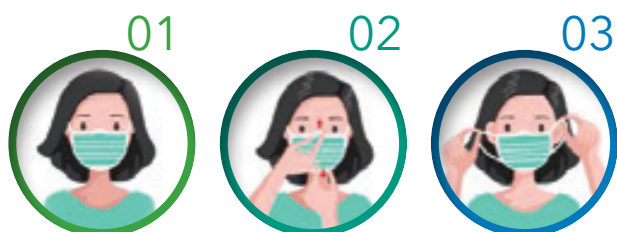
By September 2021, 100% of our medically eligible staff, and more than 80% of the workers on all our project sites were fully vaccinated which enabled EcoWorld Malaysia to resume its operations at full capacity. In total, 8,398 individuals were vaccinated under the EWCVP initiative, covering not just our staff, but also their family members, our contractors, their workers (both local and foreign) and other key members of EcoWorld Malaysia's supply chain.

To foster a safe working environment, we made testing using the COVID-19 antigen rapid test kits ("RTK") mandatory for all staff as they returned to work at our sales galleries, offices, and project sites. These self-test kits are also available upon request from their division coordinators for any staff member feeling unwell or wanting to put their mind at ease. The RTK self-test kits are pain-free and provide results in only 20 minutes. Regardless of RTK results, staff members are required to seek medical attention immediately if showing any symptoms of acute respiratory infection or fever.

¹ Vaccines for our staff and their immediate family members were fully paid for by the Group and provided at no cost to the staff. Vaccines for extended family members and other members of their households were provided at cost price.

HUMAN CAPITAL

Since the COVID-19 outbreak in Malaysia, we have been working hard to safeguard the health of our team, their families, and surrounding communities. All our COVID-19 related policies and procedures are in the COVID-19 eGuidebook, established last year, which is available digitally to all staff, in both English and Malay. The eGuidebook has information on workplace cleanliness and hygiene, social distancing, meetings and travel guidelines, provision of personal protective equipment ("**PPE**"), mental wellness, what to do in the event of a positive case or close contact, and much more.



An excerpt from the COVID-19 eGuidebook, showing correct procedure for mask-wearing.

In September 2021, restrictions began to ease and our sales galleries were permitted to open. As additional precautionary measures for the safety and protection of both customers and staff, we introduced strict SOPs for visiting our galleries.

01

Visits are by appointment only, to reduce contact between our customers

02

Individuals visiting the gallery must be fully vaccinated against COVID-19

03

Individuals must present their digital vaccination certificate prior to entering

04

Only individuals with a *blue profile* (low risk) in MySejahtera are permitted to enter the premise

05

All visitors must perform an RTK test (supplied by EcoWorld Malaysia) and present a negative result before entering the gallery

Customers are encouraged to maintain a 2m distance from others at all times while in the sales galleries. Masks must also be worn at all times.



EcoWorld Auxiliary Police

Health and Safety Management

The provision of a safe working environment is one of the key tenets of the Group's Integrated Policy. 85% of sites have obtained ISO 14001 (Environmental Management Systems) certification.

We have a dedicated Occupational Safety and Health Committee, whose primary role is to manage safety matters at our construction sites. The Committee is also responsible for conducting incident investigations, organising safety and health awareness programmes, identifying and managing hazards and risks, and establishing any required procedures related to safety and health at the work site.

Our internal Health, Safety and Environment ("**HSE**") department conducts a minimum of two safety inspections per land parcel, each week. Additionally, a joint site safety walkover is conducted bi-weekly with an HSE team member and the contractor. The Safety and Health Officer and the Site Safety Supervisor meet weekly to discuss and resolve any site safety issues that are discovered. The HSE team also meets with the contractor monthly to discuss health and safety more generally.

Across all construction sites, staff are provided with the necessary PPE. This includes safety helmets, safety shoes, reflective safety vest, gloves, eye protection goggles, and a safety harness, as required. We have a zero-tolerance policy for PPE non-compliance on site. All site staff receive on-site safety training which includes training on how to wear and use PPE correctly.



Health and Safety Training

In addition to job-specific on-site training for construction staff, we provided training sessions and awareness talks to keep our employees fit and healthy while at work. Some of the programmes offered this year were:

September 2020

- Healthy Eating
- World OSH Week

December 2020

- Prevention of Orthopaedic Injuries at Workplace

April 2021

- Digestive System Awareness
- From "New Norm" to "New Future" in OHS
- Working at height awareness training

June 2021

- Why being vaccinated is important
- Love in the Time of COVID-19; protecting yourselves and your babies during this pandemic
- Mental Health Awareness on Trauma Release

July 2021

- LPG Usage Safety Awareness

August 2021

- EcoWorld Malaysia COVID-19 Mass Screening

September 2021

- Medklinn Talk
- Anxiety and Panic Management

October 2021

- Rose Foundation Campaign; Cervical Screening
- Chemical Spillage & Managing Scheduled Waste

Health and safety training programmes are offered to all EcoWorld Malaysia staff members. This year, we recorded a total of 1,610 hours of health and safety related training, with 980 staff members trained.

Incident and Injury Rates

Year	Total Hours Worked	Number of recorded injuries	Lost-time Injury Frequency Rate ("LTIFR") ²	Fatalities
FY2021	10,643,645	1	0.19	1
FY2020	17,204,605	2	0.12	0
FY2019	25,560,305	2	0.08	0

Data is inclusive of EcoWorld Malaysia staff and contractors.

Tragically, one incident this year resulted in the fatality of a contract worker at a construction site. Following the incident, work was immediately stopped at the site to allow for full investigation and report to the Department of Occupational Safety and Health ("DOSH"). The root cause of the incident was investigated and attributed to a combination of factors including human error and failure to enforce correct working procedures.

It is imperative that incidents such as this never be allowed to repeat themselves. In the days and months following the incident and investigation, we completed several training sessions with relevant workers, covering the topics that contributed to the fatality as a reminder once again on the importance of strictly observing safety protocols at site.

² The LTIFR is calculated per million working hours, using the following formula: $(\text{no. lost time injuries} \times 1,000,000) / (\text{total working hours})$. A lost time injury is defined as any injury which results in at least one day away from work for recovery. The LTIFR includes fatalities.

HUMAN CAPITAL



ESG Highlight: Eco Horizon, a Case Study in Health and Safety

The Malaysian Occupational Safety and Health Practitioners' Association ("MOSHPA") is a leading NGO on occupational health and safety in Malaysia. Their aim is to increase the overall standards of occupational health and safety through knowledge exchange and programmes which aim to recognise excellence in occupational health and safety practices across various industries in Malaysia.

Eco Horizon Sdn Bhd (a joint venture company of EcoWorld Malaysia with the Employees Provident Fund Board), is firmly dedicated to prioritising occupational health and safety at every project site. For this reason, Eco Horizon Sdn Bhd agreed to participate in the 16th MOSHPA OHS National Awards (2020), and allow for an evaluation of their current OHS standards within the ongoing development (Eco Horizon, Penang).

MOSHPA audited the "Borealis" development at Eco Horizon on the 24 September, 2020. One month later, Eco Horizon was notified by the MOSHPA Committee that Borealis had won the Platinum Award under the OSH Management on Property Development category. The Platinum Award is awarded to organisations who score a minimum of 85% on both the documentation audit and the site inspection, indicating excellent OSH performance.

Assessment criteria for the audits include:

- ✓ OHS Management Order
- ✓ Machinery Safety
- ✓ Building Operation Safety
- ✓ Scaffoldings
- ✓ Public Safety & Promotion
- ✓ Health & Welfare (Worker Quality of Life)
- ✓ Excavation & Shoring Safety
- ✓ Hot Works Safety Management
- ✓ Confined Space Safety
- ✓ Storage of Hazardous Chemicals and Scheduled Waste
- ✓ Personal Protective Equipment



^ The Award was hand delivered to Eco Horizon by MOSHPA Chairman Dato' Kannagarajah on 26 March 2021



TALENT MANAGEMENT



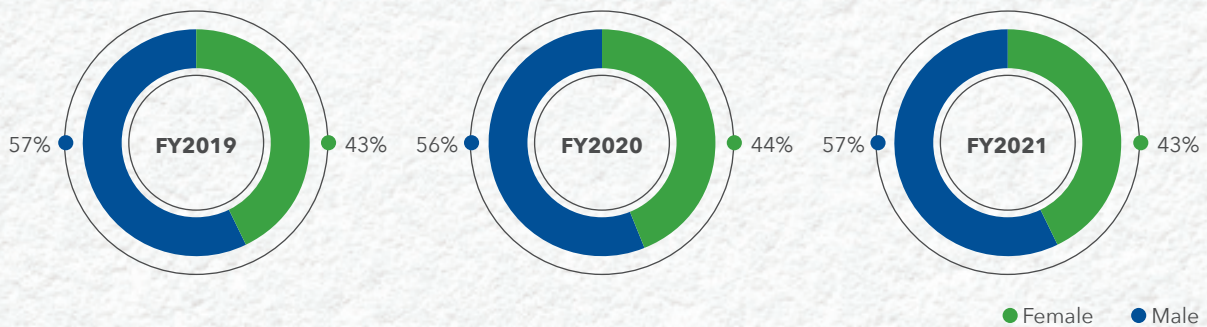
Diversity

We are committed to diversity and inclusion throughout our operations. Individuals from diverse backgrounds and experience bring a wealth of valuable insight, making our teams stronger and more innovative. All our employees are hired and promoted based on performance and individual merit. We have zero tolerance for discrimination based on age, gender, ethnicity, religion, sexual orientation, nationality, or disability.

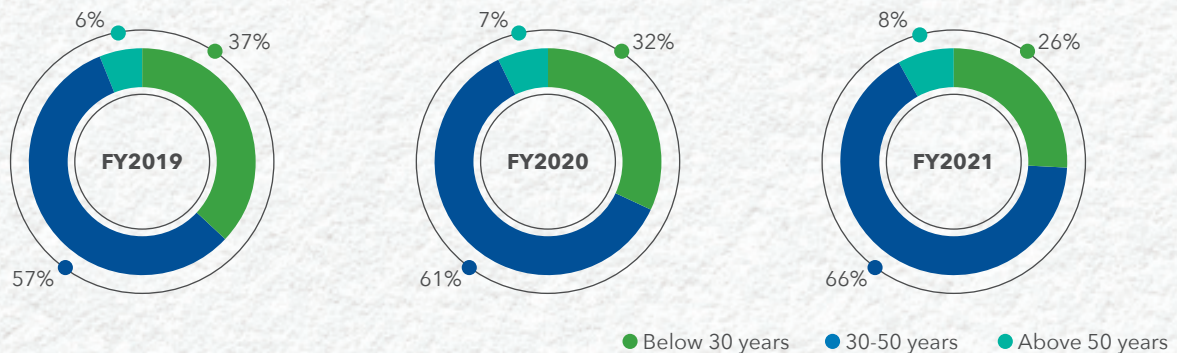
The majority of our workforce is male (57%) and within the 30-50 year age range (65%). The staff distribution across these categories has remained largely unchanged over the years. We are strong advocates for women in the workplace, and are proud to report that women hold 52% of the management roles, and women also comprise 31% of our Board of Directors.

Eight staff members (<1%) are currently contract staff. Zero (0%) staff have a disability. 99.7% of our employees are local.

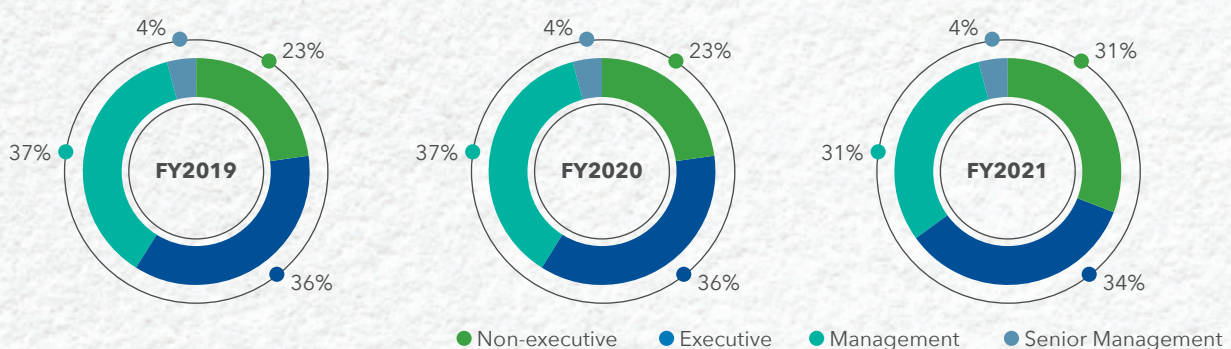
Staff Breakdown by Gender



Staff Breakdown by Age Group



Staff Breakdown by Employment Category



HUMAN CAPITAL

Women's Summit 2021

A virtual Women's Summit was held in conjunction with International Women's Day, to celebrate the social, economic, cultural and political achievements of women all around the world. We called upon our team to show their commitment to gender diversity and challenged them to call out instances of inequality, biasness, and stereotyping. The summit had a great turnout of 260 attendees.



Training and Development

Given the limits on gatherings imposed during different phases of the Movement Control Order ("MCO"), staff training sessions were largely conducted online this year. Training is offered to all staff, customised to the skill requirements of their role and employment category within the Group. The programmes aim to widen staff knowledge, sharpen skillsets, and improve problem solving at work. For example, our customer-facing teams such as the EcoWorld Residence Club ("EWRC") and EcoWorld Property Services ("EWPS") received a special training programme on how to handle negative feedback from customers. The sales administration team received training in maintaining high levels of customer service during payment collection.

Additional training sessions provided this year included:

- COVID-19 Management Webinar
- Fire Awareness Talk
- CPR & AED Refresher Course
- Induction Programme for Frontliners:
 - The power of a positive image
 - Practice the required service standards
 - The importance of each individual's contribution
- Managing Career Conversation:
 - Effective team communication for career development
- Phone Excellence
- The Power of Positive Communication for Closing Sales
- The Know-how of Online Stamping (E-stamping for Purchase Agreements)
- Leading at the Speed of Trust:
 - Creating trust as a learned skill
 - How to increase credibility
- Managing Expectations in Times of Change
- Positive Communication through WhatsApp:
 - Build customer relationships
 - Manage customer concerns
 - The importance of empathy
- Prevention of Orthopaedic Injuries at the Workplace
- Service from the Heart
- The Six Morning Habits of High Performers
- Financial Literacy & Investment

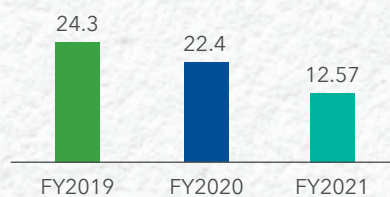




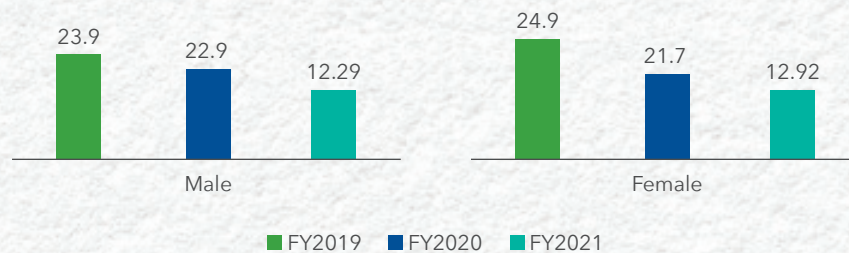
This year, a total of 15,204.85 hours of training was delivered to our team with an average of 12.57 hours per employee. A total of RM212,910.34 was invested in training programmes this financial year.

Additionally, this year the Group is honoured to have received the “Best Culture of Learning 2021” award from LinkedIn. We began our LinkedIn Learning journey in 2019 and have since continuously utilised the platform to instil the learning culture among our team. It is a privilege to be recognised as a winner in this category as this shows recognition of the value Team EcoWorld places on continuous learning.

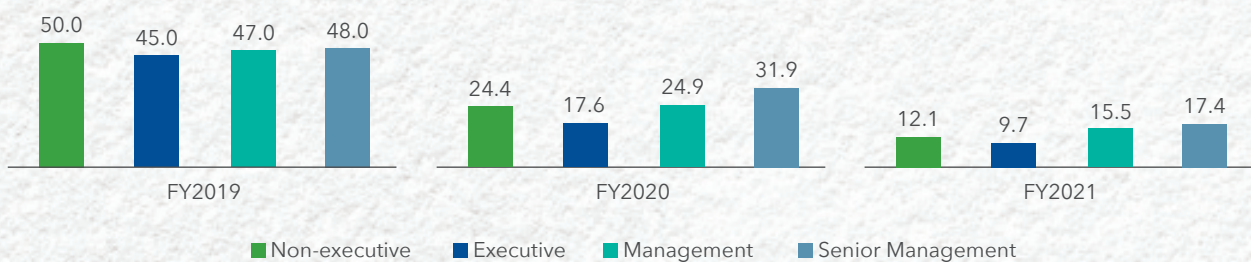
Average Training Hours per Employee



Average Training Hours by Gender



Average Training Hours by Employment Category



HUMAN CAPITAL



Staff Engagement

4DX - the Four Disciplines of Execution

This was launched at the start of this financial year, and has been practised by every business unit and supporting units. Every team member participates in their department's 4DX meeting, which is held at the same time and day each week. The meetings are for teams to get together and focus on "Wildly Important Goals" without getting off track by the whirlwind of their other day-to-day activities. The goal of 4DX is to keep the team focused on specific actions and results. The weekly sessions improve employee engagement and the commitment of each team member, which has been notably valuable especially when working-from-home.



Health Talks

We provided a variety of Health Talks including mental health topics to our staff to promote health awareness and wellness, particularly important during these stressful times. Some of the Health Talks featured this year were:

- Dr. Ng Swee Soon - The Prevention of Orthopaedic injuries at the workplace
- Dr. Tee Teong Jin - Digestive System Awareness
- Prof Dr. Woo Yin Ling - Towards the Elimination of Cervical Cancer in Malaysia, During the COVID-19 Era and Beyond
- Dr. Mohamad Ismail - Vaccination Talk with Q&A session, delivered in Bahasa Malaysia
- Dr. Alex - Vaccination Talk with Q&A session, delivered in English
- Dr. Lennie Soo - Mental Health Awareness on Trauma Release





Hari Raya Celebration

The travel and gathering restrictions did not stop our Eco Support team members from getting into the festive spirit of Hari Raya. Hundreds of “melting moments” cookies were baked with love and distributed to every division across our northern, central, and southern regions.



LABOUR PRACTICES AND DECENT WORK



Labour Standards

EcoWorld Malaysia is committed to respecting and supporting the protection of internationally proclaimed human rights, both for our staff and those workers managed by our contractors. The Group strictly adheres to the Malaysian Employment Act 1955 which prohibits child labour and forced labour. We also believe in the right to a liveable wage, and comply with all requirements of the Minimum Wages Order, 2020.

We prioritise the safety of workers not only while at work, but also with regard to their living conditions at site. We have adopted the concept of centralised labour quarters (“**CLQ**”) for our workers’ accommodation and limit the number of workers for each allocated quarter to ensure they have conducive living spaces. The compound that houses the living quarters is gated with single entry to ensure safety and security. The quarters are mainly made out of cabins, reusable from site to site.

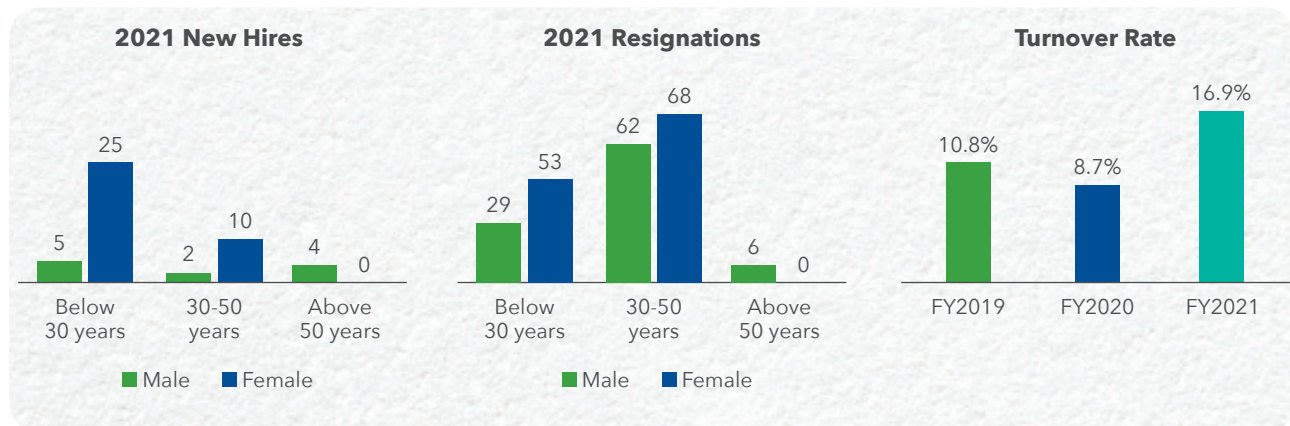
To ensure a hygienic environment at the workers’ accommodations, regular site inspections are carried out by project site personnel. There are also regulatory checks and measures such as bi-weekly fogging for pest control, which protects the workers from unwanted harm and diseases, and ensures safe and sanitary living conditions. Fogging is the responsibility of the contractor, and the Ministry of Health conducts inspections to ensure the contractor is up to mark. Potable water supply, electricity and sanitary facilities that comply with the Department of Sewerage Services requirements are provided.

HUMAN CAPITAL



New Hires and Turnover

This year, EcoWorld Malaysia's rate for hiring new staff was 3.6% and the turnover rate was 16.9%. The reasons for the higher turnover rate have been discussed above, on page 21 of this report.



Parental Leave

Parental leave is for employees who need to spend time with the family after welcoming a child. In accordance with the Employment Act 1955, women are entitled to 60 days maternity leave and men to five days of paternity leave. This year, 246 employees took parental leave and all 246 returned to work after their leave ended. 91% of those who took parental leave remain employed with EcoWorld Malaysia 12 months after returning to work.

Parental Leave Statistics	FY2021		FY2020	FY2021
	Male	Female		
Number of employees that took Parental Leave	149	97	-	-
Number of employees that returned after Parental Leave	149 (100%)	97 (100%)	100%	99.7%
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	138 (93%)	85 (88%)	94%	92%

NATURAL CAPITAL

Our natural capital demonstrates how the Group is truly committed to the protection and preservation of the natural world. By maintaining efficient use of our natural resources, and curating serene open green spaces, our goal is to enable our residents and the wider community to bask in the majesty and wonder of nature.



NATURAL CAPITAL

CLIMATE CHANGE

We acknowledge the risks to our operations posed by climate change and are committed to minimise our impacts wherever possible. This year, the Group launched our Low Carbon City initiative, which will measure the carbon footprint of our developments and enable us to determine how much carbon we can offset through our landscaping initiatives. With more than 15 parks planned over the next two years, containing 11,500+ trees and 900,000+ shrubs, combined with our current landbank development potential (remaining landbank of 4,362.97 acres), we expect our carbon-sink potential to be substantial. To date, we have planted over 75,000 trees and 8.5 million shrubs.



Low Carbon City

The Issue

Rapid urbanisation imposes environmental challenges and shifts in the local and global climate. The greenhouse effect is a major concern of our time and carbon dioxide (CO₂) is a widespread gas that absorbs outgoing terrestrial radiation, thus contributing to substantial greenhouse effect. The atmospheric concentration of CO₂ has increased significantly in the last 100 years, and is currently still rising because of ongoing fossil fuel combustion and deforestation. Studies estimate the continued CO₂ emissions trend could result in global climate changes within the next 50-100 years and consequently pose a severe risk to the global socio-economic order.

The Paris Agreement in 2015 limits the increase in global mean temperature to two degrees Celsius above pre-industrial levels, aiming at 1.5°C, but this requires urgent and ambitious collective action. To further accelerate global actions, the United Nations has included SDG13 (Climate Change) as a part of its 17 SDGs as an appeal to nations to rapidly incorporate climate change mitigation measures. Cities are responsible for about 75% of global CO₂ emissions. Rising concern about CO₂ emissions has driven interest in the potential for urban greenspace to help reduce atmospheric CO₂. Urban greenspace can reduce atmospheric CO₂ in two ways:

01

Directly, through capturing by the photosynthesis process

02

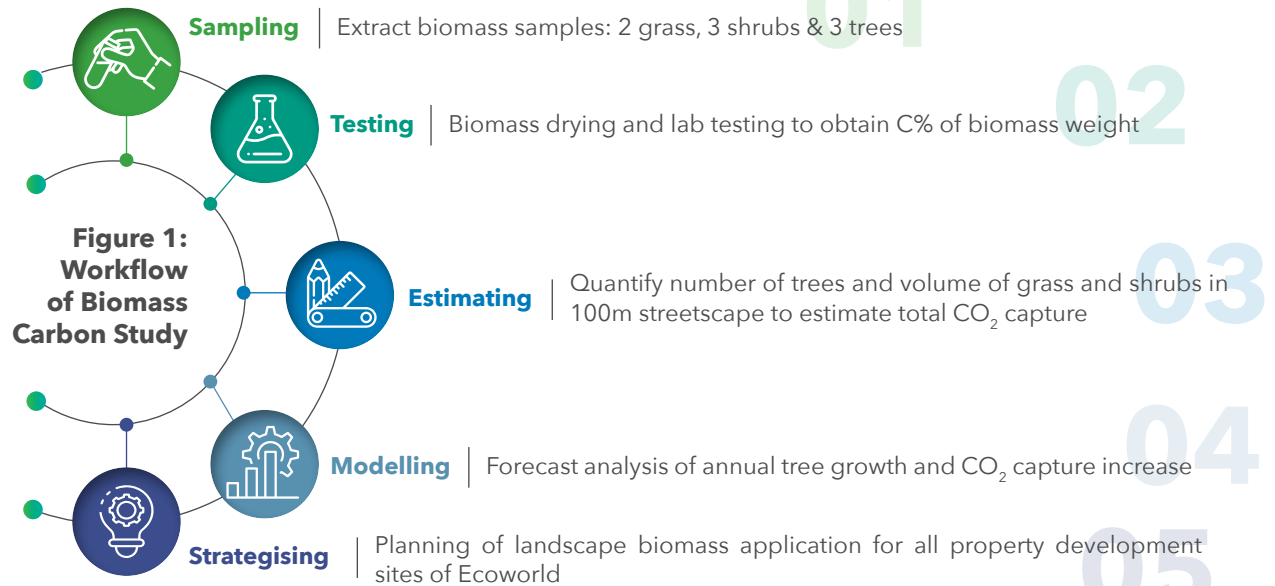
Indirectly, through cooling buildings, thus less energy and fossil fuel is used for air-conditioning

Natural Climate Solution

In principle, plants and trees (i.e. biomass) utilise the natural process of photosynthesis to produce energy and carbohydrates for forming leaves, branches, trunks and roots. To be effective, photosynthesis requires sunlight, carbon dioxide (CO₂) and water, and the process takes place in the green chloroplasts of the leaves. In other words, since atmospheric CO₂ is one of the main ingredients, the process of photosynthesis captures the gas from surrounding polluted air and turns it into solid biomass such as leaves, branches, trunks and roots. As the plants and trees grow, their biomass increases. Correspondingly, higher biomass means the plants and trees captured more CO₂. However, the gas captured cannot be measured directly from the leaves, branches, trunks and roots, but it is possible to measure the weight of the biomass (in kg) to ascertain how much CO₂ was captured. It should be stressed that if a tree is cut down or pruned, the dead biomass will rapidly decompose and the decomposition process will produce CO₂ which will return to the atmosphere. Simply put, in urban greenspaces, only live plants and trees can store or capture CO₂.

Climate Action By Ecoworld

EcoWorld Malaysia recognised our responsibility to begin decarbonising the property development processes with low-carbon practices. However, in processes where carbon emission cannot be entirely reduced, the company seeks to offset the emission with landscape biomass planted and nurtured in the streetscapes and parks. The adoption of Natural Climate Solution makes sense as EcoWorld Malaysia typically allocates high percentages of greenspace in our property development projects. Hence, the carbon offsetting potential is high. However, data and knowledge on how CO₂ capture can be systematically done in urban greenspaces is still absent and fragmentary in tropical Southeast Asia, more so in Malaysia. CO₂ capturing programmes are now largely centred in natural landscapes such as the rainforest, mangroves and peat forest. Data and knowledge emerging from such programmes cannot be applied seamlessly in urban landscapes as the natural biophysical environment which the trees and plants grow in is often very different.



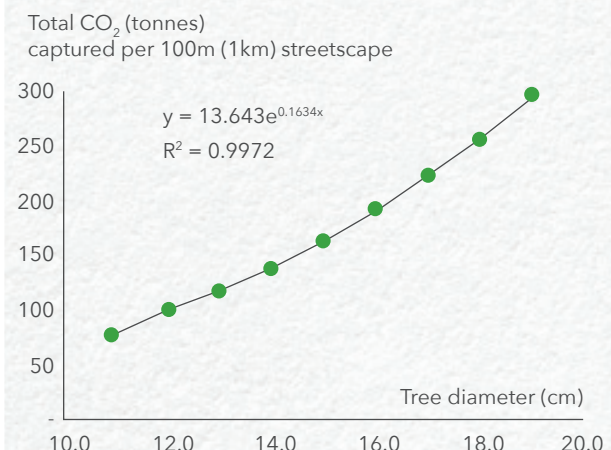
In FY2021, a pilot study was carried out in Eco Ardence, one of our flagship development sites, to set the foundation for the carbon offsetting. The elegance of methods utilised in this study is that the approach breaks down botanical biomass into the basic denominations in the urban landscape design adopted by Eco Ardence, namely grass, shrubs and trees in their volumetric values to estimate the overall biomass carbon (C) and CO₂. With such systematic partitioning of volumetric values to support C accounting, the method can be replicated in any other landscapes in any property development site by EcoWorld Malaysia (Figure 1). For scientific veracity, samples of grass, shrub and tree species commonly planted were extracted and tested in MS ISO/IEC 17025 accredited laboratory for carbon capture capability. The results are itemised in Table 1.

Table 1. Carbon percentage (C%) by biomass weight (kg) of sampled biomass.

Biomass Type	Species Scientific Name	Carbon %
Grass	Zoysia sp.	40.1
	Axonopus compressus	35.0
Shrub	Eugenia oleina	44.2
	Carmona retusa	42.5
	Acalypha siamensis	45.8
Tree	Neolitsea zeylanica	44.8
	Caesalpinia ferrea	43.7
	Fagraea fragrans	48.2

A further study was deployed to estimate the total CO₂ capture in two exemplar streetscapes. It was found that every 100m of streetscape has captured between 7.66 to 8.59 metric tonnes of CO₂. Since more CO₂ is expected to be captured as the trees grow larger, an annual increase model of 1cm in diameter and 1m height was applied to estimate tree growth and increase in CO₂ capture by the streetscapes. Using conservative values, it was found that CO₂ capture increases exponentially as trees grow larger and the correlation can be expressed by the exponential equation of $y = 13.643e^{0.1634x}$ (Figure 2). In other words, the CO₂ capture capability of streetscapes may increase about three-fold in 2030.

Figure 2: Exponential Increase of CO₂ Capture as Trees in the Streetscape Grow Larger



NATURAL CAPITAL

The findings accentuate the vast potential of carbon capture and offsetting in Eco Ardence and by extension all other EcoWorld Malaysia property development sites. Moreover, when the trees become larger, their ability to cool the surrounding microclimate also increases. Therefore, such a favourable condition is expected to indirectly minimise energy and fossil fuel used for air-conditioning in houses and buildings.

As the biomass C accounting project at Eco Ardence progresses in subsequent years, it is expected to be enriched with more and higher resolution data to improve the baselines and estimates. The data will be useful for scaling-up to other property development sites undertaken by the Group for the widest application of carbon capture to successfully support the United Nations' call for Climate Action and improvement of our Life on Land. Based on the results of the study, the total carbon capture of Eco Ardence can be estimated at 1,008 tonnes of CO₂, since the planting of its greenery in 2017 up until 2021. We are excited to expand this pilot study to unlock the carbon sink potential at our other development sites in the coming years.



⤴ Biomass sampling of grasses and shrubs at Eco Ardence for laboratory analysis for the carbon capture study



⤴ The different vegetation zones used to estimate Eco Ardence's total carbon sink potential in 2021



Energy Consumption

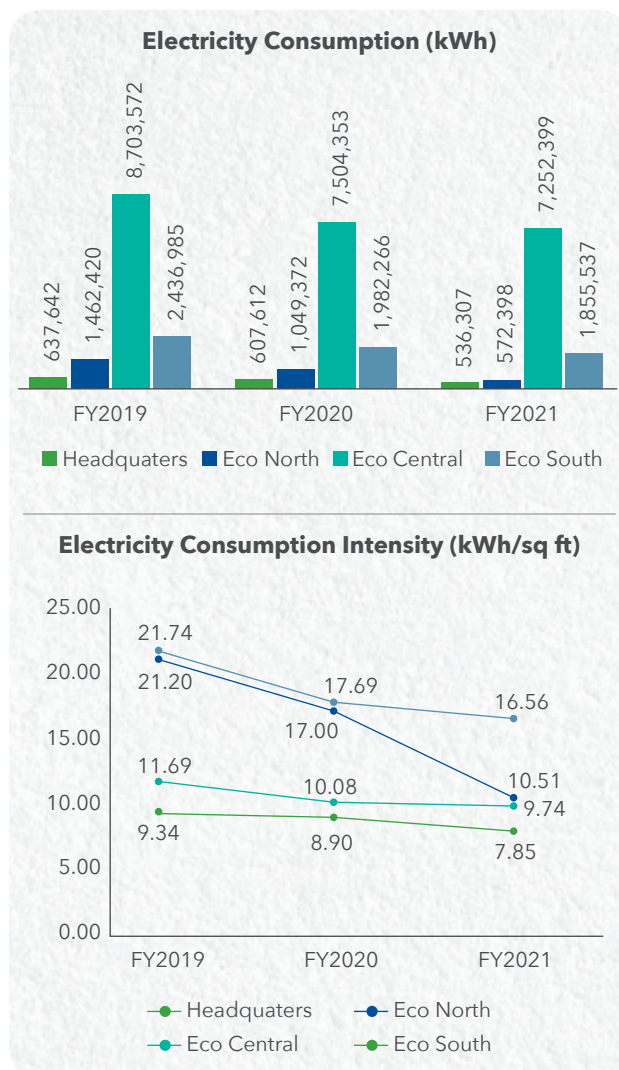
Electricity and emissions data are reported by region, as follows:

Eco South	Eco Central	Eco North	Headquarters (HQ)
The Tomorrow Centre	Eco Ardence	Eco Horizon	Setia Alam Office
Eco Tropics	Eco Sanctuary	Eco Macalister*	
Eco Spring	Eco Grandeur	Eco Meadows	
Eco Summer	Eco Business Park V		
Eco Business Park I	Eco Majestic		
Eco Business Park II	Eco Forest		
Eco Business Park III	BBCC		
Eco Botanic			

* Data for Eco Macalister inclusive up to June 2020, when the gallery and showrooms were permanently closed.



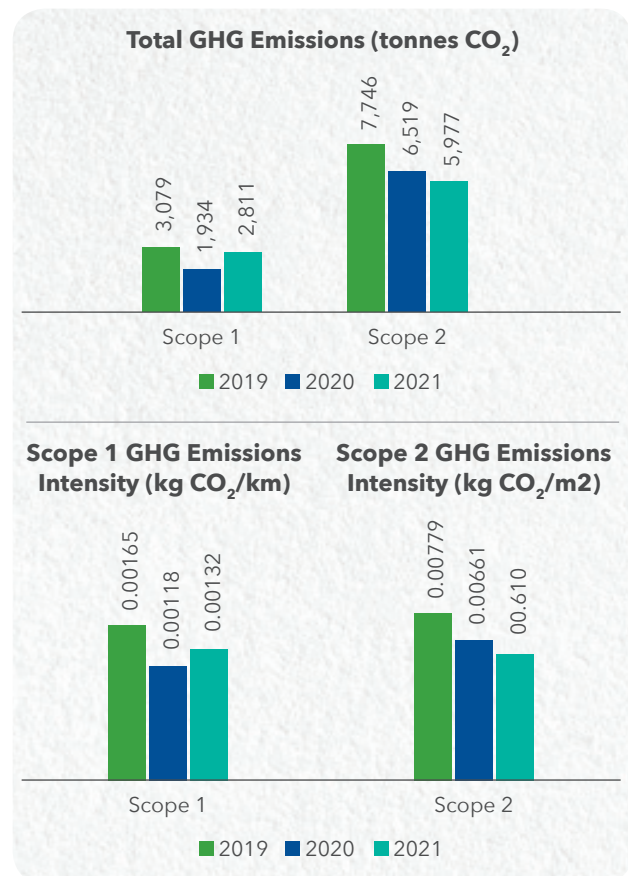
Since 2019 we have recorded a steady decrease in electricity consumption and intensity across all regions. A significant portion of this reduction can be attributed to the COVID-19 pandemic, which resulted in the intermittent closures of our offices, sales galleries and showrooms. As we move forward into the “new normal”, we are committed to maintain optimally low levels of energy consumption to minimise our environmental impact.



Greenhouse Gas Emissions

For the first time this year, we collected data on fuel consumption in addition to electricity consumption, to provide a more complete picture of our greenhouse gas (“GHG”) emissions. The emissions reported include scope 1 (direct emissions from the burning of carbon fuel sources such as petrol and diesel³ and scope 2 (emissions produced from the consumption of grid electricity), calculated using an emission factor⁴.

Based on the electricity consumption reported above, our total GHG scope 2 emissions have been steadily decreasing since FY2019. Our scope 1 emissions have increased this year, as the easing of MCO restrictions has resulted in increased use of company vehicles.



³ Emissions data from fuel has been calculated using an estimated fuel volume based on purchase price, using average petrol and diesel prices for each reporting year.

⁴ Emissions from carbon fuel sources have been calculated using emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Emissions from grid electricity have been calculated using the emission factor for Peninsular Malaysia from the 2017 CDM Electricity Baseline for Malaysia by the Malaysia Green Technology Corporation.

NATURAL CAPITAL

BIODIVERSITY

We salvage and replant trees from our project sites to reduce the impact of our developments on local biodiversity and vegetation at the sites. In collaboration with the Forest Research Institute of Malaysia we harvest healthy trees which are then re-planted as part of the landscaping process once construction is complete. Each tree is handled with care to ensure healthy growth during the restoration process. To date, a total of 3,226 trees have been saved across our developments.

As part of the site-selection process, we assess the habitat value of our potential new development sites. This ensures we do not position ourselves to build on environmentally sensitive areas. The group is committed to only source deforestation-free and non-peat lands for its future development needs.



Native trees being salvaged for replanting at Eco Spring, Iskandar Malaysia



ESG Highlight: Eco Spring, a Case Study in Biodiversity

Eco Spring's *Home in the Garden* concept is based on five key features:



Minimum cut & fill earthworks



Balanced ecosystems



Green living



Water management



Parks, gardens & green belt





To minimise waste and pollution caused by cut and fill, the development was designed to follow the natural shape of the landscape, including the preservation of the natural topography of the waterbodies. This allowed the landscape to maintain its natural drainage patterns and native vegetation. The waterbodies act as a natural border between the residential and commercial areas, and encourage the growth of local flora and fauna. Aquatic plants provide bio-filters, erosion control, and habitat for aquatic life. The use of natural drainage patterns, with select implementation of detention ponds provides flood mitigation.

As part of the planning phase prior to construction, a biologist conducted a survey of the site to study the plants and animals native to the project location. The landscaping plants were then selected with those species in mind. Trees and shrubs have been chosen as a food source for local bird and butterfly species - including migratory bird species, to attract wildlife into the township. Tropical plants and local species are used, which suit the climate and soil conditions. With 22% of the township covered by greenery, the overall temperature is reduced by 4-7 degrees compared to the surrounding areas.

Eco Spring also boasts a 1-hectare dedicated nursery space for growing and propagating trees and shrubs. These can later be used in the landscaping of the development, with minimal environmental impact from transport as they are all grown on-site. Over 50,000 shrubs and plants have already been grown here.



⬆ The nursery at Eco Spring, Iskandar Malaysia

MATERIAL AND WASTE MANAGEMENT

Property development is resource intensive. To minimise the consumption of raw materials, we plan, innovate and optimise resources, while still providing our customers the quality finish they expect from an EcoWorld Malaysia development.

The scheduled waste generated on site is disposed of following Department of Environment requirements. Correct disposal reduces the risk of cross-contamination or leakage, protecting our environment and the surrounding community.



Reuse and Recycle

Reusable aluminium formwork is used during the construction process, resulting in less wastage. We also utilise autoclaved aerated concrete ("AAC") blocks wherever possible in construction. AAC is lightweight and pre-cast, allowing for precise sizing which reduces wastage. Throughout the construction process, opportunities for recycling are embraced whenever possible. For example, the use of premix for repairing access roads and the reuse of empty bottles to protect starter bars on-site.



NATURAL CAPITAL

At our showrooms, whenever possible, we reuse quality furniture from previous showhouses. When the showhouse is closed, the furniture is moved into other showhouses, or we conduct a clearance sale and invite our customers to participate. This significantly reduces furniture waste and also saves on the cost of purchasing new goods.

We run paper and plastic recycling programmes for our residents, which raises awareness of recycling opportunities and reduces the volume of waste sent to landfills. We also provide recycle bins in all sales galleries, and for our staff at headquarters. Even our uniforms contribute to our recycling efforts, with each shirt partially made from 11 recycled plastic bottles.

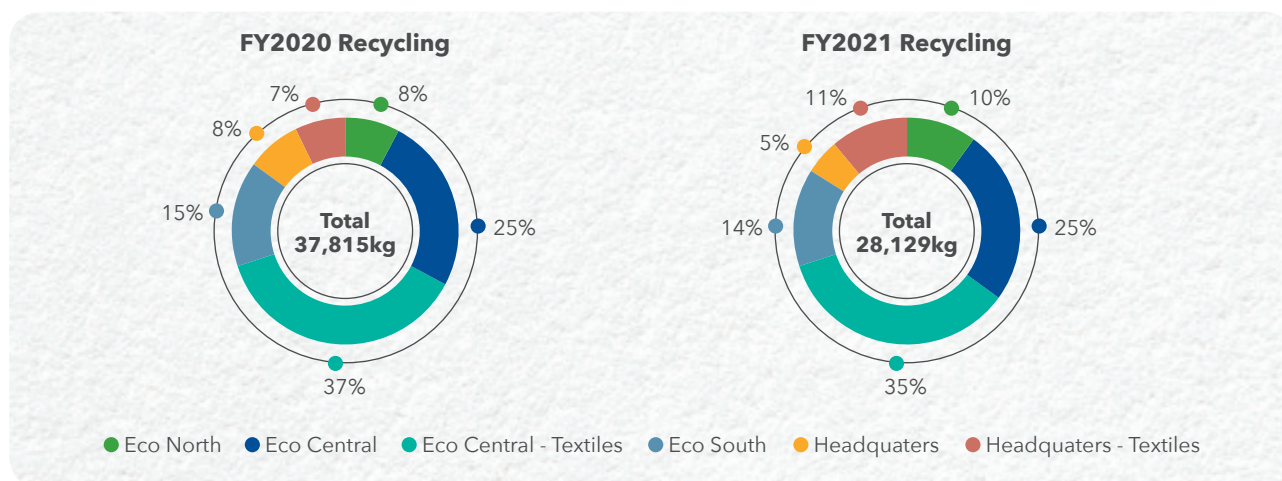
In addition to collecting general recycling of paper, cartons, plastics, glass, tins, and electronics from our galleries and headquarters, we operate two textile recycling collection points; one at Eco Ardenne, and one at our Headquarters. In FY2021, our recycling efforts resulted in 15,154.3kg of general recycling, and 12,974.4kg of textiles being collected for recycling.



Recycling and waste data is reported by region, as follows:

Eco South	Eco Central	Eco North	Headquarters (HQ)
The Tomorrow Centre	Eco Ardenne	Eco Horizon	Setia Alam Office
Eco Tropics	Eco Sanctuary	Eco Macalister*	
Eco Spring	Eco Grandeur	Eco Meadows	
Eco Summer	Eco Business Park V		
Eco Business Park I	Eco Majestic		
Eco Business Park II	Eco Forest		
Eco Business Park III	BBCC		
Eco Botanic			

* Data for Eco Macalister inclusive up to June 2020, when the gallery and showrooms were permanently closed.





Waste Management

Our day-to-day operations at headquarters, construction sites, and sales galleries all generate various types of wastes. All wastes are correctly handled, by licenced contractors to ensure proper disposal according to the waste type.

Year	2021			2020			2019		
Waste Type (kg)	Construction Waste	Domestic Waste	Scrap Metal	Construction Waste	Domestic Waste	Scrap Metal	Construction Waste	Domestic Waste	Scrap Metal
Eco South	1,228,496	556,747	-	2,604,343	1,016,917	-	994,195	1,285,995	-
Eco North	-	-	-	138,250	77,377	57,290	182,800	308,970	100,520
Eco Central	18,973,350	1,183,497	847,000	17,095,590	965,471	598,000	15,381,490	920,909	914,000

Year	2021				2020				2019			
Waste Type	SW305 (L)	SW408 (MT)	SW409 (MT)	SW410 (MT)	SW305 (L)	SW408 (MT)	SW409 (MT)	SW410 (MT)	SW305 (L)	SW408 (MT)	SW409 (MT)	SW410 (MT)
Eco South	-	0.139	-	-	17	0.189	-	-	23	0.133	-	-
Eco North	-	-	-	-	2	0.132	-	0.076	-	-	-	-
Eco Central	94	0.336	0.202	0.06	443	1.502	0.320	0.091	181	1.101	0.363	0.626

SW305 Spent lubricant oil	SW408 Contaminated sand/soil
SW409 Contaminated containers	SW410 Contaminated rags

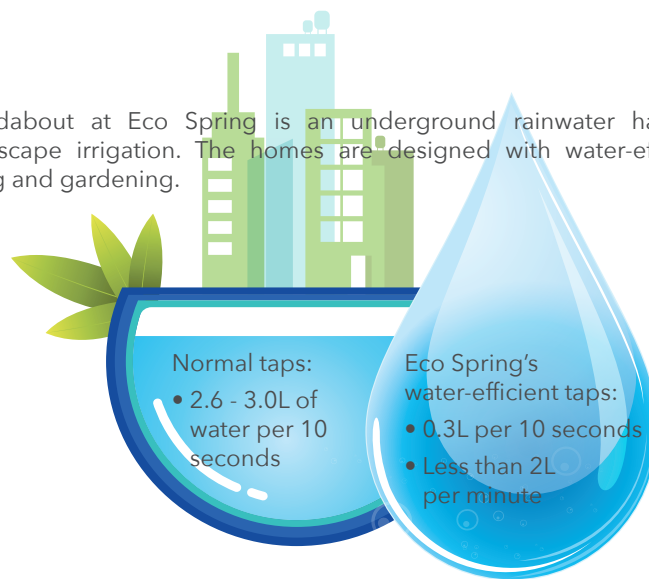


Eco Spring, Iskandar Malaysia

NATURAL CAPITAL


WATER STEWARDSHIP

Beneath the signature roundabout at Eco Spring is an underground rainwater harvesting system, installed to collect rainwater for landscape irrigation. The homes are designed with water-efficient taps and rainwater harvesting systems for washing and gardening.



None of our developments or operations are located in water-stressed regions.



 The rainwater tank sits beneath Eco Spring's signature roundabout



In addition to rainwater harvesting, our Group Landscape department utilises water collected from the detention ponds in our developments to water the grass, plants and foliage as an alternative to using treated water. The estimated total conservation on treated water usage is almost 180,000m³* from 2019 to 2021 as shown in the table below.

Description	Eco South		Eco Central		Eco North	
	Business Unit	No of Lorry Tankers	Business Unit	No of Lorry Tankers	Business Unit	No of Lorry Tankers
	Eco Botanic	1	Eco Majestic	1	Eco Horizon	2
	Eco Spring	1	Eco Forest	1	Eco Meadows	1
	EBP I	1	Eco Sanctuary	1		
	EBP II	1	Eco Grandeur	1		
	Eco Tropics	1	Eco Ardence	1		
Total no of lorry tanker		5		5		3
Total estimation of water usage (per year)		23,040m ³		23,040m ³		13,824m ³
Total estimation of water usage (from 2019-2021)		69,120m³		69,120m³		41,472m³
Total estimation of water usage (from 2019-2021)						179,712m ³

* Formula for water usage estimate per year:

2000 litres per tanker x 8 trips per day x 24 days per month x 12 months

= 4,608,000 litre per tanker/year

= 4,608 m³ per tanker/year

In our townships in Penang, we have two unique alternative water sources. Eco Meadows' watering source is from the detention pond while Eco Horizon's is taken from the nearest Indah Water Konsortium Sewage Treatment Plant by tapping out their Bioeffluent water. Bioeffluents are produced from the wastewater treatment process before typically being released to the river and environment. The reuse of Bioeffluents can reduce dependency on treated water supply, especially in landscaping, non-food crops and the creation of artificial wetlands.



Eco Horizon, Penang

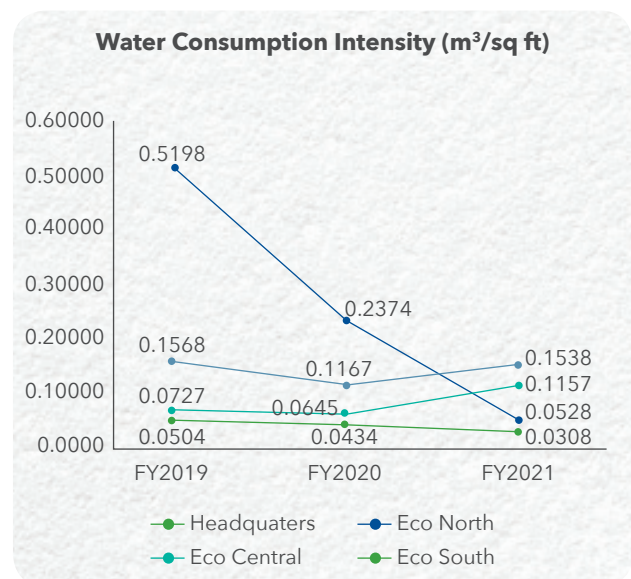
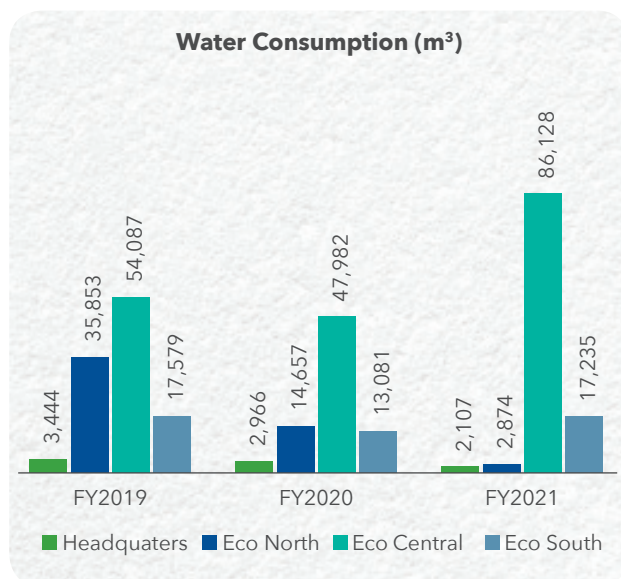
NATURAL CAPITAL

Water Consumption data is reported by region, as follows:

Eco South	Eco Central	Eco North	Headquarters (HQ)
The Tomorrow Centre	Eco Arden	Eco Horizon	Setia Alam Office
Eco Tropics	Eco Sanctuary	Eco Macalister*	
Eco Spring	Eco Grandeur	Eco Meadows	
Eco Summer	Eco Business Park V		
Eco Business Park I	Eco Majestic		
Eco Business Park II	Eco Forest		
Eco Business Park III	BBCC		
Eco Botanic			

* Data for Eco Macalister inclusive up to June 2020, when the gallery and showrooms were closed.

Since 2019, we have recorded a steady decrease in both volume of water consumed, as well as the consumption intensity per square foot, with the exception of Eco Central and Eco South, both which have shown an increase in 2021. At Eco Central, the majority of this increase is due to contractor water usage at BBCC, where the contractor temporarily tapped into the main water line to clean the site as works progressed.





SOCIAL AND RELATIONSHIP CAPITAL

Strong relationships form the foundations to trust and success, and this is highlighted by our social and relationship capital. We foster positive, meaningful relationships with our customers and community, building partnerships to make our communities a better place.



SOCIAL AND RELATIONSHIP CAPITAL

CUSTOMER EXPERIENCE AND BRAND RECOGNITION



Customer Engagement

Our focus for customer engagement this year was related to health and wellness. Informative graphics were designed to cultivate awareness and promote cooperation with SOP compliance to curb the spread of COVID-19.



In recent years we have increasingly run digital marketing campaigns to embrace online communication and social media, with #HOPE, #Help2Own, #Stay2Own, #ForGenerations, and #YouBelong. They were designed to resonate with customers of all ages, ethnicities and walks of life.

FOR
GENERATIONS





Customer Satisfaction Surveys

Customer feedback is extremely important to us. This year, we've enhanced our Customer Satisfaction Survey experience. Previously delivered at two stages (customer purchase agreement and defect resolution), our surveys are now distributed at seven different stages in the process, spanning from the time the customer registers with us, up to the day they move in. This enables us to obtain feedback at each and every stage of the purchasing process, not just at the end.

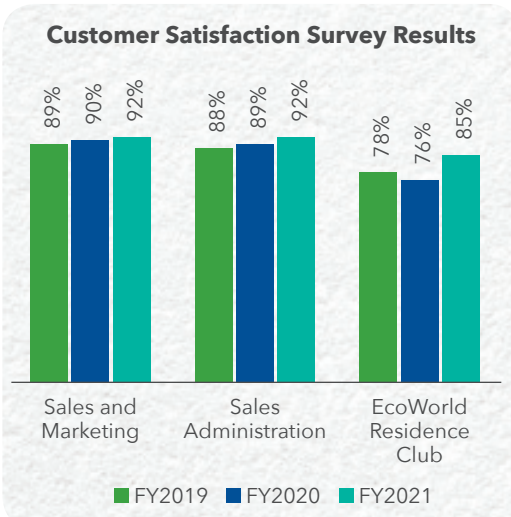


- 1 Customer registration
- 2 Signing of purchase agreement
- 3 Progress billing
- 4 Key collection
- 5 Notice of rectification of defects
- 6 Consent of application for renovation
- 7 Closure of defect rectification

Concurrently with survey delivery improvements, we enhanced the ability for department heads ("HODs") to access the survey results in real time. Previously survey results were shared quarterly with some HODs and biannually with others. Now HODs have access to the results immediately after a customer completes the survey. This has provided opportunities for our team to contact customers immediately if the feedback received is below expectations, to resolve any lack of customer satisfaction.

Internally, we share the Group-wide scores from the survey every two weeks, acknowledging business units and employees noted by the customers for their excellent service. This open acknowledgement motivates the team.

Customer Satisfaction Survey Results



Product Quality

We have developed an internal system to assess product quality, named the Product Readiness Assessment ("PRA"). The PRA assesses aspects of functionality and finish quality prior to the property being handed over to our customers. Elements examined include tiling, internal paint, electrical functionality, plumbing functionality, final cleanliness, and a check for leakages. The PRA is carried out at all developments once complete. Assessment scores are shared internally and regularly reviewed. Our team strives to improve quality with immediate corrective and preventative strategies whenever a defect is discovered.

SOCIAL AND RELATIONSHIP CAPITAL

COMMUNITY DEVELOPMENT

This year, to prevent the spread of the contagion in Malaysia, there were restrictions on movement and gathering. Due to this, we were unable to carry out the same range of community engagement activities that we regularly conduct every year.



Providing Support During COVID-19

Adapting to the new normal, we wanted to ensure our community remained well looked after even though we could not engage with them in person. In March and April 2021, we contributed RM55,000 worth of food vouchers to a COVID-19 special aid programme run by the Eco World Foundation. Our contribution helped approximately 150 families struggling financially due to the pandemic.

We also launched *Bina Bersama* in partnership with iMedia Asia (a digital media company), an initiative to support local businesses. We believe that local businesses are the lifeblood of our communities, and we want to show our support for local aspiring entrepreneurs by offering a platform on which they can thrive and succeed. *Bina Bersama* encourages business owners to set up shopfronts in EcoWorld Malaysia's range of shop lots, commercial hubs, and malls. We offered businesses who join us the opportunity to win digital media advertising packages and the potential to reach 5.9 million users across iMedia's various online media platforms.

In conjunction with Merdeka Day, we launched the annual *#AnakAnakMalaysia* campaign in partnership with the Star Media Group. This year, we showcased a series of short films highlighting the inspiring journeys of people who reinvented their careers during the depths of the COVID-19 pandemic. We also encouraged our social media followers to support local eateries by taking photos of their meals, tagging *#SapotLokalMakanLokal* and *@ecoworld* to get their favourite outlets featured on our social media pages, thereby drumming up business opportunities for local entrepreneurs.

Bantu by Team EcoWorld was a staff-led programme initiated to collect funds to support local communities that were struggling due to the pandemic. Despite having only one week to collect donations, the team managed to successfully raise a total of RM80,000 for the cause. Beneficiaries of this initiative included:

- Victory Home in Klang Valley, a sanctuary for the elderly and for orphaned children;
- The Handicapped and Mentally Disabled Children Association of Johor, currently caring for over 200 special needs children;
- The *Orang Asli* community in Gambang, Pahang;
- 25 severely disadvantaged families living near our projects in Penang; and
- 200 families under the Eco World Foundation's Students Aid Programme.



Recipients of the *Bantu* by Team EcoWorld initiative



The floods caused by the extremely heavy rainfall in December 2021 brought utter devastation to many residents in Klang Valley, including members of Team EcoWorld.

The Group quickly mobilised various teams to provide relief for flood victims in the worst hit areas. Efforts of our first responders include the following:

- Collection stations for flood aids and donations of basic necessities were immediately set up at Eco Ardence, Eco Grandeur, Eco Sanctuary and Eco Majestic and a list of items most required was shared with the community via digital & social media channels;
- Team EcoWorld members from Business and Support Units helped organise the entire effort and worked alongside community volunteers to segregate, sort & pack all items donated into the categories required; and
- Other members of our team distributed the packed donation items to flood relief centres in the Klang Valley, assisted in evacuation and setting up temporary shelters and tents for the victims, supported the local authorities in clean-up efforts & many other works over several days & nights in the immediate aftermath of the floods.

For our staff members who were badly affected by the floods, the Group provided the following additional assistance:

- Temporary accommodation was arranged for those most seriously affected with some food and other basic necessities supplied; and
- Several teams comprising members of Team EcoWorld and our workers were sent to our colleagues' homes that were badly damaged by the floods to help with the cleaning & arrange for the disposal of damaged items.

In addition, *Bantu* by Team EcoWorld for Team EcoWorld, a staff-led programme was initiated to assist our teammates which raised RM26,180 in a week from members of Team EcoWorld. EcoWorld Malaysia contributed another RM148,820 to this cause to increase the total fund size to RM175,000. The funds collected were used to help our teammates and their families who were most affected by the flood get back on their feet.



▲ Ardence Labs converted into a makeshift flood relief collection centre



▲ Team EcoWorld assisting at Setia Alam Flood Relief Centre in December 2021



Education

Our Students Aid Programme (initiated in 2014 under the Eco World Foundation) continues to support basic educational needs for the less fortunate regardless of gender, religion, or ethnicity. The sponsored primary and secondary students received essentials such as uniforms, books, stationary, meals, spectacles, and tuition fees. Tertiary students received tuition fees as well as living expenses. At end of FY2021, the Programme is supporting 2,074 students.

Number of students currently sponsored, by grade level	Male	Female
Primary	780 (43%)	1,014 (57%)
Secondary	81 (34%)	158 (66%)
Tertiary	13 (32%)	28 (68%)

Aware of the potential implications of the pandemic on our student's mental health, we provided counselling for students in lockdown on campus and away from home. EcoWorld Malaysia team members made regular phone calls to the students to make sure they were coping with the stress caused by the lockdown.

SOCIAL AND RELATIONSHIP CAPITAL

We are pleased to report that all students remain in good mental and physical health, and are coping well with online classes. We also conducted online interviews with our tertiary students who obtained offers from university this year, to help determine their eligibility and provide support.



Community Spirit

In addition to the programmes and aid delivered under the Eco World Foundation, the Group has initiated programmes and engaged with the communities where we operate.



⤴ Eco Grandeur ran a blood donation campaign with RM10 Grandeur Labs vouchers provided to all who donated. It had a great turnout, with 72 people donating blood at the event



⤴ Eco North sponsored grocery items for 120 Kalidonia residents during the FMCO in July 2021

Eco Ardence hosted a "snap and win" competition open to residents of the Aeres precinct, challenging them to capture an image of their "best moment"; either at home, at Eco Ardence, or at Ardence Labs. The friendly competition was designed to raise community spirit and bring good cheer to our residents. Winners in each category received a RM100 Ardence Labs voucher.

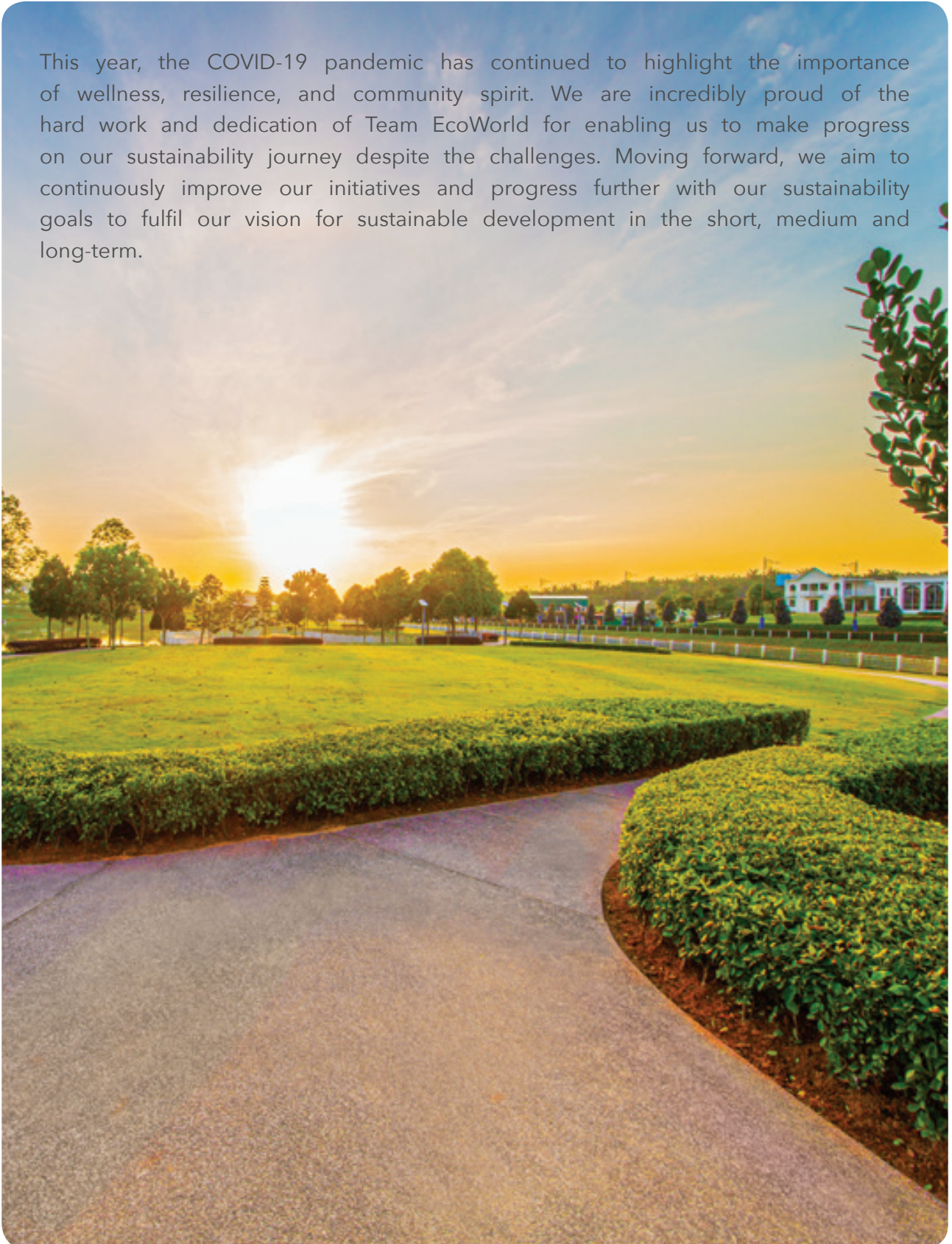


⤴ A winning entry in Eco Ardence's "snap and win" competition



CONCLUSION

This year, the COVID-19 pandemic has continued to highlight the importance of wellness, resilience, and community spirit. We are incredibly proud of the hard work and dedication of Team EcoWorld for enabling us to make progress on our sustainability journey despite the challenges. Moving forward, we aim to continuously improve our initiatives and progress further with our sustainability goals to fulfil our vision for sustainable development in the short, medium and long-term.



GRI

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