



SUSTAINABILITY SUKUK
ALLOCATION & IMPACT REPORT
LBS BINA GROUP BERHAD

01 SUSTAINABLE FINANCING: SUKUK WAKALAH PROGRAMME

LBS Bina Group Berhad (LBS) is committed to addressing today's environmental and social challenges through sustainable solutions, with a strong focus on sustainable financing as a key strategy for supporting sustainable development. Our efforts are directed towards identifying opportunities to expand the positive impact of our practices, particularly in areas most relevant to our operations and stakeholders. We prioritise investments that promote environmental and social sustainability, such as projects that reduce our carbon footprint, support eco-friendly innovations, improve energy efficiency and investment into community infrastructure.

To fund initiatives that tackle these critical issues, we have developed [LBS Sustainability Financing Framework](#), which outlines the criteria and processes for allocating net proceeds from green, social, or sustainability bonds. By integrating sustainable financing into our operations, we ensure that we are making responsible, impactful contributions to environmental protection while creating long-term value for both our business and society. Additionally, MARC Ratings Berhad has issued a 'gold' second party opinion on LBS Sustainability Financing Framework, the highest on MARC's scale.

In January 2024, LBS Bina Group Berhad successfully issued the first tranche of ASEAN Social SRI Sukuk Wakalah, valued at RM200.0 million, signifying the commencement of its RM750.0 million Sukuk Wakalah Programme. LBS is the first real estate developer in Malaysia to issue an ASEAN Social SRI Sukuk Wakalah with its proceeds to be tagged to affordable housing. MARC Ratings Berhad has assigned an AA-IS rating with a Stable outlook on the Sukuk Wakalah Programme. The proceeds from this issuance are utilised towards projects that meet the criteria as set out in the Sustainability Financing Framework.



Investor Townhall, January 2024

02 SUMMARY OF SUKUK ALLOCATION

As of January 2024, RM200.0 million of the first tranche of the sukuk proceeds was allocated to the eligible projects as identified in the Sustainability Financing Framework. The **first tranche** covered four (4) projects, comprising two (2) affordable housing developments, located at Mercu Jalil and Idaman BSP, and two (2) community facilities and infrastructure, which are the development of Bandar Saujana Putra flyover and Surau Al Amin located at Cameron Highlands. These projects, which have all been completed, were aligned with six (6) UNSDGs, including SDG 1, 3, 4, 8, 11 and 13. This table illustrates the allocation summary of the funded Eligible Projects as of January 2024:

DESCRIPTION OF ELIGIBLE PROJECT	TYPE OF UTILISATION (NEW PROJECT/ REFINANCING)	STATUS OF ELIGIBLE PROJECT	AMOUNT ALLOCATED TO ELIGIBLE PROJECT (RM MILLION)
Affordable Housing			
Idaman BSP	Refinancing	Completed	115.0
Mercu Jalil	Refinancing	Completed	48.6
Socio-economic Advancement and Empowerment			
BSP Flyover	Refinancing	Completed	35.0
Surau Al Amin Ibu Pejabat Polis Daerah Cameron Highlands	Refinancing	Completed	1.4
TOTAL			200.0



“LBS Bina Group Berhad is the 1st Real Estate Developer in Malaysia to issue an ASEAN Social SRI Sukuk Wakalah with its proceeds to be tagged to affordable housing.”

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San,
Group Executive Chairman

03 IMPACT SUMMARY: AFFORDABLE HOUSING

Aligned with LBS's aspiration to become a renowned and people-centric developer, LBS is committed to leveraging its expertise in the affordable housing sector. By focusing on affordable housing, LBS not only establishes a stable financial foundation but also demonstrates its dedication to addressing Malaysia's housing needs, particularly in key areas such as the Klang Valley.

LBS actively collaborates with both federal and state governments to tackle Malaysia's affordable housing challenges. To further support these objectives, LBS has allocated funds to the following projects :

- 1) Idaman BSP @ Bandar Saujana Putra
- 2) Mercu Jalil @ Bukit Jalil



03 IMPACT SUMMARY: AFFORDABLE HOUSING

1) IDAMAN BSP

LBS spearheads the 'Rumah Idaman MBI' affordable homeownership initiative, in collaboration with the Selangor State Government that was introduced by the Menteri Besar Selangor Incorporated ("MBI") in 2019. The high-rise homes under this program is designed for modern living, each 'Rumah Idaman' prioritises comfort and efficient space utilisation, featuring family-centric facilities

IMPACT:

1,312

apartment units from 1,000 sqft have completed, with 3 bedrooms per unit

5,428

residents (assuming 4 residents per unit) estimated to benefit from this affordable housing projects



Idaman BSP @ Bandar Saujana Putra

03 IMPACT SUMMARY: AFFORDABLE HOUSING



Mercu Jalil @ Bukit Jalil

2) MERCU JALIL

LBS developed Mercu Jalil in Bukit Jalil, and the project is under the scheme of Perumahan Penjawat Awam Malaysia (“PPAM”) Housing Program, which aims to provide affordable housing options for government servants. This program was established to help them own homes.

IMPACT:

1,360

apartment units completed, measuring 1,000 sqft (Type A) and 1,200 sqft (Type B) with 3 bedrooms per unit

5,440

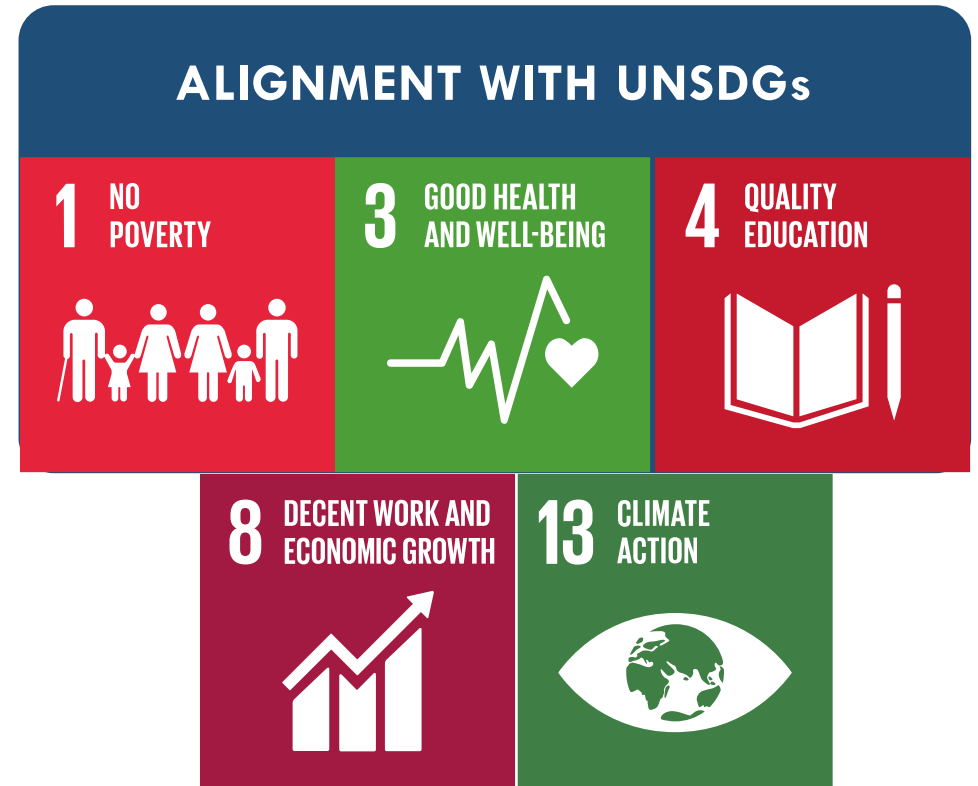
residents (assuming 4 residents per unit) estimated to benefit from this affordable housing projects

03 IMPACT SUMMARY: SOCIO-ECONOMIC ADVANCEMENT & EMPOWERMENT

LBS brings significant benefits to the areas where it operates by developing infrastructure that transforms the urban landscape and stimulates economic growth. By focusing on socio-economic advancement, LBS contributes to the long-term well-being of local communities and society at large, fostering social equity and economic resilience. These efforts aim to enhance the quality of life for residents and drive continued prosperity in the regions where the Group operates.

To support these goals, LBS has directed resources towards projects such as:

- 1) BSP Flyover
- 2) Surau Al-amin Ibu Pejabat Polis Daerah Cameron Highlands



03 IMPACT SUMMARY: SOCIO-ECONOMIC ADVANCEMENT & EMPOWERMENT

1) BSP FLYOVER

LBS has undertaken the construction of the uniquely situated BSP flyover that connects the SKVE and the ELITE highways.

IMPACT:

1. The flyover is specifically designed to alleviate traffic congestion, particularly during peak periods.
2. The flyover benefits 20,000 BSP residents and the public by improving connectivity and alleviating traffic congestion, particularly during peak periods.



Bandar Saujana Putra, Selangor

03 IMPACT SUMMARY: SOCIO-ECONOMIC ADVANCEMENT & EMPOWERMENT



2) SURAU AL-AMIN IBU PEJABAT POLIS DAERAH CAMERON HIGHLANDS

The establishment of the Surau at Centrum Cameron Highlands represents a benevolent contribution, generously offered without charge. Covering an expansive area of 558.94 square meters, this Surau is committed to serving the entire population of Brinchang town as a suitable public space for prayer.

IMPACT:










97,000

Brinchang residents and the public are estimated to benefit from the Surau.





APPENDIX A: ELIGIBILITY CRITERIA

ELIGIBLE SOCIAL PROJECT CATEGORIES	ELIGIBILITY CRITERIA DESCRIPTION	UNSDGs ALIGNMENT
Affordable Housing	<p>Expansion of affordable residential housing, in support of or independent of the State and/or Federal Government initiatives to address issue surrounding housing affordability.</p> <p>“Affordable housing” as defined by the Federal or any State Government or other relevant entity from time to time.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> • My First Home Scheme • Rumah Selangorku • Perumahan Penjawat Awam Malaysia • Rumah Idaman MBI 	 
Socioeconomic Advancement & Empowerment	<p>Developing and conducting initiatives targeted at community and social enterprise programs that help affected community segment elevate their socio-economic condition, including but not limited to community infrastructure services and employee uplifting programmes.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> • Investments into community infrastructure and services: <ul style="list-style-type: none"> - Community infrastructure and services i.e. the building of flyover for Bandar Saujana Putra residence to assist traffic congestion, building of Surau IPD Brinchang Cameron for the communal purposes of the local community. • Community investments/donations/activities carried out by LBS Foundation in making positive impact in these focus areas: <ul style="list-style-type: none"> - Education - Environment - Health - Community • Initiatives/activities targeted at internal employee upliftment: <ul style="list-style-type: none"> - Employee succession planning - Launch of Star Talent Programme as part of the Group’s talent pool initiative aimed at nurturing and recognizing the exceptional talent within the organization. 	    

APPENDIX A: ELIGIBILITY CRITERIA

ELIGIBLE SOCIAL PROJECT CATEGORIES	ELIGIBILITY CRITERIA DESCRIPTION	UNSDG _s ALIGNMENT
Green Building	<p>Development/Redevelopment of new/existing buildings to be certified by a third party in accordance with green standards, for example:</p> <ul style="list-style-type: none"> • GreenRE (Gold or above) • GBI (Gold or above) • LEED (Gold or above) <p>Including features, designs and materials that allow resources to be efficiently utilised.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> • Development of green buildings; residential, commercial or industrial developments that meet the accepted green certification standards. • The properties should meet the energy, water and waste efficiency performance requirements of these green certification standards. 	    
Renewable Energy/Energy Efficiency	<p>Optimising use of renewable energy and promoting on-site energy generation when applicable.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> • Investment and/or inclusion of renewable energy in LBS' owned assets, and inclusion of renewable energy features in LBS' future projects including, but not limited to installation of solar equipment. • Investments, expenditures, development and implementation of any software or hardware to decrease total energy consumption or GHG emissions in LBS' owned assets and future projects including but not limited to power-saving features. <p>*Including features, designs and materials that allows resources to be efficiently utilised.</p>	   

APPENDIX A: ELIGIBILITY CRITERIA

ELIGIBLE SOCIAL PROJECT CATEGORIES	ELIGIBILITY CRITERIA DESCRIPTION	UNSDG _s ALIGNMENT
<p>Pollution Prevention & Control</p>	<p>Expenditures relating to initiatives or investments in research, construction, development, operation, renovation and/or maintenance of facilities, systems or equipment used for:</p> <ul style="list-style-type: none"> • Treatment, collection, reuse, reduction of emissions, reduction of waste and hazardous waste or treatment of contaminated soil; and • Diverting waste and/or hazardous waste away from landfill <p>Research into and development of processes, infrastructure, technology and facilities that promote efficient resource use and management (e.g. circular economy, water and energy conservation)</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> • Watering of unpaved roads within LBS' project sites with an increased frequency during hot and dry periods to remove dust for the nearby community. • General construction waste to be recycled on sites as much as possible. • Scheduled waste is stored in a suitable container under a cover with provisions that prevent leakage or spillage into the environment. • Construction, development, installation, operation and maintenance of infrastructure or equipment for collection or treatment of rainwater. • Implementation of Industrialised Building Systems ("IBS") to fabricate steel and aluminium formwork mould by reducing wastage whereby steel mould and aluminium formwork can be recycled for subsequent projects with the same design. 	   
<p>Biodiversity Conservation</p>	<p>Expenditures relating to initiatives or investments in restoration and/or conservation of endangered, rare, threatened native species and prevention of further reduction of natural forest cover or other natural ecosystems.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> • Tree planting initiatives under: <ul style="list-style-type: none"> - LBS Green Mission Programme which aims to act as the umbrella initiative, encompassing all ESG efforts, including embarking in support of the Government of Malaysia's 100 Million Tree Planting Campaign. - LBS' Development Projects. - LBS Foundation. 	