



CORPORATE SOCIAL RESPONSIBILITY

"At LBS Bina Group Berhad, we believe building houses for the community is not only being profitable but bringing optimistic changes to the stakeholders."

This has been incorporated as an integral part of our business philosophy in our journey of attaining sustainability development and striking a balance between maximising shareholder's value and fulfilling the social responsibility, while inculcating the environment, social and governance (ESG) principles in our corporate behaviour to sustain business continuity and long term growth of the Group.



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IN YEAR 2015, WE TAKE IT FURTHER BY REINFORCING OUR EXISTING CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND INTEGRATING THEM INTO OUR BUSINESS STRATEGIES AND GOALS

As we recognise that the sustainability-related issues can significantly affect our organisation's present and future risk profile, potential liabilities and its value, our Board is committed in ensuring that sustainability is embedded across the organisation and adequate resources, systems and processes are in place to manage sustainability risks and opportunities, which are constantly changing under the economic, environment, social and governance conditions.

In year 2015, we take it further by reinforcing our existing corporate social responsibility initiatives and integrating them into our business strategies and goals while maintaining highest standards of corporate governance.

SOCIAL - SUSTAINING OUR COMMUNITIES

HOUSING AFFORDABILITY

The shortage of affordable housing is an emerging issue for Malaysian whereby Government has organised a number of initiatives and programs to address the growing demand and the affordability issues. On home purchase affordability issue, we have streamlined our business strategy to meet the needs of the market by increasing our supply of small to medium-sized residential units.

By supporting the Government's efforts, LBS partnered with Selangor State Government in an affordable housing project known as BSP Rumah Selangorku, with 5 blocks of 12-storey

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apartment, which will provide a total of 1,312 affordable housing units based on its low selling price between RM150,000 and RM180,000. The unveiling of BSP Rumah Selangorku project in 2015 was officiated by Dato' Menteri Besar Selangor, which had received good response from the public with more than 2,000 peoples attended the event.

LBS has taken initiatives in building medium cost homes for its potential buyers from the medium income group with its mixed development projects like Bandar Saujana Putra in Selangor, Cameron Highlands in Pahang, and Bandar Putera Indah in Batu Pahat, Johor. The Group will continue its efforts to help those in the middle income group to own their dream homes.

ENGAGED COMMUNITY

We believe that a successful development is seamlessly integrated into the local community and thus, our township development planning

ON HOME PURCHASE AFFORDABILITY ISSUE, WE HAVE STREAMLINED OUR BUSINESS STRATEGY TO MEET THE NEEDS OF THE MARKET BY INCREASING OUR SUPPLY OF SMALL TO MEDIUM-SIZED RESIDENTIAL UNITS.



is important to meet residents' needs. Neighbourhood, convenience and environment factors also play important role in shaping a quality community living. In our township developments, we actively promote our commercial projects, which provide not only convenience but also employment opportunities close to home. In the meantime, the building work itself is creating construction jobs.

In line with the vision of providing a better living experience, LBS has organised various activities, among others, a community get-together to bring the residents of Bandar Saujana Putra ("BSP") together to strengthen bonds and its sense of community for positive changes towards a sustainable community.



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WE BELIEVE THAT THE GROUP HAS A CORPORATE RESPONSIBILITY TO SUPPORT COMMUNITY AND THUS LBS CONTINUES TO SUPPORT BORDERLESS CHARITABLE INITIATIVES THROUGH VARIETY SOCIAL CONTRIBUTIONS TO HELP THE NEEDS OF COMMUNITIES.



For the ninth consecutive year, LBS has participated as one of the main sponsors for Kiwanis Treasure Hunt. This charity event was in aid of the Kiwanis Down Syndrome Foundation – National Centre, The Community Centre for the Deaf, Ti-Ratana House of Hope, Rumah Wawasan, Sitiawan, Joy Workshop, Melaka and Kiwanis Orphanage, Batu Pahat organised by The Kiwanis Club of Kuala Lumpur (KCKL).

We also sponsored, in fourth consecutive year, The Star's new

education programme – The Step-Up and Star NiE to improve and promote the English Language skills among pupils for both the primary and secondary schools.

During the year, LBS has also participated and sponsored for other fund raising events, these include, among others:-

- Offered assistance to flood victims in East Coast Malaysia with cash donations and various relief items, including bottled water, food, as well as daily essentials;
- Donated to The Selangor Justice of Peace Council for establishing their new community center at Sungai Way; and
- Participated in the Allianz Pacesetters 4x3km 2015 Really Run, a corporate charity fundraising in aid for Kiwanis Down Syndrome Foundation.

CHARITABLE DONATIONS

We believe that the Group has a corporate responsibility to support community and thus LBS continues to support borderless charitable initiatives through variety social contributions to help the needs of communities. Philanthropy or donations to charitable causes have been one of the corporate social events carried out by the Group annually. There was no exception in year 2015 as the Group continued to provide support and participate in community development, the Group made donations to welfare and charity organisations, religion organisations and schools.



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LBS FOUNDATION

Underpinning the values of LBS is a belief that we have a responsibility to build stronger communities. LBS Foundation was formed on 6 June 2015 with aims at improving the quality of life of the community and carrying out the sustainable development through the following four pillars:

- Education - Creating a better nation through providing financial assistance and better learning environment to students and schools
- Community – Building strong and harmony society by improving general well-being of

the underprivileged group and promoting heritage, sports, arts and cultural

- Environment – Protecting and preserving environment through education and partnering programmes
- Health – Improving the health and welfare of the needy group

This was a move to consolidate and accelerate LBS Bina Group's on-going efforts to give back to the community through corporate social responsibility strategy where LBS Foundation shall provide, promote, assist and enlist positive actions towards making sustained positive impacts.

Besides, LBS Foundation also serves as another continuous effort in promoting LBS' tradition and philosophy of community involvement date back to the founder of the Company, Dato' Seri Lim Bock Seng, who strongly adhered to the traditional Chinese belief “取诸社会用诸社会” which means “what is taken

from the community is to be used for the good of the community”.

At the outset, in support of the establishment of the LBS Foundation, an amount of RM1,000 will be channelled to LBS Foundation for every unit of property sold by the LBS Group in June, July and August 2015 with property priced above RM400,000.

PROMOTING ART AND CULTURE

Art and Culture beautify peoples' souls and is a common language for people from different backgrounds and traditions. Through various activities, the Group shoulders the responsibilities to bring art and culture closer to the community. In the years to come, the Group specifically hopes to widen the vision of the people, inspire them to appreciate the creativity of art and inspire them to strive for excellence through enchanting with different art and cultures.

LBS FOUNDATION SHALL PROVIDE, PROMOTE, ASSIST AND ENLIST POSITIVE ACTIONS TOWARDS MAKING SUSTAINED POSITIVE IMPACTS.



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In the Transformation and Upgrading Plan, we and Zhuhai International Circuit have worked closely with the government of Melaka to include a Melaka Cultural and Trade Centre which will consist of museum themed after the historic voyage of ZhengHe to the Far East, offering visitors the opportunity to re-live this journey through a series of immersive multimedia displays and also a village modeled after the historic town of Melaka with retail spaces to showcase the best of Made-in-Malaysia products to China, a community with 1.38 billion people. This development is a significant avenue for us to showcase the uniqueness of Melaka's heritage and culture to the people of China, and also serves as an platform to exchange arts, cultures, customs, traditions, values between the two regions.

As a cultural preservation, the Company has also sponsored, in two consecutive years, Astro International Hua Hee Karaoke to promote the use of Hokkien dialect as a tool to communicate in the broader community through a singing competition.

SOCIAL - OUR PEOPLE

Workforce is an important factor that leads the business toward success and sustainability. Therefore, there is a need of a dynamic strategy to recruit, develop and motive employees.

NURTURING AND RETAINING THE TALENTS

In order to have a strong-based workforce and ensure the Group remains competitive and continues to attract and retain the right talents, the Group had engaged external consultants to benchmark the Company's compensation packages against peers and other comparable industry. LBS motivates and rewards employees with comprehensive and competitive benefits programmes including short-term cash bonus and long-term equity based rewarding plan. Employees' Share Option Scheme is an attractive long-term incentive offered to employees to provide them with a personal stake in the Company. Employees who wish to purchase properties developed by the Group are also entitled to participate in the property purchase discount scheme.

The Group is committed to nurturing and growing talents to reach their full

potential by continuously providing its employees with the necessary skill and aptitude development through training and development programmes. In this regard, the Group has a comprehensive appraisal review system which allows the Management to evaluate the performance of employees against Company's expectations and identify their development needs. The Management and employees are encouraged to attend seminars, talks, courses and job-related training organised by professional institutions or arranged in-house with subjects tailored to sharpen technical skills that are job related.

Talent development is also part of LBS' commitment towards nurturing human capital for our society. In ensuring university and college students remained relevant in the rapid changing job market, LBS internship program provides the students opportunities to gain meaningful professional and educational enrichment experiences through working in the organisation. During the year, seven (7) students from University of Loughborough, United Kingdom have participated in the internship program and they were seconded to the Project Department and Construction Department.

LBS MOTIVATES AND REWARDS EMPLOYEES WITH COMPREHENSIVE AND COMPETITIVE BENEFITS PROGRAMMES INCLUDING SHORT-TERM CASH BONUS AND LONG-TERM EQUITY BASED REWARDING PLAN.

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THE GROUP RECOGNISES THE IMPORTANCE OF NON-WORK RELATED ACTIVITIES AMONGST COLLEAGUES.

and ethics to ease their transition into the LBS workplace.

The Group recognises the importance of non-work related activities amongst colleagues. To foster interaction

amongst employees and build-up strong team spirit, LBScub was delegated with the responsibilities to organise various activities in achieving these objectives. With initiatives from LBScub, various activities have been carried out during 2015, which included monthly staff birthday celebration, LBS Sports Day-6th Bowling Tournament, 4th LBS Treasure Hunt, 'Find My Heart Fun Game', 'CNY Cushion Cover Contest', 'Egg Shell Mosaic Contest', 'Lovely Hair Clips Contest', 'Fishing Keys Fun Game', 'Most Creative Shawl Fun Game', 'Sampul Duit Raya Contest', 'Malaysia Day Bookmark', 'Mix Beans Fun Game' and 'Special Gift Wrap Contest'.

CHANNEL FOR COMMUNICATION AND INTERACTION

The Group communicates with its employees, amongst others, through LBS Annual Internal Communication, dialogue sessions held by Executive Directors and Senior Management, its quarterly magazine named 'Journey with LBS', intranet, e-mails and Social Medias. The LBS Annual Internal Communication is a good channel that allows all staff from different ranks and subsidiaries to interact with the Management. Besides that, it also helps in sharing important information with the staff on the latest management strategies and corporate developments.

Orientation programme is designed to familiarize new employees with LBS organization structure, its policies and procedures, corporate culture



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A FAMILY-FRIENDLY WORK PLACE IN OVERSEAS OPERATIONS

Apart from local operations, Zhuhai International Circuit has hosted various activities such as Staff Birthday Celebration (员工生日会) and ZIC Family Day (ZIC员工家庭活动日和家庭日) to promote the employees' welfare and enhance the communication and interaction amongst the employees.

HEALTH AND SAFETY

We understand the inherent risk of our operations, especially in our construction arm, MITC Engineering Sdn Bhd ("MITCE"), a subsidiary of the Company that principally involved in construction activities. Therefore, as a integral part of risk management strategy to meet and comply with all applicable Health & Safety legislations and instil the best practices to



manage operational health and safety risks as well as improve performance, MITCE has a stringent Health & Safety Management system in place that is aligned with international standards of best practice and was accredited with OHSAS 18001:2007 from Worldwide Quality Assurance (WQA), United Kingdom, a body providing various management system certifications to companies around the world. The said Health & Safety Management system was designed to prevent and respond to accidents and emergency situations, to mitigate consequences that may be associated with them, protects our workforce and helps to reduce disruption to our operations.

Besides that, MITCE has also obtained certification of ISO-9001:2008 from WQA for its quality management system where it has demonstrated ability to consistently provide

quality, reliable, healthy, safe and environmental friendly products and services to the community.

SOCIAL - MARKET PLACE

The Group recognises the importance of building and maintaining positive relationships with its customers, suppliers and contractors.

To ours customers, the Group continues to maintain an open communication with its purchasers via Customer Care Center, email at cs@lbs.com.my or Social Medias such as Facebook, Twitter, Instagram, Youtube and WeChat. Immediate reply and/or action would be taken for enquires or complaints received to ensure customers' satisfaction.

To our suppliers, the Group has set out standards and ethics by which the business is conducted. It ensures that there is no bias and all suppliers will be treated fairly without prejudice. The Group values and derives considerable and competitive advantage from active cooperation with its established suppliers in terms of innovation and product development.

To our contractors, tenders procedures have been made clear to them so that the award of contracts are done in a fair and just manner. For better understanding of the Group's performance and growth, the interested parties may access to information through the Group's website at www.lbs.com.my or news released from time to time.

WE UNDERSTAND THE INHERENT RISK OF OUR OPERATIONS, ESPECIALLY IN OUR CONSTRUCTION ARM, MITC ENGINEERING SDN BHD ("MITCE"), A SUBSIDIARY OF THE COMPANY THAT PRINCIPALLY INVOLVED IN CONSTRUCTION ACTIVITIES.

ENVIRONMENT – PROMOTING ENVIRONMENTAL RESPONSIBILITY

Being a responsible property developer, LBS has always endeavored in preserving the green environment and continues to embed various efforts and measures into our processes and policies that set out to reduce the impact of our project activities on the environment which goes beyond merely complying the requirements of legislation and applicable best practice. Our efforts and measures amongst others included the following:-

- Managing our construction site;
- Ensuring all operations and activities comply with environmental protection regulation;

- Disseminating guidelines set on 3Rs (Reuse, Recycle and Reduce); and
- Setting policy for efficient usage of water, electricity and paper arising from our daily activities.

GREEN ELEMENTS

In response to the global environmental conservation responsibility, the Company looks toward inputting green elements in its projects. D' Island Residence is the first project incorporated with the latest Rainwater Harvesting system that harvests the water from the roof for the usage of landscape watering, toilet flushing and car washing. On average, a household can save up to 15%-20% of water based on the designed rainwater usage. It is estimated to save up to 100,000 liters of water per household per year. Besides, our projects in D' Island Residence and Bandar Saujana Putra have also featured more environmentally friendly and energy efficient systems like LED street lights and these would apply on other projects in the near future.

LBS HAS ALWAYS ENDEAVORED IN PRESERVING THE GREEN ENVIRONMENT AND CONTINUES TO EMBED VARIOUS EFFORTS AND MEASURES INTO OUR PROCESSES AND POLICIES

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ECOKNIGHTS

Since 2013, LBS was the main sponsor of Anugerah Hijau - the Green Space category organised by EcoKnights, a non-profit environmental organization. The main objective of the annual green reward is to develop and cultivate the knowledge and skill of Malaysian youths in the field of sustainable architecture.

OUR NEXT MOVE

Although we feel that we have made some progress towards addressing our environmental, social and economic impacts, we understand that we still have a long way to go. This statement has outlined our overall Group's strategy and has provided some examples of good practice from various aspects. It is, for the time being, a balanced and clear reflection of our commitment towards sustainability but we recognise these initiatives need to be brought together into more coherent and robust management systems to ensure that we can maximize the value of sustainability for all of our stakeholders. We would work towards enhancement with target to move from a tactical approach of 'corporate responsibility' (CR) to pursue a more structured CR strategy in business sustainability in the years to come.

