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Corporate Profile

Aspen (Group) Holdings Limited (“**AG**” and together with its subsidiaries, the “**Group**”), founded in 2013, is one of the leading and fast-growing property groups headquartered in Malaysia. In 2017, just four years after inception, AG was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

AG is renowned for redefining the property landscape in Malaysia by launching the country’s first private-initiated affordable housing (TRI PINNACLE) and developing the Northern Region’s third satellite city - Aspen Vision City in Batu Kawan. The Group has a diversified range of developments at strategic locations in the Northern Region of Malaysia at a total gross development value of approximately RM3.7 billion as at December 2019.

AG’s flagship project, Aspen Vision City, a 245-acre freehold mixed development project in Bandar Cassia, Batu Kawan is a joint-partnership

with IKEA Southeast Asia & Mexico with a total gross development value of over RM13 billion and features the first IKEA Store in the Northern Region of Malaysia.

Driven by a purposeful vision and powered by a dynamic team, AG is poised to serve its customers, generate long-term value for stakeholders and contribute to the broader public by implementing sustainability efforts in all its endeavours, business practices and projects.

Vision, Mission and Manifesto



Our Vision

To be recognised as one of the key forces shaping the property development industry through quality and affordability.

Our Mission

To champion the empowerment of people by offering unequalled quality and affordable real estate.

Our Manifesto

To Redefine Living

Where others see an empty spot, we set it as a scene for growth. When a place seems exclusive to many, we design the catalysts for change. When most would run from an old brick wall, we transform it into a gateway of possibilities.

To Redefine Values

We embrace the courage to dare to be different. We enable the freedom to experiment with ideas that push beyond boundaries. We empower creativity to engineer smarter living solutions.

To Redefine Thinking

We believe that prime real estate can be made accessible to everyone. We imagine how personal style and preferences can be developed on a big scale. We know that powerful business partnerships are within reach of a young developer.

To Redefine Connection

We bring a fresh perspective to the relationship between people and their environment. We bridge the gap between current market trends and forward-thinking technology. We broaden our landscape from building affordable homes to innovating sustainable metropolises for communities of the future.

Core Values



Our Values

These values define our culture, guide the way we treat each other and how we run our business.

Our people live by these core values, which enable us to focus on creating innovative products, making ethical decisions, building relationships with customers and business associates, and taking accountability for our actions.

Be a Catalyst for Positive Change

Our benchmark is to deliver products that elevate the standard of living. Before we embark on any work, we challenge ourselves with the question, "Will our actions spark positive change by making life better for people?". Every plan is thought through in detail and measured against this benchmark before proceeding. To be a catalyst for positive change is the mantra that shapes our attitude towards work, and the way we relate to one another.

Build on Relationships

We are committed to open communication and acting with integrity in all our relationships: for every customer we build a home for; every business partner and vendor we do business with; every Aspenian; and with people we have yet to meet. We do our best to ensure that every interaction builds into a loyal, long-term relationship that is mutually beneficial.

Collaborate To Innovate

Our business model is to deliver best-in-value solutions and services through new opportunities, smart ideas and strategic collaborations. To achieve our business model, we innovate to breathe new life into what we have to work with, and we encourage Aspenians to be innovative thinkers who challenge and redefine the status quo. This mentality, together with our business model, is the blueprint upon which we build our organisation and nurture our people.

Be Community-Conscious

As a property developer, the work we do has a social impact that goes beyond building bricks and blocks. We are in a position to think of communities holistically, and besides our plans to develop cities of the future to benefit the community, our Corporate Conscience Programme gives Aspenians the opportunity to reach out and connect to those that may be less fortunate or are in need of extra help. We coordinate activities through charitable campaigns, educational activities and contribution, as well as environmental and socio-cultural programmes that give us the privilege of serving the community as part of our work life.

About This Report

Scope of the Report

The board of directors (the “**Board**”) of the Group is pleased to present its second sustainability report in line with the SGX-ST guideline on Sustainability Reporting. This report provides an overview of the Group’s commitment and approach towards sustainability through its operations and business practices in the property development industry. It covers the material Environment, Social and Governance (“**ESG**”) factors relevant to the Group’s development projects across Malaysia undertaken by the Group’s subsidiary companies including Aspen Vision City Sdn. Bhd. and Aspen Vision Builders Sdn. Bhd. during the 12-month period from 1 January 2019 to 31 December 2019. Please refer to page 30 of AG’s Annual Report 2019 for the entire list of entities that are included in the consolidated financial statements.

Reporting Framework

This report has been prepared in accordance with Rule 711B of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) and is guided by the Global Reporting Initiative (GRI) Standards – Core option, the international standard for sustainability reporting (“**GRI Standards**”). We have chosen the GRI Standards reporting guidelines as it covers a comprehensive range of ESG sustainability disclosures. A GRI index included at the end of the report indicates the location of the relevant disclosures. This report complies with the requirements of the Sustainability Reporting Guide in Practice Note 7F of the Catalist Rules.

Assurance

AG has not obtained any independent assurance on the information being reported in this report. It is entirely based on our internal data monitoring and verified to be accurate to the best of our knowledge. Going forward, we may consider obtaining independent assurance in the future to further enhance our reporting process.

Feedback

We value and welcome feedback to continuously improve our sustainability reporting and practices. If you wish to provide comments or feedback, please send your comments or feedback to corporate@aspen.com.my





Message from the President & Group Chief Executive Officer

“We have always nurtured a growing commitment to the well-being of the community that we live in and the communities that we are building.”

Dear Stakeholders,

I am pleased to present Aspen Group’s Sustainability Report for 2019, which outlines our efforts, pursuits and initiatives towards upholding the Group’s sustainability objectives.

While we remain resolute in our responsibility to achieve our sustainability goals through operational and business practices, we at AG continue to embrace change and be energised by it. This dual-edged strategy has served us well and has created significant momentum for us over the past seven years.

As a corporation, we have always nurtured a growing commitment to the well-being of the community that we live in and the communities that we are building. This is evident in the evolving initiatives and activities we continuously implement, that have yielded significant ripple impact such as our Umbrella Sharing Initiative Campaign.

Vervea commercial precinct was recognised by the prestigious Malaysia Book of Records for having the ‘Largest and Longest Ethylene Tetrafluoroethylene (ETFE)’ roof canopy on 24 March 2019. It was purpose-built to deflect heat, and simultaneously allow the interior to be bathed in warm and natural lights, to enhance the richness of human activities.

Internally, we continue to invest in our people by providing a safe, respectful and rewarding workplace for our co-workers even as we continue to build a company that is dedicated to excellence, environmental responsibility and ethical behaviour. Strategic trainings to maximise human resource potential, co-workers engagement activities to foster stronger relationships and team building exercises are conducted regularly to nurture our people’s morale and team spirit.

We chalked up another victory for recycling, when the Group introduced the timely practice



of reducing single-use plastic among Aspenians as well as our contractors to reduce waste in our work environment. We hope that it will play a role in defeating the throw-away culture and educate people on the importance of using resources wisely.

As part of our redefining DNA, we are constantly and strategically adapting to meet the demands of our evolving world. In anticipation of such changes in the way we will live in the future, we take steps to enhance our projects by incorporating green initiatives as well as advanced features and facilities.

I firmly believe that we are defined not only by the projects we build but by the support services we provide to our customers. Providing ongoing support means being closer to our customers, ensuring a more effective working relationship, providing the highest level of expertise and advice and never losing sight of our commitment.

In 2019, we experienced our fair share of ups and downs, but through it all we maintained the commitment and the capacity to forge on undeterred. This served to reinforce our position as one of Malaysia's new breed of corporations that is innovative and quick on our feet, with the wisdom to be cautious when we should and bold when it counts.

Our formidable business model and evolving mindset continue to be our strengths as we continue to champion our sustainability objectives while staying true to our vision of building an organisation that has a deeper purpose beyond profit alone.

At the time of writing this message, the foreseeable future is filled with uncertainties, and the business landscape has changed in ways we could not have imagined. Yet I am emboldened by the truth that we can overcome challenges by embracing the reality of situations and exploring new ways to operate our business, using our resources in a wise and discerning manner.

I am deeply grateful to all our stakeholders for their continued trust and support throughout 2019. I would also like to thank the Board, management team and co-workers, as well as external stakeholders and associates for being our support system.

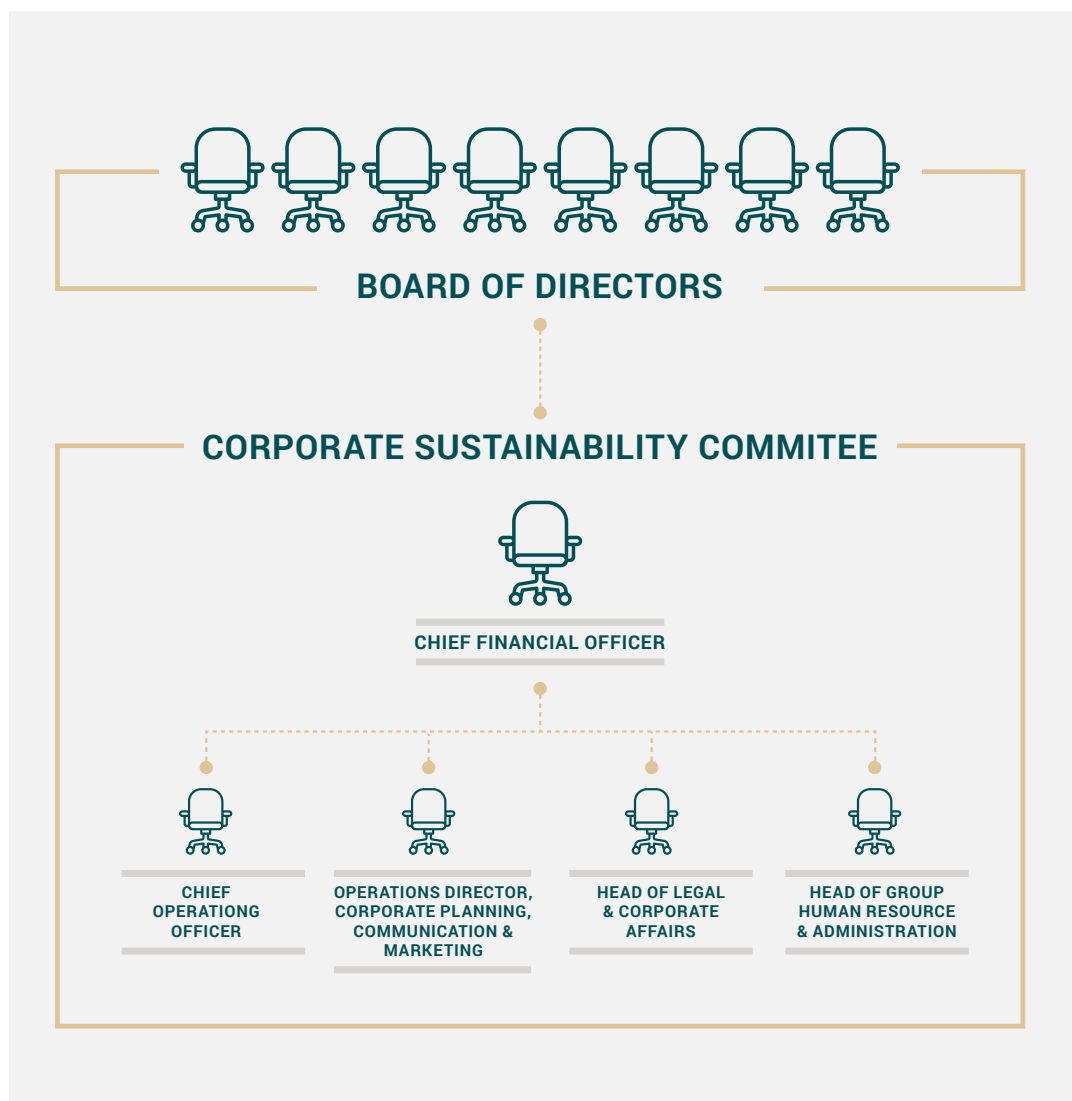
A handwritten signature in black ink, appearing to read 'Dato' M. Murly'. The signature is stylized and includes a long, sweeping underline that curves back to the left.

Dato' M. Murly
President & Group Chief Executive Officer

Approach to Sustainability

Governance

The Board oversees all corporate governance and operational matters relating to the Group. For the management of corporate sustainability issues, the Board is supported by the Corporate Sustainability Committee (the “CSC”) comprising key management of the Group and chaired by the Chief Financial Officer. The CSC is responsible for consolidating information relating to sustainability risks identified through stakeholders. Key sustainability developments and performance are directly reported by the CSC to the Board on an annual basis.









Board Statement

The Group recognises the importance of sustainability in its business and is committed to incorporating the key principles of ESG in formulating its business practices. The Board provides oversight of the selection, management and monitoring of material ESG factors that are relevant to the Group. The Board is responsible for this report and recognises the evolving environmental and social changes that impact our business activities.

Stakeholder Engagement

Knowing and understanding the expectations and concerns of our stakeholders is critical for the long-term success of the Group. The CSC identifies the Group's key stakeholders through a systematic stakeholder analysis and mapping exercise based on the Group's impacts on them both directly and indirectly and their importance to the success and continuity of our business. The CSC reviews its approach annually to ensure that the Group is up to date with its stakeholders and its method of engagement.

Our significant stakeholders, how we engage with them and address their expectations are summarised in the table below:

Stakeholders	Method of Engagement	Topics Raised	The Group's Response
Co-workers 	<ul style="list-style-type: none"> Regular co-workers engagement surveys Regular meetings and briefings Yearly performance appraisal 	<ul style="list-style-type: none"> Communication Workplace environment Learning and development Welfare of co-workers 	<ul style="list-style-type: none"> Enhance communication methods Enhance workplace environment Provide training and development courses Provide recreational, wellness and team-building activities
Customers / Homebuyers 	<ul style="list-style-type: none"> Product launches and promotions Regular engagement via websites, e-mails, social media platforms and mobile applications 	<ul style="list-style-type: none"> Customer experience Product quality 	<ul style="list-style-type: none"> Provision of special customers' relation team Provide enhanced facilities and amenities for occupants' comfort and convenience
Shareholders & Investors 	<ul style="list-style-type: none"> Annual General Meeting Extraordinary General Meeting Annual Report Sustainability Report Announcements through SGXNet 	<ul style="list-style-type: none"> Corporate governance Corporate Social Responsibilities Financial performance 	<ul style="list-style-type: none"> Ensure compliance with Catalyst Rules and Code of Corporate Governance Risk management framework
Regulators/ Government 	<ul style="list-style-type: none"> Regular site visits and inspections 	<ul style="list-style-type: none"> Health and safety compliance Environmental compliance 	<ul style="list-style-type: none"> Implement an Environmental, Health and Safety Committee Regular reporting to regulators on compliance issue
Contractors 	<ul style="list-style-type: none"> On-site meetings 	<ul style="list-style-type: none"> Occupational health and safety 	<ul style="list-style-type: none"> Regular site visits and inspections to advocate best practice
Community 	<ul style="list-style-type: none"> Charity and fundraising events Social media and website 	<ul style="list-style-type: none"> Impact of property development on the environment 	<ul style="list-style-type: none"> Corporate Social Responsibility programmes



Materiality Assessment

By applying the relevant GRI Standards, we were able to identify and prioritise sustainability topics to report. The materiality assessment was conducted through a series of engagement sessions with internal stakeholders and studying existing feedback of external stakeholders. The material topics determined in the Group’s previous sustainability report were deemed to be relevant and current by the Board and the CSC. Accordingly, the Group’s sustainability efforts for year 2019 have been applied towards the following eight material topics: 1) Energy and Emission; 2) Waste Management; 3) Human Capital Management; 4) Talent Management; 5) Occupational Health and Safety; 6) Community Development; 7) Product Quality; and 8) Corporate Governance, Ethics and Anti-Corruption.

A materiality matrix is used to prioritise the Group’s efforts in tackling the eight material topics. The findings of the assessment have been plotted in the materiality matrix based on their impact to the Group’s business and against their importance to stakeholders (Figure 1). There is no change in the level of relevance of each of the material topics from the assessment made in the Group’s previous sustainability report.

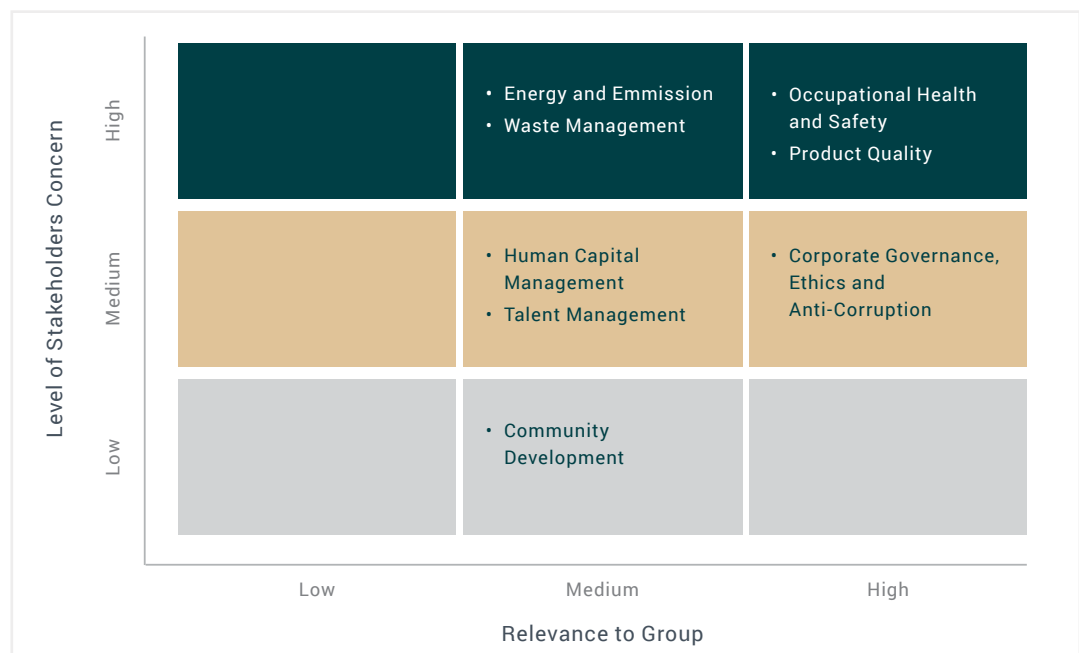


Figure 1 Group Materiality Matrix



United Nations Sustainable Development Goals

In 2015, members of the United Nations unanimously adopted the Sustainable Development Goals (“SDGs”) which are a collection of 17 global goals designed to be a blueprint to build a more sustainable, safer and more prosperous planet for all humanity by 2030¹. The goals balance the economic, social and environmental pillars of development. As a responsible corporate citizen, we have a key role to play in achieving the SDGs. To that end, we are aligning our business and sustainability strategies to meet the relevant SDGs. We have identified 11 SDGs that are relevant to our business operations and our contributions are highlighted below. These contributions to the SDGs will help us to create a more sustainable business, whilst improving the world we live in.

SDG	AG’s CONTRIBUTIONS
   	<ul style="list-style-type: none"> • Our Group is committed to promoting gender equality within the workforce. Our female co-workers have an equitable and competitive opportunity for salaries, promotions and career development. • We offer competitive remuneration packages to our co-workers in addition to training opportunities for growth and career development. • We promote a healthy work-life balance by offering free gym memberships and fitness programmes to maintain co-workers well-being. • Our recruitment and selection policy ensure a structured and non-discrimination recruitment process at all levels regardless of gender, age, race, religion etc. • Our Group has in place business ethics that prevent the incidence of child labour or forced labour.
     	<ul style="list-style-type: none"> • The Group implements rainwater harvesting system into its development projects, realising that freshwater is a precious and important commodity that is crucial to our daily life. • The Group is fully committed to promoting green construction in our built environment and achieving the Green Building Index which is a system to rate and certify the construction of green buildings in Malaysia. • We offer unequalled quality and affordable real estate for everyone. We also launched Malaysia’s first private-initiated affordable housing (TRI PINNACLE). • To reduce the use of plastic, the Group introduced the ‘SAY NO TO PLASTIC - If you cannot REUSE it, REFUSE it!’ programme among Aspenians as well as our construction workers to reduce waste and maintain the cleanliness of the sites. • We strive to reduce our environmental footprint by closely monitoring our energy use and adopting energy-saving measures throughout our business operations.
	<ul style="list-style-type: none"> • The Group adopts a zero-tolerance policy against bribery and corruption.

¹ https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

Environment

Energy & Emission



Introduction of buggies to our sales gallery



Achieved GBI Certification for Vervea

1,881

Trees

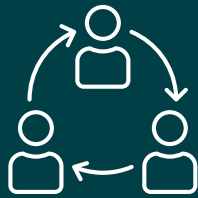
215

Palms

386,500

Shrubs

Waste Management



Adopted a closed-loop approach in our construction design



Introduced recycling campaign to our contractors



Energy and Emission

Why this is Material

The Group is committed to managing its carbon footprint and energy consumption to improve operational efficiency and be in line with national policies.

At the 2015 United Nations Climate Change Conference, the Malaysian government adopted the Paris Agreement which aims to strengthen the global response to the threat of climate change². Under the agreement, Malaysia is committed to reducing greenhouse gas emissions by 45% by 2030 in relation to Malaysia's 2005 gross domestic product. In order to achieve its greenhouse gas reduction target by 2030, the Malaysian government has introduced numerous initiatives/programmes. One such initiative was the introduction of the Green Technology Master Plan 2017-2030³ ("GTMP"), which aims to reduce the country's carbon dioxide (CO₂) emissions by 25% in the next 13 years and address the threat of the carbon discharge on human health and the environment.

Besides the reduction of CO₂, the GTMP also focuses on improving water efficiency and savings through integrated water management such as rainwater harvesting systems and smart monitoring of water usage to facilitate sustainable development. Under the GTMP, the Malaysian government has also recognised the need for addressing efficiency in electricity generation and consumption. Recommendations include enhancing the energy planning framework to leverage on technologies such as the Internet-of-Things ("IoT") and electric vehicles among others.

Further, Malaysia also promotes green construction in the country with the introduction of the Green Building Index ("GBI"). GBI is a system to rate and certify the construction of green buildings in Malaysia. According to the GBI, a green building focuses on increasing the efficiency of resource use – energy, water and materials – while reducing building impact on human health and the environment during the building's life cycle, through better siting, design, construction, operation, maintenance and removal.

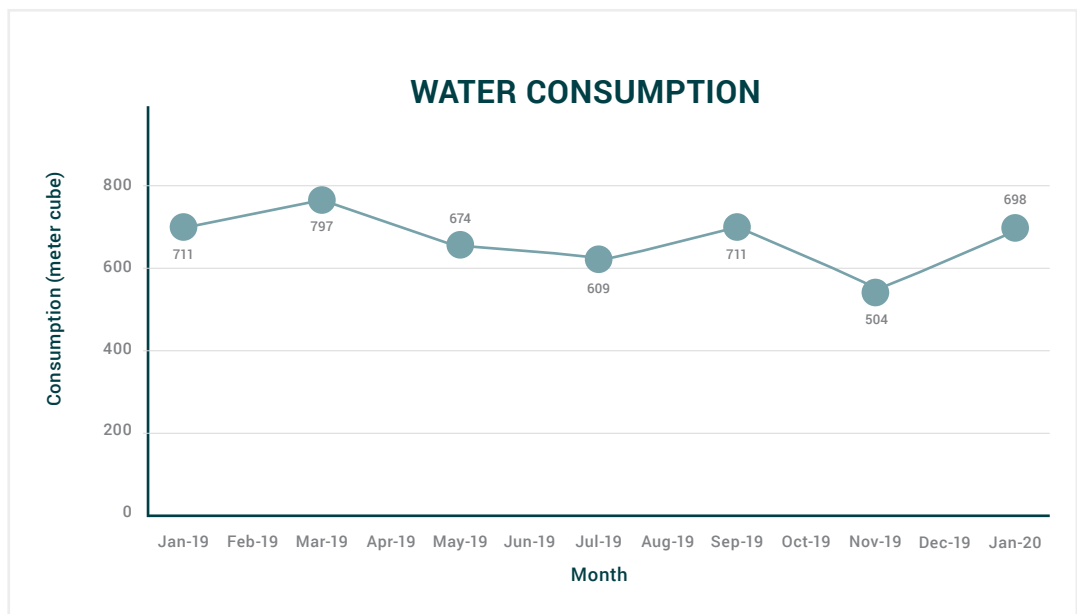
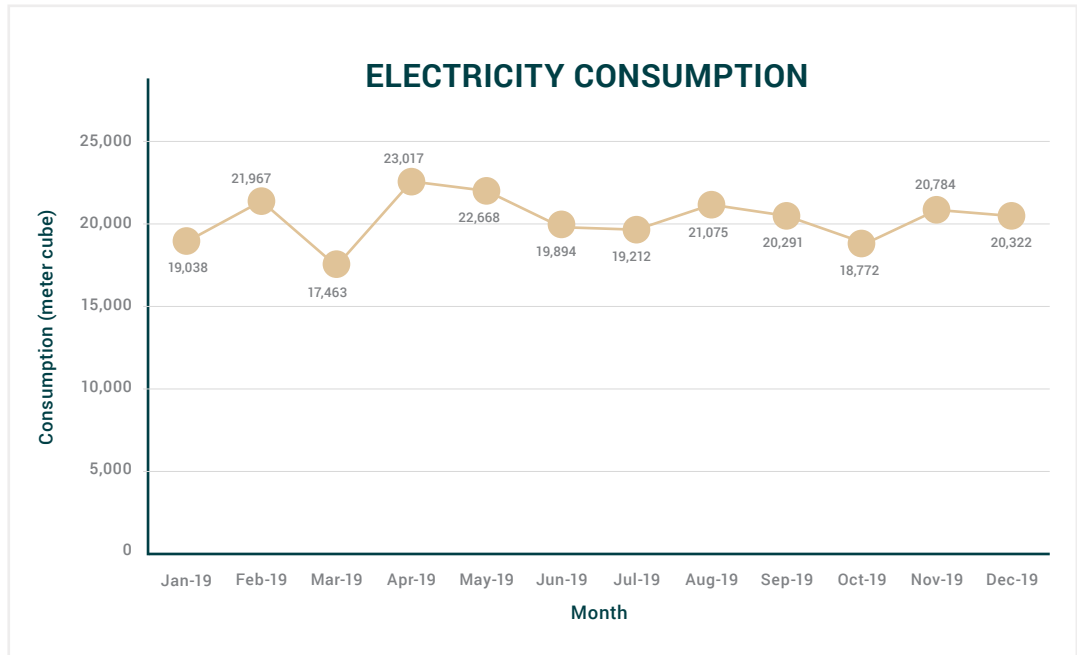
It is important that the Group aligns our business strategy towards achieving these government targets and initiative which would allow the Group to do its part in protecting the environment and at the same time, reduce operational costs and develop competitive advantage.

Energy Management

The Group's primary environmental footprint is related to electricity consumption and water consumption in our head office. As part of good energy management, we closely monitor our energy use on a regular and timely basis to spot any irregularities from the average use and make changes where necessary.

² https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27&clang=_en

³ <https://www.pmo.gov.my/wp-content/uploads/2019/07/Green-Technology-Master-Plan-Malaysia-2017-2030.pdf>



Note: The water bill is chargeable to the Group every two (2) months.

The Group also continuously educates our co-workers on the importance of environmental awareness in the workplace and adopting simple measures which they can take to conserve energy (e.g. switching off air conditioning, lighting and office equipment that are not in use and turning off the water taps after use). The importance of saving energy are frequently communicated to our co-workers via electronic newsletter articles. To emphasise energy savings, posters are placed throughout our corporate office.

The use of fuels for vehicles is one of the largest sources of carbon emissions around the globe. In an effort to reduce our carbon footprint, the Group introduced the use of buggies to our sales gallery in Batu Kawan. The buggies are powered by rechargeable electric batteries and are a sustainable alternative to vehicles that emit CO₂. Replacing conventional vehicles, the buggies are primarily used to give potential buyers a guided tour around our development at Aspen Vision City.



Achieving GBI status

The Group is fully committed to promoting sustainability in our built environment. On that note, in 2019, the Group achieved GBI Certification for Vervea, the first phase of the Aspen Vision City masterplan. In order to achieve GBI Certification, the building and construction of Vervea have adhered to GBI requirements to become a green and sustainable world-class business precinct. This is in line with the target set by the Group in its previous sustainability report. The Group hopes that Vervea will lead the way in sustainable development and lifestyle at Bandar Cassia, Batu Kawan.

We are also on target to achieving the GBI status for Vertu Resort. With regards to Beacon Executive Suites, the Group will not be pursuing the GBI status as previously targeted due to the development not being commercially viable to do so. We also expect the completion of Vertu Resort and Beacon Executive Suites to be delayed by a few months from the initial targeted completion date of Q4 2020 to Q2 2021 due to the delays brought about by the Covid-19 pandemic.

Sustainable Landscapes

The Group recognises that a well thought-out landscape design can play a crucial role in addressing growing concerns over environmental sustainability. In that regard, we work towards achieving a sustainable landscape in our developments that are visually pleasing, environmentally sound and cost-efficient.

A big part of any sustainable landscape design is its plantation. By selecting the right plant for the right place, we can reduce the need for water, fertilizer, pesticides and maintenance. It is also important to choose trees and plants which are not invasive and could have an adverse impact on the surrounding ecosystem.

In most of our developments, the Group strives to include palm trees for its inherent value to the overall landscape design. Palm trees are well known in combating desertification, conserving soil from erosion. They can also reduce pollutants and dust, work as a windbreak and can prevent glaring from tall buildings with glass façades. Most importantly, palm trees have broadleaves which provide shade from the sun and will contribute to reducing the atmospheric temperature which in turn could lead to reduction in electricity consumption related to cooling. We also incorporate other types of trees and plants which are both economical and environmentally-friendly in our developments. The Group's overall efforts and the most common species of trees and plants used in our developments in year 2019 are presented in Table 1.



Project List	Palm Tree Species	Shrubs Species	Other Tree Species
Vervea	Livistona Rotundifolia	Duranta Repens 'Gold'	Caesalpinia Ferrea
Central Island Park	Cocos Nucifera	Ruellia Brittoniana	Khaya Senegalensis
Aspen Vision City Sales Gallery	Livistona Rotundifolia	Ficus Gold	Garcinia Subelliptica
Aspen Vision City Streetscape	Wodyetia Bifurcata	Carmona Retusa & Loropetalum Chinense	Samanea Saman
TRI PINNACLE	-	Phyllanthus Myrtifolius	Syzygium Polyanthum
Total	215	386,500	1,881

Table 1: Common species of trees and plants used in our developments in year 2019

We are also committed to conserving the natural habitat of the areas we develop. During the land clearing phase, we try to relocate mature trees and transplant them to form part of the final landscape of our developments. For instance, the Group transplanted an approximately 100-years-old Ficus Tree found on Aspen Vision City development land to the Central Island Park.

Green Environment Initiative

As part of the Group's ongoing Green Environment Initiative, Vervea was designed to have a human-environment connection to ensure that the development thrives sustainably. Some of the highlights features include the following:-

(i) Energy management

Vervea features smart facilities built on a wireless technology platform, on which an IoT network is built. The platform enables unprecedented levels of connectivity and integration at Vervea and Aspen Vision City. Two examples of Vervea's smart infrastructure that employ such technology include Smart Street Lighting and Smart Metering.



The Smart Street Lighting is an advanced, cost-effective and sustainable street-lighting system. Different from the traditional systems based on stationary illuminations and timers and that can only turn lights on or off, Smart Street Lighting has the ability to dim lighting, control runtime and switch the lights on or off depending on real-time situation. It is an intuitive system that continuously provides accurate status and feedback to operators, enabling outages to be looked into immediately. This system's multiple benefits include effective use of energy, lower maintenance and operating expenses resulting in cost savings. As it uses less energy, it also reduces CO₂ emissions and is an environmentally-friendlier and more sustainable option. In addition, all power and lighting functions at Vervea use LED (light-emitting diode) in addition to smart lighting controls.

To further reduce dependence on electricity, all shop-office units at Vervea feature an impressive glass frontage that lends prestige to the façade while letting in natural light. Providing maximum exposure for businesses, the glass frontage which fulfils GBI criteria also keeps the sun's heat out, minimising glare and eyestrain.

Another smart feature built on the wireless technology platform is the Smart Metering which records electricity consumption through a chip embedded in the electrical meter in almost real-time (intervals of one hour between records) and sends the data back to the central command, resulting in highly accurate billing. The system is also capable of issuing alerts for irregular usage of appliances (such as air-conditioners), a message which will be sent to the registered mobile phone for verification. The direct result of Smart Metering includes cost saving due to the higher accuracy in the measurement of electricity consumption.

Drivers at Vervea can look forward to a more enjoyable and stress-free drive with the development's smart parking system. This is achieved via a smartphone application, GPS and real-time occupancy information that helps drivers find a proper parking spot. The system also supports cashless entry and exit in addition to the ability to reserve lots. Not only will it help drivers find parking spots, the system will also help ease congestion around the development. It is more environmentally-friendly as it reduces the need for vehicles to drive around looking for parking space and thereby reduces fuel consumption and CO₂ emissions.

Electric vehicles ("EVs") offer a low-carbon alternative to conventional fuel-powered vehicles. Owning EVs, however, remains inconvenient due to the fact that there are too few charging stations. Visitors to Vervea would find it most expedient to charge their EVs while shopping or dining at the commercial

precinct. The Group's effort to strategically install the EV chargers across the development will hopefully encourage more people to consider buying plug-in EVs and play a role in saving the environment.

To promote greener and healthier living, walkways at Vervea are adorned with lush greenery and dedicated bicycle lanes connecting the entire commercial precinct. Bicycling and walking are not just recreational activities, these options also help to reduce carbon footprint and traffic congestion.

The development also comes with a rainwater harvesting system that collects rainwater for landscape irrigation. The Group realised that freshwater is a precious and important commodity that is crucial to our daily life. The rainwater collected would be a viable option to reduce freshwater consumption and manage storm water, while at the same time save cost on landscape irrigation.

(ii) Green landscape concept

Vervea is our latest development in Aspen Vision City which adheres to the Eco-City BatuKawan Guideline⁴ set by the Seberang Perai City Council. Being a fusion of nature and urban aesthetics, Vervea is touted as the 'Garden Jewel' of Aspen Vision City. Inspired by finely crafted jewellery, the 'Garden Jewel' landscape is split into four zones named after four precious gemstones namely Ruby, Sapphire, Diamond and Emerald. The landscape design is displayed in 4 different colours for each zone - Palace Purple, Marine Blue, Bright Cherry and Sun Gold. Landscape designs in each zone will also reflect the unique geometric patterns and angular lines of each stone. This form can be seen on sculptures, trellises and entry gateways. All four zones are linked by a system of bicycle paths and walkways, culminating in the central 'green corridor' – the High Street.

⁴ <https://www.mpsp.gov.my/brgonline/garispanduan/perancang/kejiranan-hijau.pdf>





(iii) Durable and protective materials

Far from being just a commercial thoroughfare, Vervea’s High Street is a well thought-out, holistic approach to create a viable and sustainable space. The High Street features lush rows of trees under a record-setting canopy recognised by the Malaysia Book of Records for being the ‘Largest and Longest Ethylene Tetrafluoroethylene (ETFE)’ roof canopy in Malaysia⁵. The ETFE roof canopy keeps out the heat but allows the interior to be bathed in warm, natural lighting during the day. The whole walkway has also been designed to emulate a wind-tunnel to further aid air circulation. Strategically-placed jet-fans provide additional ventilation and circulate even more fresh air throughout the entire tree-lined street. Parklets spread along the walkway provide sanctuaries for rest.



Due to its non-stick surface, ETFE is self-cleaning and recyclable. This roofing film is highly durable and can be stretched up to three times its original size and still not tear or lose its properties. It is also cost-efficient because tears can be repaired with a patch or multiple sheets of larger panels. Another positive property of ETFE is its resistance to ultraviolet (UV) light. In accelerated lab tests, the material has displayed almost no signs of deterioration after an equivalent of 30 years of exposure. This material is so resilient and tough, it is normally used in aircrafts and spacecrafts.

In addition, the development also uses low Volatile Organic Compounds (VOC) paint. Conventional paint usually contains high quantities of VOCs which can have an adverse effect on health and the environment. By contrast, low VOC paint creates less emissions, odour and can improve indoor air quality. In addition, VOC paint is also durable and has a washable finish.

Targets moving forward

- The Group targets to achieve 2% savings in its electricity consumption and water consumption within our corporate office in 2020.
- The Group will continue to promote green construction and achieve GBI status and create sustainable landscape design for Vertu Resort in 2020.

⁵ [http://malaysiarecords.com.my/records/16964/LONGEST-%C3%A2%E2%82%AC%CB%9CETHYLENE-TETRAFLUOROETHYLENE-\(ETFE\)%C3%A2%E2%82%AC%E2%84%A2-ROOF-CANOPY](http://malaysiarecords.com.my/records/16964/LONGEST-%C3%A2%E2%82%AC%CB%9CETHYLENE-TETRAFLUOROETHYLENE-(ETFE)%C3%A2%E2%82%AC%E2%84%A2-ROOF-CANOPY)



Waste Management

Why this is Material

Potentially recyclable construction materials being directly disposed of in landfills can lead to significant waste generation and have a negative impact on the environment. In the 11th Malaysia Plan⁶ and the GTMP, the Malaysian government echoed this concern and emphasised on a more holistic construction waste management based on the life cycle approach in order to minimise waste and move towards sustainable construction practices.

The Group recognises that efficient waste management is an essential aspect of sustainable development and can also help to maximise the profits of a project and lower costs.

The Group also strives to reduce single-use plastic which is hazardous to the environment given its non-biodegradable nature. It is important that the Group plays a part in achieving the targets set in Malaysia's Roadmap Towards Zero Single-use Plastics 2018-2030⁷ which is a policy developed by the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) with the aim of ensuring environmental sustainability and eliminating the use of single-use plastic by 2030.

Solid waste is another key concern especially to mixed developments and townships undertaken by the Group. Therefore, a well-managed waste collection system is required to upkeep the cleanliness and maintain a hygienic level in the developments.

Holistic Waste Management

To align with the national agenda, the Group has adopted a closed-loop approach in our construction, which allows materials and components to be reclaimed, reused and recycled multiple times during the life cycle. Using this approach, waste from one process will be the resource for another and in turn prevents unnecessary waste from being generated in the first place. Disposal of materials that cannot be reused and recycled to approved dumpsite/landfill is the last resort.

In order to successfully carry out this approach, acceptance from our co-workers is crucial. Hence, we carry out various awareness programmes among our co-workers in order to highlight the impacts of poor construction waste management on the environment. Our co-workers also undertake various training programmes to minimise waste where feasible and reuse materials that might otherwise become waste.

Implementing efficient waste management also requires the support of all the parties involved in a project. Hence, our consultants are required to identify opportunities for waste reduction in their designs and allow room for flexibility to cater for any future modification. Before the commencement of work, contractors are encouraged to establish a waste management framework and targets to minimise construction waste. The Group performs onsite monitoring and auditing in order to identify areas that can be improved.

The above efforts and initiatives undertaken by the Group are in line with the target set by the Group in its previous sustainability report to create awareness on the protection of the environment within the Group and amongst the contractors.

⁶ https://www.pmo.gov.my/dokumenattached/speech/files/RMK11_Speech.pdf

⁷ <https://www.mestecc.gov.my/web/wp-content/uploads/2019/03/Malaysia-Roadmap-Towards-Zero-Single-Use-Plastics-2018-20302.pdf>



Reduction of Plastic Usage

In year 2018, the Group launched a ‘SAY NO TO PLASTIC - If you cannot REUSE it, REFUSE it!’ campaign among our co-workers to reduce the use of plastic. We also advocate waste separation among co-workers. To that end, recycling bins are strategically placed in our corporate offices. In line with the target set in the Group’s previous sustainability report, the Group has introduced biodegradable plastic bags and recycle bags in our office environment which is more eco-friendly. Further, we have implemented the 3R practice of “Reduce, Reuse and Recycle” within the Group to reduce pollution and waste products in landfills.

This year, we went one step further and introduced the practice of reducing single-use plastic to our contractors as well. Improper disposal of plastic bags and bottles all over the site, drain and surrounding areas had created a hygiene and wastages issue. The Group now requires all our contractors to collect and segregate all recyclable material wastes at the site. The contractors must then provide or keep a record of receipts of the materials that were sent out to the recycling plant, failing which will attract a penalty. Contractors are expected to educate all their workers on recycling purposes, types of recycling bins available at the site, and maintain site cleanliness. The use of biodegradable plastic bags as an alternative is also encouraged.

Introduction of Automated Waste Collection System (AWCS)

The Group strives to introduce AWCS to its developments. Whether in an office building, retail park, hotel, convention centre, transportation terminals or recreational park, AWCS is able to consolidate waste from multiple loading stations and directly transport it into a sealed container located away from the development area through the application of vacuum technology. This enables the freeing up of valuable space that can be best utilised for other purposes because less space is required to store waste. There are no more unsightly bins, unpleasant smells and vermin issues. Furthermore, residents and tenants will no longer have any concerns about the irregular timing of waste collection.

Moreover, AWCS can be controlled off-site and does not require additional labour. As such, the security level is significantly improved without garbage trucks and excessive labour to handle waste manually. The large amount of solid waste generated can now be handled in a more efficient way with this environmentally friendly system.

Targets moving forward

Identifying measures that can be adopted in our projects to reduce waste generation at site.

Social

Human Capital Management



54%

our co-workers
are female



46%

our co-workers
are male



59%

of the Group's
key management
personnel are
women

Talent Management



120

days maternity
leave



4,096

training hours
were clocked by
our co-workers

Occupational Health and Safety



No incidents involving
any permanent injuries
or fatalities



Received Gold
Premier Award
from MOSHPA

Community Development



CSR Malaysia Awards
2019 for Umbrella Sharing
Initiative Campaign



St. Joseph's
Home
Restoration



Human Capital Management

Why this is Material

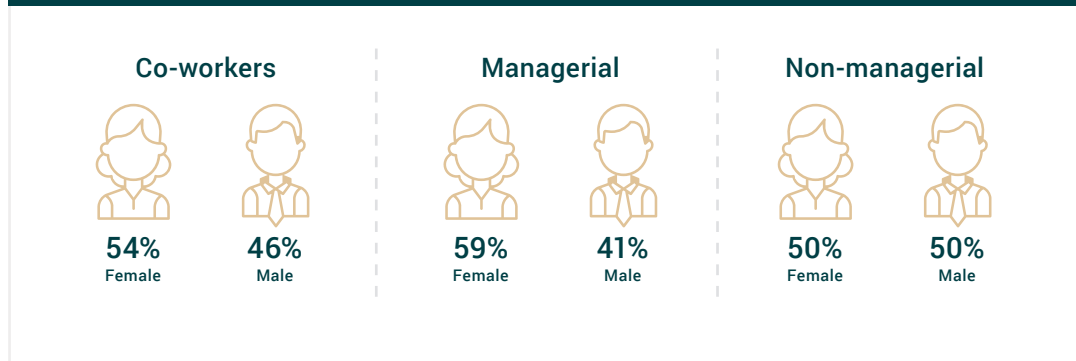
We recognise that human capital is the backbone of any organisation, therefore it is fundamental that we create a healthy working environment in order to maintain and increase productivity. In connection therewith, we strive to provide a fair, performance-based working environment that is diverse, inclusive and collaborative.

The Group strives to maintain a healthy, safe and fair work culture with an emphasis on co-worker engagement and to encourage co-worker participation in the organisation's transformational journey of sustainability. In connection therewith, we align our policies with good employment practices to ensure that the rights of our co-workers are well protected.

Realizing Potential with Gender Diversity

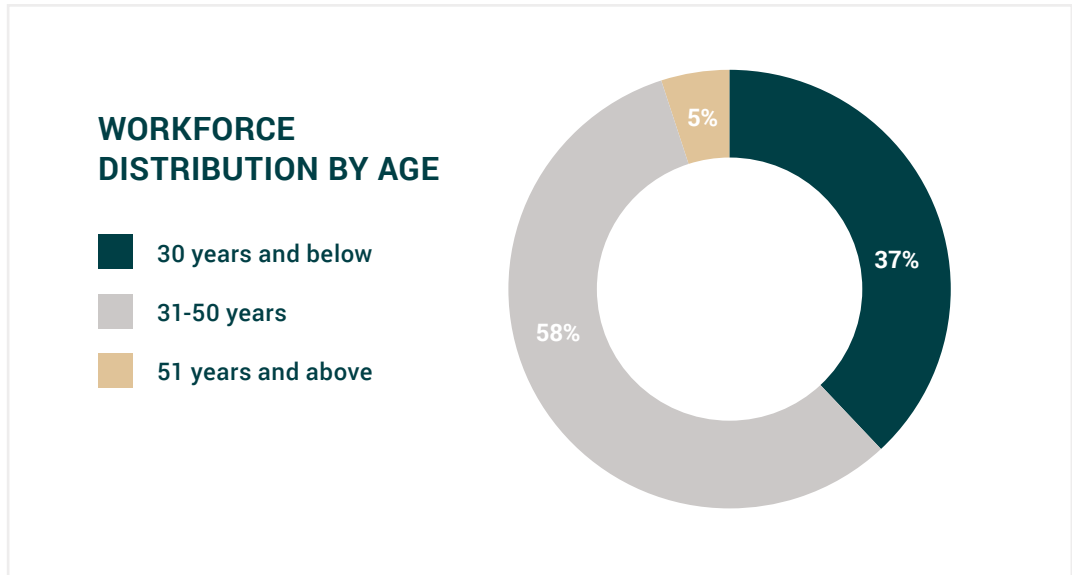
Our Group's commitment to promoting gender equality within the workforce is tangible at all levels of employment. Within an equal balance of both genders, a more comprehensive and integrative work environment is established.

GENDER PROFILE AT AG AS AT 31 DECEMBER 2019



Inspiring Women

Gendered mindset is the underlying prevention to the progress of women around the world, in leadership, at work and even at home. At AG, our female co-workers have an equitable and competitive opportunity for salaries, promotions and career development. The Group even allows female co-workers to opt for an extended 30 consecutive days of half-pay maternity leave in addition to the existing 90 days maternity leave (both are inclusive of rest days, off days and public holidays), supporting a working environment that empowers women and builds a robust talent pool amongst our female co-workers. Currently, 59% of the Group's key management personnel are women, exceeding the national target of 30% in the 11th Malaysia Plan.



Age of Workforce

Our workforce is made up of co-workers of diverse ages, ranging from 25 to golden years. 37% of our workforce consists of co-workers aged 30 years and below, and 58% of them fall between the 31 to 50-year bracket. Only 5% of co-workers are over 50 years old.

The Group’s young co-workers are more progressive, innovative and technology-savvy which allows them to adopt the fast-paced internal work environment and organisational culture. The Group’s young talents are essential in ensuring the continued delivery of excellence in products and services that exceeds the expectations of the young customer demographics of today and future generations. Whereas, the mature co-workers offer experience and skills that are crucial to the operations and management of the Group.

Diversity and Equal Opportunity

The Group is committed to creating jobs for the local community and this commitment is reflected in the democracy of the workforce. Despite the local context, our workforce consists of co-workers from various races and backgrounds. It is our basic philosophy to provide fair and equal employment opportunities for all job applicants and co-workers. Our recruitment and selection policy ensure a structured and non-discrimination recruitment process at all levels. In addition to bringing about a variety of different perspectives, such as racial and ethnic diversity will also enrich the Group’s culture and promote a positive and harmonious environment within the Group.

Remuneration

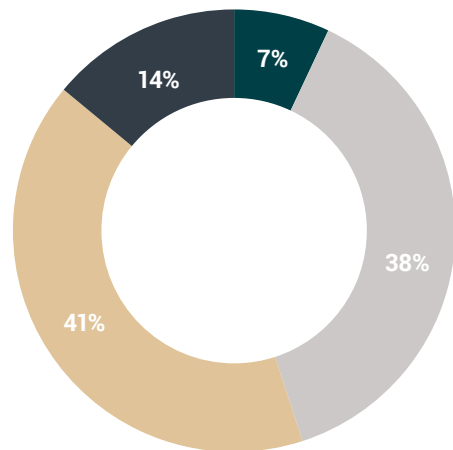
Our Group remunerates its co-workers in a manner that commensurates with the co-workers’ respective experiences, positions and competencies regardless of gender and this further reinforces the gender equality promoted by the Group. In addition, the Group also complies strictly with the minimum wage policy implemented by the Malaysian government. The Group’s salary structure is reviewed annually in line with general industry practice. Periodic benchmarking checks ensure that our salaries and total remunerations are competitive.

Organisational Structure

We endeavour to maintain an optimum organisational structure with 14% of the workforce in key management positions (encompassing Chief Executive Officer, Group Managing Director, Executive Director, Chief Operating Officer, Chief Financial Officer, Financial Controller), 31% in managerial positions (encompassing Head of Department, Senior Managers, Managers and Assistant Managers) and 55% in the executive positions and non-executive positions.

WORKFORCE DISTRIBUTION BY EMPLOYMENT LEVEL

- Key Management
- Management
- Executive
- Non-Executive



Targets moving forward

In line with the target set in the Group's previous sustainability report, we have achieved a desirable diversity and equality within the workplace. The Group hopes to maintain the diversity and equality within the workplace by employing suitable and qualified candidates regardless of gender, age, race, religion etc. through competitive remuneration packages within the organisational structure of the Group.





Talent Management

Why this is Material

Our Group recognises that the workplace's welfare and benefits coupled with promising career advancement contribute significantly to our business sustainability.

Co-workers' Well-being and Benefits

In addition to competitive remuneration, our Group also focuses on structuring co-workers' welfare and benefits package for our co-worker which include but is not limited to insurance coverage, healthcare benefits, increased maternity leave (120 days), paternity leave (30 days), marriage leave (3 days), compassionate leave (6 days) and examination leave (5 days).

We offer generous paid parental leave as a benefit to our co-workers to allow new mothers and fathers to adapt to this life-changing event. This incentive, especially for the younger workforce with growing families, gives us a competitive edge in recruitment as compared to organisations that only provide maternity leave. It is important for us to support our co-workers in meeting both workplace and personal needs as this will boost co-worker morale and productivity at work.

As a Group, we strongly believe that maintaining a healthy work-life balance is not only important for co-worker well-being, but it can also improve co-worker productivity, ultimately performance. By prioritising the need for work-life balance, this creates a positive impact on co-worker retention and satisfaction, especially the millennials.










To encourage our co-workers to maintain a work-life balance, our co-workers are offered free gym memberships and fitness programme at a local renowned fitness centre to maintain a healthy lifestyle. The Group also organises weekly exercise classes and sporting events such as Zumba and badminton.

Furthermore, our Group has also established a committee formed by our co-workers to help organise various activities such as bowling tournament, paintball, cycling, hiking and ATV rides to enable our co-workers to come together and spend time in activities that positively affect their well-being and lifestyle.

The above efforts and initiatives undertaken by the Group are in line with the target set in the Group's previous sustainability report to introduce more wellness programmes to ensure that the co-workers health and wellness are taken care of.

Highlights of Co-Worker Benefits

Leave	Health and Insurance Coverage	Flexible Work Arrangement	Transport	Others
				
<ul style="list-style-type: none"> • Annual • Medical • Maternity • Paternity • Examination • Compassionate • Marriage • Prolonged Illness 	<ul style="list-style-type: none"> • Group Personal Accident • Group Hospitalisation & Surgical • Co-Workers' Insurance Coverage • Outpatient Medical Reimbursement 	<ul style="list-style-type: none"> • Extended Maternity Leave 	<ul style="list-style-type: none"> • Company Car • Car Allowance • Travel Allowance • Mileage 	<ul style="list-style-type: none"> • Company Provided Refreshment • Company Mobile Phone and Registered Line • Professional Membership Annual Subscription Fees • Co-workers Purchase Discount/ Special Packages

Engaging Co-Workers

Formal engagement activities under the Group's 7 Habits of Highly Effective People module ensure co-worker engagement in order to cultivate a trusting and conducive work environment. These engagements tend to be transparent as it involves co-workers at all levels in an interactive environment. Co-workers are able to share their views and thoughts with the key management personnel thus fostering mutual respect and a collaborative work relationship in the Group's dynamic setup.

Relevant and constructive opinions from co-workers are translated into actions aimed at enhancing business strategies and daily operations. This empathetic and inclusive process allows voices from co-workers to generate valuable ideas and improvements for business sustainability.

Talent Development and Capacity Building

In line with the target set in the Group's previous sustainability report, the Group continuously provides co-workers with various internal training programmes such as 'Purposeful Leadership' and '7 Habits of Highly Effective People' to build their soft skills and knowledge so that they stay responsive to changes in the work environment and contribute optimally to the business.

As part of talent management, our Group has in place a robust performance appraisal system that includes all eligible co-workers within the Group. During the yearly performance appraisals, the work performance of all co-workers from all employment levels are reviewed by their respective superiors, head of departments and key management personnel.

Any identified gaps in co-workers' career development are addressed and training plans are created for our co-workers. The training programmes are based on the specific needs of our co-workers and in line with their career progression within the organisation. Continuous individual development/improvement of the co-workers will in turn benefit our Group.

As at the end of FY2019, a total of 4,096 training hours were clocked by our co-workers to enhance their knowledge at work or to contribute to their self-development.





4,096
Total training hours



25
Average training hours per co-worker

KEY TRAINING PROGRAMMES

Leadership Development

Purposeful Leadership

7 Habits of Highly Effective People

Occupational Health and Safety

Certified Environmental Professional in Scheduled Waste Management

11th NRG-SHE OSH Conference and Exhibition 2019 – OSH for Future

Penang International Construction Conference 2019 – Safety and Innovation

Occupational First Aid and CPR (AED) Level 1

Accounting and Finance

National Tax Seminar 2019

A Practical Guide to Goods and Services Tax (GST) - Understanding the Fundamentals and Concepts and Avoiding the Common Pitfalls

Financial Reporting Standards – 2019 Annual Update

Quality Management

ISO 9001:2015 Quality Management System Lead Auditor Training Course

Human Resource Management

Essential HR Laws for Employers and Managers

Valuing Our Co-Workers

Recognition is the key to co-worker loyalty. AG's Long Service Awards reinforce best behaviours, highlight achievements and appreciate co-workers for their efforts and dedication.

Awards	2018	2019
5 Years Service Award - AG shares worth up to RM5,000	11	7

The Group's co-workers are also afforded discounts/special packages when purchasing selected property in our projects.

Targets moving forward

- The Group hopes to identify potential talent and successors to undergo leadership development plans in 2020.
- The Group hopes to promote new wellness programmes to improve the health and performance of the co-workers.



Occupational Health and Safety

Why this is Material

We are committed to doing everything within our abilities to ensure that the Health, Safety, and Environment (“HSE”) practices are met at all times. This applies to all personnel including our co-workers, contractors, clients, suppliers, visitors and others within our premises to safeguard their welfare and at the same time guard the Group against any legal liabilities.

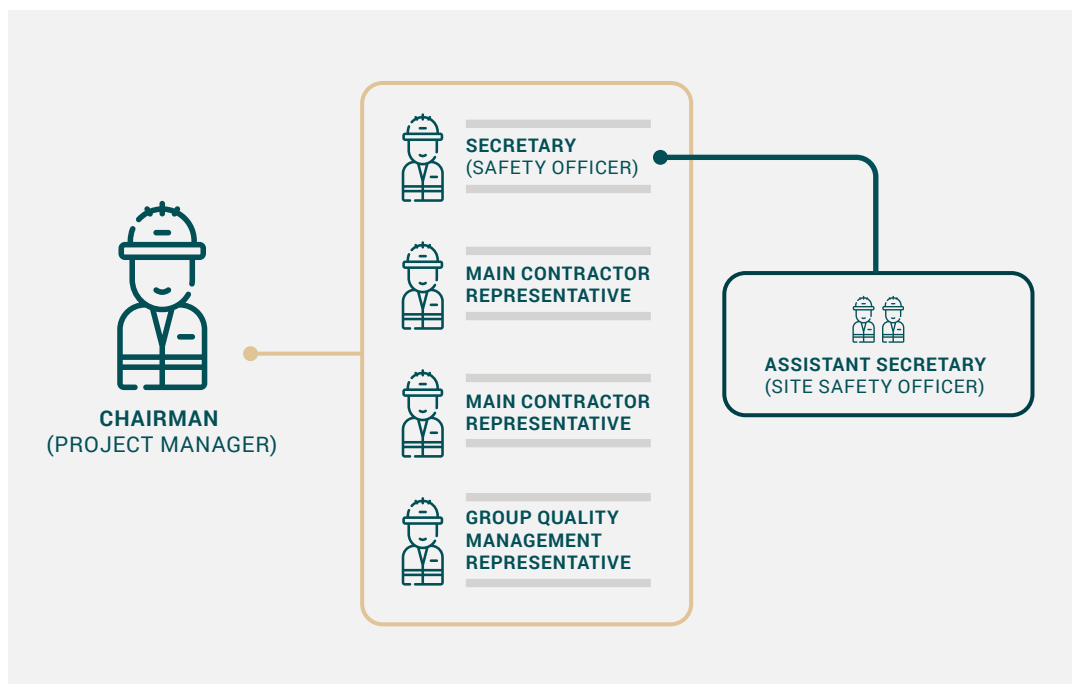
Implementation of Internal Policies and Practices

In compliance with the laws currently in force and guidelines devised by the Department of Occupational and Safety Health (DOSH), we have in place internal policies and practices and controls to manage and minimise the risks associated with the safety and health of our workplace.

Our Group’s ongoing initiatives in maintaining a safe and healthy workplace, inter alia, are as follows: -

- (a) identify and perform regular checks on potential safety and health risks and hazards;
- (b) hold regular meetings and prepare monthly or quarterly safety and health reports for monitoring and management of the processes and risks and hazards;
- (c) conduct investigations on all reported incidents that take place at the workplace and evaluation of the consequences prior to taking immediate corrective and preventive measures or actions;
- (d) provide compulsory continuous safety and health training to all co-workers;
- (e) conduct fire safety audits and drills; and
- (f) take strict disciplinary action against violation of any safety and health rules and policies.

With this effective safety and health system overseen by the Group’s Safety Organisation represented in the figure below, our Group managed to meet its target set and maintain incidents involving any permanent injuries or fatalities at zero.



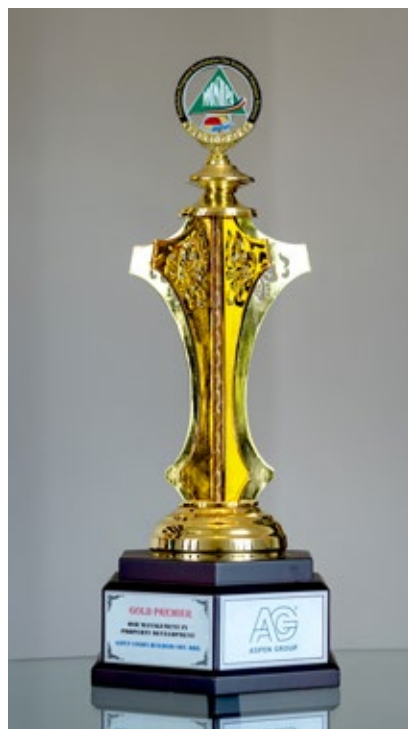
We have also established a training programme to ensure that all our co-workers have adequate awareness, knowledge and skill to perform their tasks at the construction site. The training programme includes:

Stages	Training Provided	Topics/Items
Before co-workers arrive on site	<ul style="list-style-type: none"> Construction Industry Development Board (CIDB) Green Card Induction Course Basic introductory briefing 	<ul style="list-style-type: none"> General HSE requirement Nature of works, hazards and control measures
When co-workers arrive on site	<ul style="list-style-type: none"> HSE Induction Course 	<ul style="list-style-type: none"> Site specific HSE rules and regulations (Conducted by main contractor personnel)
After completion of induction course	<ul style="list-style-type: none"> HSE On Job Training 	<ul style="list-style-type: none"> Specific HSE provisions (Conducted by main contractor and assisted by AG personnel) <ul style="list-style-type: none"> Use of Personal Protective Equipment (“PPE”) Approved working platform and ladder Chemical use

Our excellence in occupational safety and health management was recognised recently at the Malaysian Occupational Safety and Health Practitioners’ Association (MOSHPA) awards. The Group’s subsidiary company Aspen Vision Builders Sdn. Bhd. received the Gold Premier awards in the category of ‘OSH Management in Property Development’ on 13 September 2019.

HSE Requirements For Contractors

HSE is one of our Group’s core values. We expect the same dedication to the HSE requirement from the Group’s contractors towards its agents, servants, employees or invitees. On that note, contractors shall take all reasonable steps to adopt, implement, and enforce rules and practices necessary for the safe and environmentally responsible performance of the contractors’ work.



The measures which the contractors are expected to take include, inter alia, the following: -

- I. inform, educate, secure, implement and maintain compliance by its agents, servants, employees or invitees of all applicable laws and regulations concerning HSE requirement;
- II. prior to the commencement of the work, participate in a joint assessment of HSE hazards in respect of the work to be undertaken;
- III. provide a sufficient number of relevant safety and warning signage within the workplace, to remind of safety requirement, regulations and hazards present;
- IV. provide appropriate PPE, first aid and firefighting facilities;
- V. provide adequate training to ensure employees are competent to do their work;
- VI. communicate and consult with its workforce on a regular basis on HSE matters;
- VII. develop an emergency response plan, conduct emergency training and drills for the purpose of emergency preparedness at the site; and
- VIII. submit a monthly HSE performance report to AG for its review.

The Group closely audits contractors' HSE performances and gauges their level of compliance against applicable requirements and provides a proactive measure to identify any area for improvements on the HSE arrangements being implemented.

A penalty system is implemented for all contractors for non-compliance with HSE procedures and requirements. Penalties shall be issued for all major findings on site which has the potential to cause serious bodily injuries, death or dangerous occurrences. However, if there are any repeat issues on the non-compliances, the penalty will be doubled for failure to take remedial measures to eliminate or control the hazards on site. Contractors will be rewarded back with 50% of the penalty if they manage to score above 85% in total for any surprise audit results carried out by the Group from time to time.

Smart Surveillance

In line with the target set in the Group's previous sustainability report, we implemented a smart surveillance and safety measure in our Vervea project. The system prevents untoward incidents through a video surveillance system that employs automatic video analysis technology. With its enhanced forensic capabilities, the system can conduct real-time search and tracking of people, objects or vehicles and identify unusual activities.

Targets moving forward

To maintain zero incidents involving any permanent injuries or fatalities in 2020.





Community Development

Why this is Material

As a property developer, the work we do has a social impact that goes beyond building bricks and blocks. We have to think of communities holistically and connect to those that may be less fortunate or are in need of extra help. We aim to improve the quality of life and sustainability of the communities where we live and work.

Umbrella Sharing Initiative Campaign

In 2019, the Group installed additional umbrella stands and umbrellas at more schools in Penang island, as part of the Group's ongoing 'Umbrella Sharing Initiative Campaign' ("Campaign") in Malaysia and Singapore. The Campaign was initiated by the Group for the purpose of raising public awareness and encouraging the creation of a sustainable cycle of umbrella sharing within the community. We believe that this initiative is able to foster the spirit of sharing and cooperation within the community.



With more connection points widely available, people can conveniently take an umbrella, use it and subsequently drop it off at the closest connection point. This initiative also serves as a way to educate the younger generations on spreading kindness within the community. The Campaign has captured attention on a national level in Malaysia and the Group was conferred 'Company of The Year Award' in the Overall Excellence - Property Development at the CSR Malaysia Awards 2019.

AG umbrellas and umbrella stands have been strategically placed at significant locations with high foot-traffic as follows:

Penang			Singapore
<p>Bus Stands, Penang</p> <ol style="list-style-type: none"> 1 Karpal Singh Drive 2 Opposite Gurney Plaza (Jalan Kelawai) 3 In front of UOB Bank (Jalan Kelawai) 4 In front of Island Plaza 5 In front of Penang Chinese Girls' High School (Jalan Gottlieb) 6 In front of McDonald's (Jalan Dato Keramat) 7 Opposite Bank Negara (Lebuh Light) 8 Opposite Sunshine Square 9 Opposite USM (Jalan Sultan Azlan Shah) 10 In front of Krystal Point 11 In front of SJK (C) Union (Jalan Burma) 12 Jalan Magazine (Turning in from Lebuhraya Tun Dr. Lim Chong Eu) 	<p>Schools, Penang</p> <ol style="list-style-type: none"> 1 Penang Chinese Girls' High School 2 SJK (C) Union 3 SMK Convent Lebuh Light 4 Dalat International School 5 SMK Convent Datuk Keramat 6 Penang Free School 7 SMK Convent Pulau Tikus 8 SMK Convent Green Lane 	<p>Aspen Group</p> <ol style="list-style-type: none"> 1 Aspen Group Head Office 2 Aspen Group Experience Centre 3 Aspen Vision City Sales Gallery 	<p>Admiralty, Singapore</p> <ol style="list-style-type: none"> 1 Crossing near Block 679, Woodlands Avenue 6 (Near Admiralty MRT Station - Exit D) 2 Ace The Place Community Centre & Block 541, Woodlands Drive 16 3 Block 685 & Block 691, Woodlands Drive 73 <p>Potong Pasir, Singapore</p> <ol style="list-style-type: none"> 1 St. Andrew's Junior College, Side Gate 2 Next to Bus Stop 61089, Between Block 138 /144, Potong Pasir Avenue 3





**Thaipusam Booth for Hindu Devotees
(24 January 2019)**

In celebration of Thaipusam, the Group set up a booth opened to all devotees to join in this annual boisterous festival of worshipping Lord Murugan, with a series of colourful decorations, as well as beautiful performances.

**Gym Refurbishment Sponsorship
(28 January 2019)**

In appreciation to our real life heroes, the Group had the opportunity to sponsor the refurbishment of Bagan Jermal Fire & Rescue Station's gymnasium building, now known as Aspen Group Gymnasium (AGYM). This refurbishment included upgrading the inner and outer façades, along with providing essential gym equipment in the hope to inspire them in continuing their noble works.



**St. Joseph's Home Restoration
(1 March 2019)**

The Group responded to St. Joseph's Home's request to restore dilapidated parts of their building which houses 43 children who are either orphans or from very poor socio-economic and psychological backgrounds. During the initial assessment carried out by our technical team, we found out that the ground floor male lavatory was completely closed due to unsafe condition and the first-floor male lavatory was being utilised at risk. These two facilities required a major rebuilding at a total cost of more than RM80,000. Having the children's security in mind, we took it as our responsibility in making sure that the building housing these children is safe at all times.



**Dates Distribution During Ramadan Month
(17 May 2019)**

In conjunction with the auspicious Ramadan month, Aspenians distributed dates (kurma) to the public regardless of race and religion, to give back to the community. Dates were also distributed to the local authorities as a token of gratitude. During the Ramadan month, Muslims generally consume dates after long hours of fasting as they help in the digestive process and gives energy.

**David Tao & Shin Fans Meeting
(24 November 2019)**

Our Group was the main event sponsor and venue sponsor of the David Tao & Shin fans meeting held at Vervea Trade & Exhibition Centre (VTEC) in Penang. The fans meeting, which did not require any payment from fans, was organised in order to make up for the last-minute cancellation of a performance scheduled by the duo earlier. However, due to limited capacity, diehard fans of the duo had to redeem their free tickets a week before the fans meeting. The fans were not disappointed as the duo serenaded them with their greatest hits.





PDC 50th Anniversary Fun Walk (30 November 2019)

The Group sponsored 20 underprivileged children to participate in the PDC Fun Walk 2019 held in conjunction with PDC's 50th Anniversary Celebration. In a show of support for PDC, 20 Aspenians joined in the walk and simultaneously bonded among co-workers.

Butterworth Fringe Festival 2019 (7 & 8 December 2019)

The Group was the proud Gold Sponsor of the Butterworth Fringe Festival 2019 ("BFF"), an initiative led by the Seberang Perai City Council. BFF is a two-day, free-to-attend vibrant public street event celebrating the arts, culture and heritage of the classic enclave of mainland Penang, Malaysia. The festival is held annually with aims to bolster the growth of the arts and culture activities while unearthing local creative talents at the same time.

Targets moving forward

This year we had exceeded our targeted number of community engagements and the Group remains committed to carrying out contributions that are innovative and sustainable to the community and environment to better serve the community. In that regard, we have targeted at least three events that we hope to carry out in 2020.

Market Responsibility

Product Quality



ISO 9001:2015 quality management system standards



Quality Assessment System in Construction (QLASSIC)

Corporate Governance, Ethics and Anti-Corruption



0

Reported incidents of corruption



Product Quality

Why this is Material

Our Group is committed to delivering high quality homes to our homebuyers.

Quality Assurance

In 2017, our Group achieved the ISO 9001:2015 quality management system standards which help ensure our customers receive homes of the reliable and desired quality. Further, our Group has implemented the Quality Assessment System in Construction (QLASSIC) created by the Malaysian Construction Industry Development Board (CIDB). QLASSIC is a system or method designed and used to measure and evaluate the workmanship quality of a building construction work based on Malaysian Construction Industry Standard (CIS 7:2014); a quality assessment system for building construction works standard.

As part of our Group's effort on quality assurance, our Group Quality Management performs audits and inspections as shown below and resolves any issues discovered as soon as possible. The collected data helps with our effort to implement stringent quality control measures to ensure the highest standards of product quality.

Type of Audit/Inspection	Frequency
Quality & Safety for all project sites	Monthly
Various departments within the Group	At least once a year

The above efforts have ensured that there is no non-compliance with any local laws and regulations which is in line with the target set in the Group's previous sustainability report.

To further improve the quality of our products, our Group implements an electronic defects management system, Novade Quality application, for our completed projects. Available on desktop, iOS and Android, Novade Quality is an enterprise application facilitating tracking and management of defects and its rectification process during the defect liability period. With this system, homeowners are able to lodge unit defects, track and acknowledge defect rectification using their desktops, tablets or mobile devices. This application streamlines the rectification process after handover and boosts customer satisfaction. In line with the target set in the Group's previous sustainability report, the Novade Quality application was implemented to our Vervea project. However, moving forward, the Group may consider other alternatives that could provide better customer experience.

Targets moving forward

Our Group will continue to assess the safety of all buildings developed by our Group to ensure there is no non-compliance with any local laws and regulations and deliver the highest quality products to our customers.



Corporate Governance, Ethics and Anti-Corruption

Why this is Material

Good corporate governance and ethics ensure stability and sustainability of the business performance. It also acts as an effective anti-corruption tool which in turn injects transparency and accountability to the business decisions.

Anti-Bribery and Corruption Policy

The Group adopts a zero-tolerance policy against bribery and corruption. All co-workers of the Group are required to maintain the highest standards of integrity in their work and the same requirement extends to external parties.

The Group continuously educates our co-workers on policies and practices relating to anti-bribery and corruption and provides training on how to manage various real-life situations.

Thus far, there have been no reported incidents of corruption involving the Group or its co-workers.

Whistle-Blowing Policy

A whistle-blowing policy and its procedures have been implemented which allows co-workers to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence and ensures that there is an independent investigation of such matters and appropriate follow up action. Details of the whistle-blowing policy have been made available to all co-workers of the Group.

There have not been any whistle-blowing incidents reported in 2019.

In relation to the target set by the Group in its previous sustainability report, the Board is of the view that the establishment of the internal audit committee is not essential taking into account the size of the Group. Presently, the Group has in place an internal auditor to assess the adequacy and compliance of the anti-bribery and corruption policy and the whistle blowing policy from time to time. Based on the results of the audit review, the internal auditor shall recommend best practices for the Board's consideration.

Moreover, the Group has from time to time raised awareness on policies and practices relating to anti-bribery and corruption among our co-workers through internal memos.

Targets moving forward

- To maintain zero incidents of corruption.
- Regularly review policies on anti-bribery, corruption and whistle-blowing.

GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference/ Remarks
General Disclosures			
GRI 102: General Disclosures 2016	102-1	Organisation's name	Aspen (Group) Holdings Limited
	102-2	Primary brands, products and services	Development Projects, page 34 of Annual Report 2018 ("AR")
	102-3	Location of headquarters	Corporate Information, page 31 of AR
	102-4z	Location of operations	Corporate Information, page 31 of AR
	102-5	Ownership and legal form	Corporate Information, page 31 of AR
	102-6	Markets served	Financial Reports, page 80 of AR
	102-7	Scale of organisation	<ul style="list-style-type: none"> • Social – Employment Policies & Practices, page 24 of Sustainability Report ("SR") • Financial Reports, page 80 of AR
	102-8	Workforce information	Social – Employment Policies & Practices, page 24 of SR
	102-9	Supply chain	The Group does not generally disclose its supply chain due to competitiveness within the industry
	102-10	Significant changes during the reporting period	No significant changes in FY2019.
	102-11	Report whether and how the precautionary approach or principle is addressed by the organisation	Generally, we observe and adopt such necessary precautionary approach or principle in our sustainability drive.
	102-12	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes	Environment - Green Building Index, page 8 of SR
	102-13	Memberships of associations and national or international advocacy organisations	Not applicable in FY2019.
	102-14	Statement from senior decision maker	Board Statement, page 9 of SR
102-16	Organisation's values, principles, standards and norms of behaviour	Vision & Mission and Core Values, page 3-4 of AR	
102-18	Governance structure	Sustainability Governance, page 9 of SR	

GRI Standards	Disclosure Number	Disclosure Title	Page Reference/ Remarks
	102-40	List of stakeholder groups	Engagement of Stakeholders, page 10 of SR
	102-41	Collective bargaining agreements	The Group's co-workers are free to join or not join such recognized labour or similar unions without contravening any applicable laws and the prevailing practices and relations within the property development industry.
	102-42	Identifying and selecting stakeholders	Engagement of Stakeholders, page 10 of SR
	102-43	Approach to stakeholder engagement	Engagement of Stakeholders, page 10 of SR
	102-44	Key topics and concerns raised through stakeholder engagement	Engagement of Stakeholders, page 10 of SR
	102-45	Entities included in the organisation's consolidated financial statements	Financial Reports, page 80 of AR
	102-46	Defining report content and topic boundaries	About This Report, page 6 of SR
	102-47	List of material topics	Materiality Assessment, page 11 of SR
	102-48	Effect of any restatements of information provided in previous reports	N.A.
	102-49	Significant changes from previous reports in the material topics and boundaries	N.A.
	102-50	Reporting period	1 January – 31 December 2019
	102-51	Date of previous report	N.A.
	102-52	Reporting cycle	Annual
	102-53	Contact point	About This Report, page 6 of SR
	102-54	Claims of reporting in accordance with GRI Standards	About This Report, page 6 of SR
	102-55	GRI Content Index	GRI Index, page 41 of SR

GRI Standards	Disclosure Number	Disclosure Title	Page Reference/ Remarks
	102-56	Assurance	Our Group has not sought any external assurance for this reporting period but may consider seeking the same in the future.
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	Materiality Assessment, page 11 of SR
Topic-Specific Standards			
Economic			
GRI 103: Management Approach	103-2	The management approach and its components	Financial Reports, page 80 of AR
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	
Compliance with laws and regulations			
GRI 103: Management Approach	103-2	The management approach and its components	Energy and Emissions, page 14 of SR
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organisation	
	302-3	Energy intensity	
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
Energy and Emissions			
GRI 103: Management Approach	103-2	The management approach and its components	Energy and Emissions, page 14 of SR
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organisation	
	302-3	Energy intensity	

GRI Standards	Disclosure Number	Disclosure Title	Page Reference/ Remarks
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
Water			
GRI 303: Water	303-1	Water withdrawal by source	N.A.
Effluents and Waste			
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	Effluents and Waste, page 21 of SR
Occupational Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Occupational Health and Safety, page 31 of SR
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	
Talent Retention			
GRI 103: Management Approach	103-2	The management approach and its components	Employment Policies and Practices & Talent Management, page 27 of SR
	103-3	Evaluation of the management approach	
GRI 404: Training and Education	404-3	Percentage of co-workers receiving regular performance and career development reviews	
Customer Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Quality Assurance, page 39 of SR
	103-3	Evaluation of the management approach	
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning health and safety impacts of products and services	





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