



Sustainability Report 2020





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Board Statement

The Board of Directors (the “**Board**”) is pleased to present our third Sustainability Report for Astaka Holdings Limited (the “**Company**” or “**Astaka**”, and together with its subsidiaries, the “**Group**”).

As the Board, we recognise therein lies a responsibility for us to ensure that Astaka is viable as a business in the long-term, the well-being of our stakeholders and communities in the markets where we operate are being safeguarded and the environment is cared for. Delivering long-term sustainable value for our business and stakeholders remains an important objective for us. In view of the recent pandemic outbreak, Coronavirus Disease 2019 (“**COVID-19**”), we are committed to managing the social and financial impacts of it on the business while ensuring that the health and safety of our employees, contracted partners and workers as well as customers remain a top priority.

In this vein, we believe it is pertinent for us to consider and incorporate environmental, social and governance (“**ESG**”) sustainability matters on top of financial matters, as part of our strategic formulation and decision-making processes. For this report, we have updated our ESG matters identified as important to our business.

Our report details our commitment towards integrating sustainability into our operations and provides a summary of our efforts and non-financial performance in which we will continue to monitor.

As a Group, we endeavour to create positive ESG impacts and we look forward to sharing our progress with you in the years to come.

About the Report

Reporting Scope and Boundary

Astaka’s Sustainability Report (“**SR**”) covers our sustainability performance data and progress for the period from 1 July 2019 to 30 June 2020 (“**FY2020**”), with prior year’s data where available. In FY2020, we expanded the reporting scope to cover Bukit Pelali Properties Sdn Bhd, a 51% owned subsidiary of the Company. This report will cover entities and properties listed in Figure 1, unless otherwise specified. To define the SR’s reporting content, Astaka has considered sector-specific sustainability trends, incorporated key stakeholders’ feedback and examined the materiality of relevant Economic, Environmental, Social and Governance (“**EESG**”) issues. Please refer to Sustainability Approach and Sustainability Commitment sections for more detail.

Figure 1: Reporting scope for FY2020

Entities	Principal Activities	Properties Developed / Under Development
Astaka Holdings Limited	Investment Holding	N.A.
Astaka Padu Sdn Bhd	Property Development	<ul style="list-style-type: none"> ▪ The Astaka @ One Bukit Senyum ▪ Menara MBBJ
Bukit Pelali Properties Sdn Bhd	Property Development	<ul style="list-style-type: none"> ▪ Bukit Pelali @ Pengerang (ongoing development)

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (“**GRI**”) Sustainability Reporting Standards (“**GRI Standards**”): Core option. Astaka selected the GRI Standards as the reporting framework for its systemic and comprehensive sustainability reporting approach. Astaka observed that the GRI Standards are commonly adopted among sustainability leaders across different industries, including property development. By using the identical reporting standards with its peers, Astaka can benchmark its sustainability performance, learn from best practices and implement sustainability initiatives most efficiently.

In addition, this report complies with the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”). Astaka publishes our SR on an annual basis.

Feedback

We believe that safeguarding our stakeholders’ well-being is paramount in building a sustainable future for Astaka. We welcome any feedback, comments and enquiries to Ms Chiou Ling Tan, Special Officer to the CEO, at chiouling@astaka.com.my.

Sustainability Approach Our Vision and Core Values

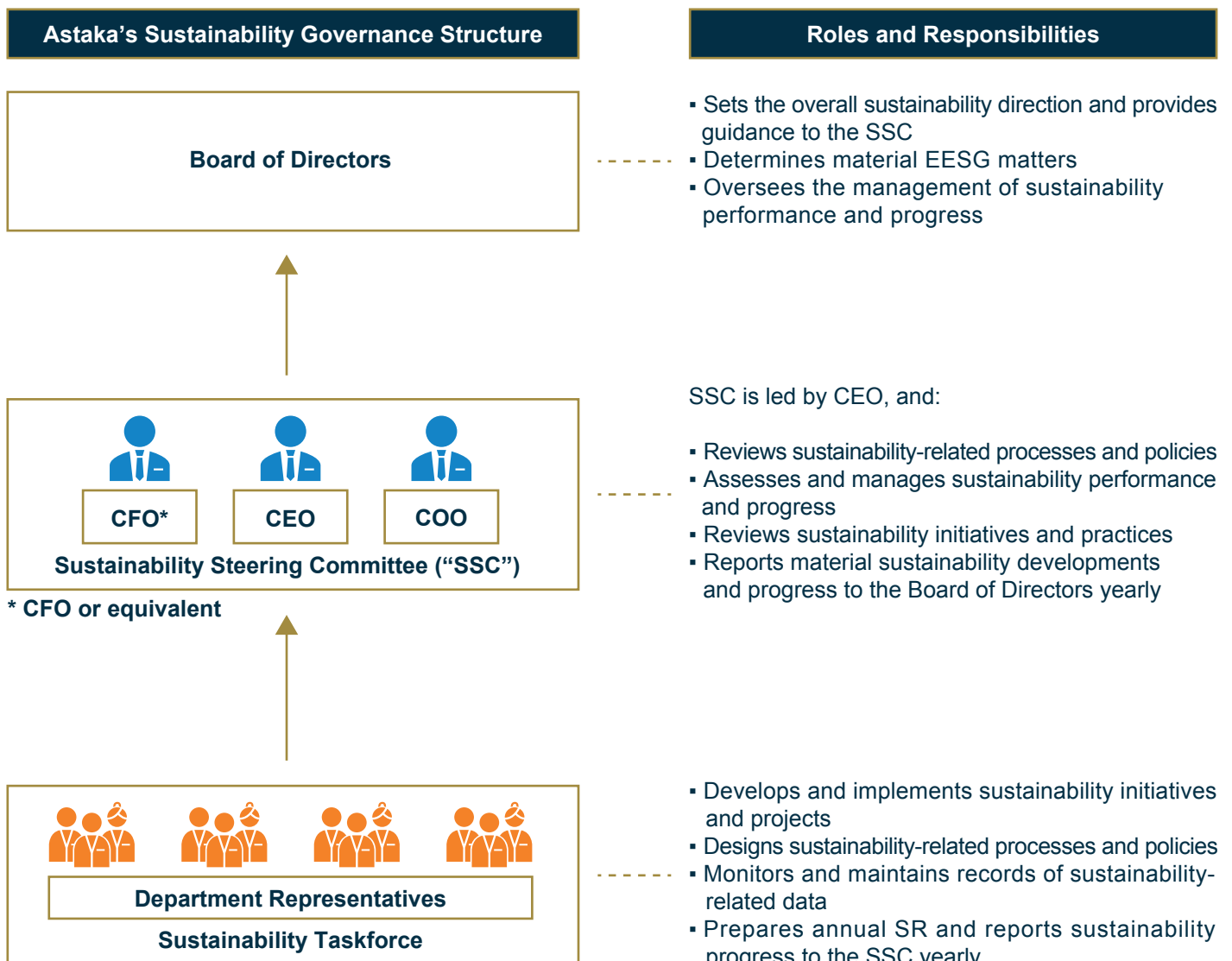
Figure 2: Astaka's vision and core values

Vision	Core Values
To always be the premier real estate company in the country	Result-oriented
	Pioneer (Dare to transform & be different)
	Innovative (Mindset, Teams, Iconic Design & Construction Methods)
	Excellence (Branding, Design, Quality & Customer Relationship)
	Integrity

Astaka's Sustainability Governance

A sustainability governance structure enhances transparency, accountability, and effectiveness in Astaka's sustainability journey. Astaka has developed a whole-of-organisation approach and actively involves internal stakeholders in its sustainability agenda.

Figure 3: Astaka's sustainability governance structure





Supply Chain Management

As a socially and environmentally responsible property developer, Astaka endeavours to engage locally-based contractors and suppliers that have a good track record of compliance with local legislations and regulations.

To incorporate best practices into our supply chain management, we encourage our building contractors to conform to international quality, health and safety and environmental management systems' standards such as ISO 9001, OHSAS 18001 and ISO14001 respectively. Where necessary, the Group's project team will engage with contractors to promptly resolve matters should breaches with applicable local regulations be identified. The Group further articulates for contractors to take precaution to avoid environmental pollution and social disruption to the local communities.

Figure 4: Astaka's environmental and social requirements for contractors

<p>Environmental</p> <p>Contractors shall take adequate precautions to avoid:</p> <ul style="list-style-type: none"> • Noise pollution • Soil pollution • Water pollution • Air pollution  <p>Contractors shall implement necessary measures for:</p> <ul style="list-style-type: none"> • Waste management • Tree protection • Mosquito prevention • Pest control and prevention • Silt trap protection • Flood prevention <p>The Contractor shall conduct Environmental Impact Assessments whenever required.</p>	<p>Social</p> <p>Contractors shall take adequate precautions to avoid:</p> <ul style="list-style-type: none"> • Injuries • Property damage • Open burning • Theft  <p>Contractors shall implement necessary measures for:</p> <ul style="list-style-type: none"> • Site safety and occupational health • Public security • Traffic control • Maintenance of public and private road and footpaths • Site fire prevention
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Stakeholder Engagement

Stakeholders are those who are affected by, or can affect Astaka's business operations, performance and long-term business plans. Astaka firmly believes that engaging all stakeholders and addressing their needs are key to achieving the Company's sustained success in the long term. We actively communicate with both internal and external stakeholders through different methods. We engage our stakeholders either immediately or occasionally, depending on whether stakeholders require immediate attention and solutions on their needs and concerns. Responses, comments and feedback from stakeholders are considered in our sustainability strategy, policies and initiatives. Our stakeholder engagement is especially important to our key stakeholders who can significantly impact or be impacted by Astaka. For FY2020, Astaka identified investors, suppliers, employees, local communities and regulators as key stakeholder groups.

Figure 5: Key stakeholder groups and engagement

 <p>Investors</p> <p>Investors are key capital contributors to Astaka. All investors have the right to share feedback and receive timely updates.</p>	<p>Key Concerns</p> <ul style="list-style-type: none"> • Business operations and performance • Business strategy and outlook <p>Engagement Mean</p> <ul style="list-style-type: none"> • Release of financial results, announcements, press releases and other relevant disclosures through SGXNet and Astaka's website • Annual General Meeting <p>Our Responses</p> <p>The Group keeps investors informed on significant developments regarding the business. On top of that, the Group has received numerous accolades including the Prestigious Developer Award People's Choice Awards, reflecting positive perceived value of and confidence in our projects.</p>	<p>Engagement Frequency</p> <p>Immediate</p>
 <p>Suppliers</p> <p>Astaka's ESG commitments and contractual obligations can only be fulfilled with the support from our suppliers.</p>	<p>Key Concerns</p> <ul style="list-style-type: none"> • Health and Safety • Business Performance <p>Engagement Mean</p> <ul style="list-style-type: none"> • Regular meeting with suppliers (e.g. contractors and consultants) <p>Our Responses</p> <p>The Group integrates our environmental, social, and governance aspects in our terms of contract which suppliers are required to comply with. Please refer to Supply Chain Management on page 31 for more details.</p>	<p>Engagement Frequency</p> <p>Occasional</p>
 <p>Employees</p> <p>As Astaka's main engine for success, employees deserve absolute respect and occupational care.</p>	<p>Key Concerns</p> <ul style="list-style-type: none"> • Fair remuneration and opportunities • Career development • Employee well-being • Competency and technical training <p>Engagement Mean</p> <ul style="list-style-type: none"> • Training programmes • Induction for new employees <p>Our Responses</p> <p>The Group stands firm against any forms of discrimination in our organisation. Our Human Resource ("HR") team is also in the process of developing a yearly training calendar to address targeted needs of our employees. Refer to Training and Education on page 37 for more details.</p>	<p>Engagement Frequency</p> <p>Immediate</p> <ul style="list-style-type: none"> • Team building and staff activities • Yearly performance appraisals
 <p>Local Communities</p> <p>Astaka strives to create long-term value and minimise negative impacts on the local communities.</p>	<p>Key Concerns</p> <ul style="list-style-type: none"> • Community investments <p>Engagement Mean</p> <ul style="list-style-type: none"> • Contributions to support various philanthropic, community and charitable causes <p>Our Responses</p> <p>The Group actively strives to give back to the local community. In FY2020, the Group carried out two Corporate Social Responsibility ("CSR") events and provided RM0.16 million in donations and sponsorships. Further, Astaka and its suppliers conduct the Environmental Impact Assessment ("EIA") in line with local regulations prior to construction phase to assess potential impacts and implement mitigation measures, where necessary. Refer to Local Communities on page 37 for more details.</p>	<p>Engagement Frequency</p> <p>Immediate</p>
 <p>Regulators</p> <p>Regulators set rules and regulations for Astaka and other companies to maintain a fair and just business operating system.</p>	<p>Key Concerns</p> <ul style="list-style-type: none"> • Compliance with mandatory reporting requirements <p>Engagement Mean</p> <ul style="list-style-type: none"> • Ongoing communication and consultation • Training and updates of latest changes in laws, regulations and accounting reporting standards <p>Our Responses</p> <p>Astaka strives to be in compliance with all applicable local laws and regulations in its operations. There were no cases of socio-economic and environmental non-compliance incidents in FY2020. Refer to Compliance on page 42 for more details.</p>	<p>Engagement Frequency</p> <p>Immediate</p>

Materiality Assessment

Guided by GRI's materiality principle, an external consultant was appointed to facilitate the review of the existing material EESG matters from our FY2018 and FY2019 SRs to determine if these remain relevant for reporting in FY2020, taking into consideration any changes in perspectives of our key stakeholders and business landscape. Through this, we have expanded our reporting scope to include two new material matters and one additional matter as listed in Figure 7 below.

Figure 6: Materiality assessment process

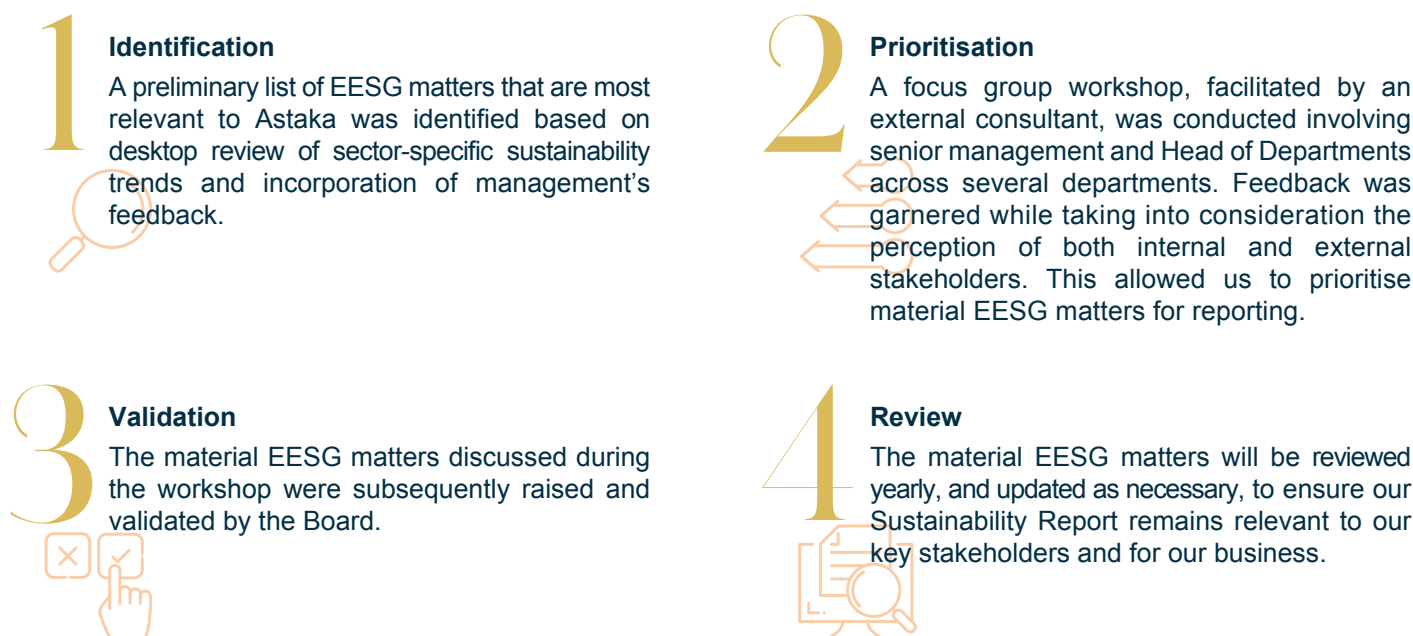


Figure 7: Material ESG matters for reporting

Astaka ESG matters		
Material ESG matters		Stakeholders impacted <i>(Refer to Figure 5 for the full list of our key stakeholders)</i>
	Economic Performance	All Key Stakeholders
	Talent Management and Development	Employees
	Local Communities	Local Communities where we operate
	Energy Management	Investors, Regulators and Tenants of Our Developments
	Compliance	Investors, Regulators
Additional ESG matter		Stakeholders impacted <i>(Refer to Figure 5 for the full list of our key stakeholders)</i>
	Occupational Health and Safety	Employees, Customers, Suppliers and Contracted Workers

Sustainability Commitment

Alignment with SDGs

In 2015, all United Nations Member States (“UN Members”) adopted the 2030 Agenda for Sustainable Development. The agenda set forth by the UN Members is to address global economic, environmental, social and governance challenges and achieve the 17 Sustainable Development Goals (“SDGs”) by 2030. As a responsible property developer in the business sector, Astaka has a long-term sustainability vision. We support the SDGs and have aligned our sustainability initiatives with 6 SDGs that we have identified as being most relevant to our business.



As a property developer, Astaka has a strong culture for ensuring the good health and well-being of our employees and contracted workers. We also consider the health and well-being of the local communities.

Key actions in FY2020:

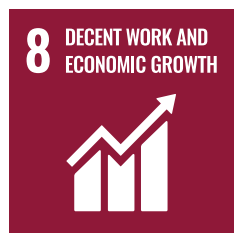
- Precautionary measures in view of COVID-19
- Monthly safety and health report



Astaka actively promotes gender equality and diversity in the workplace. We believe that gender equality improves the productivity of our employees and signals an attractive work environment for talent.

Key statistics in FY2020:

- Females employees account for 33% of our workforce
- Female executive-level officers account for 50% of our Key Management Team



Since the inception of Astaka, we provide competitive and merit-based employment opportunities to our talent and aim to promote sustained economic growth in our operating regions.

Highlights:

- All employees receive an annual performance review.
- Quantitative and qualitative key performance indicators in the areas of growth and leadership, operational excellence and quality will be developed and adopted by the Group in FY2021.



Astaka promotes and endeavours to develop quality, reliable, sustainable and resilient residential, commercial, and office buildings.

Highlights:

- Provisional Green Building Index Certification received for Phase 1 and Phase 2 of One Bukit Senyum
- Our 310-metre-high One Bukit Senyum – Phase 1 (The Astaka) is the tallest residential tower in Southeast Asia.
- Our innovative and quality projects gained wide recognition in the nation and the region. We won awards such as the best integrated commercial development and best universal design development.



With a vision to transform Johor Bahru in Malaysia, Astaka’s projects provide smart and integrated urban solutions, bringing amenities such as hotel, residences, apartments, entertainment hub, private hospital and school all within a single district.

Highlights:

- One Bukit Senyum hosts a five-star hotel, branded residences, serviced apartments, an entertainment hub, an office tower, and the headquarters of Johor Bahru’s City Council.
- The Bukit Pelali @ Pengerang is a 363-acre township development programme which will include the construction of residences, a hospital, a primary school, commercial buildings, and recreation lakes.



Throughout its value chain, Astaka makes considerations regarding responsible consumption and production. Astaka only engages contractors who meet our socio-environmental criteria and minimise negative socio-environmental impacts.

Highlights:

- The project development of Menara MBBB used sustainable timber. During the construction phase, construction waste management and water recycling measures were implemented.
- The development of our projects also incorporated other sustainable features such as a central waste collection system, water-efficient landscaping and rainwater harvesting.

Our Sustainability Policy

The Group aspires to become the advocate of sustainable developments. We have dedicated resources in our aim to achieve:






Sustainable performance and operations

- To explore opportunities to implement design and technological solutions in all new developments and corporate operations, that are beneficial to the environment and communities while allowing us to deliver enhanced performance
- To also cultivate a sustainability-centric culture within our company by spreading awareness and educating our employees through various communication channels
- To comply with all applicable environmental and socio-economic regulations applicable to the Group

Strong relationships with our key stakeholders

- To continuously engage and protect the well-being of our employees, contracted suppliers and their workers with the provision of relevant training, benefits, as well as the enforcement of key health and safety measures
- To build a relationship and provide an avenue to understand concerns of the local community and contribute in ways possible

Our Sustainability Targets

Material ESG Matters for Reporting	FY2021 Target(s) or Commitment Statements
 Economic Performance	<ul style="list-style-type: none"> • We are committed to work closely with our consultants to improve key performance indicators while incorporating sustainable design solutions and technology in all new developments
 Training and Education	<ul style="list-style-type: none"> • Average training hours of 12 hours per employee
 Local Communities	<ul style="list-style-type: none"> • 2 CSR programmes to be organised
 Energy Management	<ul style="list-style-type: none"> • All future developments of Astaka's to be Green Building Index certified; and or where this is not possible, to achieve a minimum of three green initiatives per development
 Compliance	<ul style="list-style-type: none"> • Zero cases of socio-economic and environmental non-compliance • Develop and adopt a group-wide anti-corruption policy

Economic Economic Performance

Economic performance is an important aspect for Astaka. We work closely with our consultants to gather knowledge, plan and implement design solutions and invest in technologies that are effective in driving key performance indicator improvements, while striving to achieve positive environmental impacts through more sustainable-centric developments and operations.

We recognise that the way we operate our business has both direct and indirect impacts on various stakeholders. At Astaka, for instance, we empower livelihood through employment, provide opportunities for suppliers and contribute to the communities where we operate. Refer to Figure 8 for more information on the breakdown.

Figure 8: Overview of economic creation and distribution in alignment with GRI

Economic Value Generated by Astaka (MYR)	Economic Value Distributed to others (MYR)																				
\$202.29m This includes revenue mainly from sale of development properties, completed properties held for sale and contract revenue from the Menara MBBJ project. Finance and other income are included.	<table> <tr> <td>Operating Costs</td><td>This includes purchases for building contractors' services and suppliers relating to the marketing and advertisement of properties, as well as, administrative and other operating expenses.</td></tr> <tr> <td>\$207.65m</td><td></td></tr> <tr> <td>Employee wages & benefits</td><td>This includes salaries and benefits to employees.</td></tr> <tr> <td>\$5.65m</td><td></td></tr> <tr> <td>Payments to capital providers</td><td>This includes interests paid to providers of loan and capital.</td></tr> <tr> <td>\$7.02m</td><td></td></tr> <tr> <td>Payments to government</td><td>This includes income tax credit due to over provision of income tax expense in prior years.</td></tr> <tr> <td>\$(0.11)m</td><td></td></tr> <tr> <td>Community investments</td><td>This includes philanthropic donations and sponsorships.</td></tr> <tr> <td>\$0.16m</td><td></td></tr> </table>	Operating Costs	This includes purchases for building contractors' services and suppliers relating to the marketing and advertisement of properties, as well as, administrative and other operating expenses.	\$207.65m		Employee wages & benefits	This includes salaries and benefits to employees.	\$5.65m		Payments to capital providers	This includes interests paid to providers of loan and capital.	\$7.02m		Payments to government	This includes income tax credit due to over provision of income tax expense in prior years.	\$(0.11)m		Community investments	This includes philanthropic donations and sponsorships.	\$0.16m	
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During the year, the Group has increased our digital marketing efforts to promote the sale of our properties. While the Group has reported a loss-making economic position this year, we anticipate a better outlook in the years ahead, with The Astaka and One Bukit Senyum developments to rise in value given the recent finalisation of agreement to proceed with the Johor Bahru-Singapore Rapid Transit System ("RTS") project. The RTS will link Bukit Chagar, Johor Bahru to Singapore, thereby facilitating connectivity to One Bukit Senyum which is located less than 1 kilometre away.

To this end, the Group has dedicated resources to kick start the planned commercial developments (Phase 3) of One Bukit Senyum as well as explore strategic alliances to develop the area which spans across approximately 7.65 acres.

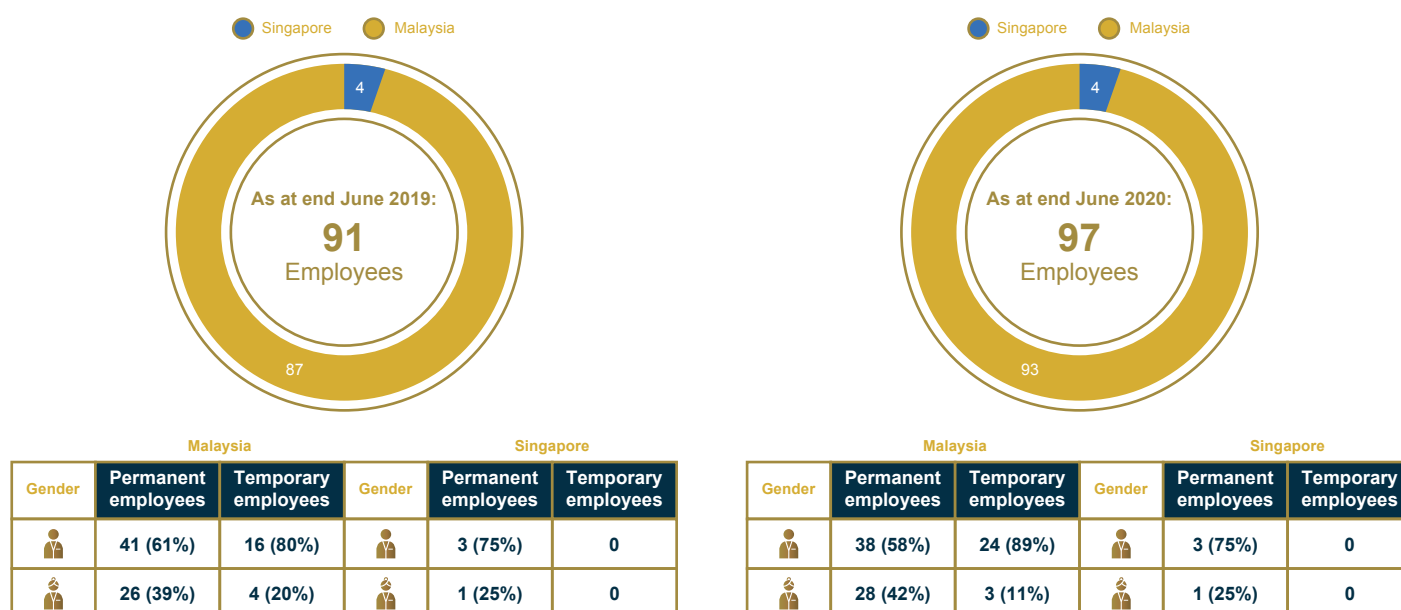
For more details on our Group's [business review](#), [historical](#) and [current financial performance](#), please refer to pages 11 to 18 of the Annual Report.

Social Our People

Our employees are our greatest asset and one that we strongly value as a Group. Our workforce as at 30 June 2020 comprised a total of 97 full-time employees in Singapore and Malaysia. Of which, a majority are permanent employees (72%). At Astaka, we are committed to uphold fair employment practices and strive to maintain a consistent percentage of permanent employees hired by the Group yearly.

Figure 9: Astaka's workforce profile

Breakdown of full-time employees by employment contract (permanent / temporary), gender and region



Training and Education

Recognising that our employees are key attributes to the continuous growth and success of our business, their competencies and professional development are important to the Group. We have taken steps necessary to build a foundation for our employees' development and inculcate a growth mindset in order to perform their role and stretch their existing abilities.

Our training framework established this year comprises a 3-tiered approach designed to cater towards all levels of employees in the Group. A yearly training calendar with a minimum of 12 hours of training programmes or workshops are expected to be organised annually and distributed between department, inter-department and group-wide training segments.

With that, the Group aims to address both specialised as well as general knowledge and skillsets relevant to each department and those required of inter-departments to work harmoniously together to create quality developments. Additionally, with the full support from the Group, employees are encouraged to provide recommendations for programmes or topics that may be beneficial as firm-wide trainings. Training programmes may be carried out either by the internal head of departments or by external accredited consultants.

At Astaka, we are committed to ensuring that our employees receive the training they need to excel at their jobs. Our HR team will maintain training records and track hours for analysis and reporting in the next SR.

Local Communities

Astaka is committed to empowering the local communities in our operating regions. We support local communities by addressing their specific needs and participating in local charity programmes. Our donations and sponsorships focus on education, sports events and well-being of the underprivileged. Primary beneficiaries in FY2020 include the Tunku Laksamana Johor Tunku Abdul Jalil Mosque, Johor Bahru City Foundation, Raja Zarith Sofiah Johor Foundation and Malaysia Floorball Association. In FY2020, we also organised two CSR events. These include a food bank programme and a bowling tournament to provide food supplies and enhance social interactions with the underprivileged.

Tunku Laksamana Johor Tunku Abdul Jalil Mosque

Having recognised that a majority of the population in our local communities are Muslim, Astaka built the Tunku Laksamana Johor Tunku Abdul Jalil Mosque (**"the Mosque"**) voluntarily to support the local communities' religious activities. The 3-storey modern mosque is located within the compound of the Royal Malaysia Police Johor Contingent Police Headquarters. The construction of the mosque started in 2012 and was completed in 2015. With a maximum capacity of 1,500 worshippers, the new mosque is considered as a significant upgrade from the old one that could only host up to 600 worshippers. Open to the public, the mosque brought convenience and enhanced social gatherings to at least 2,500 people in the local community in FY2020. Astaka will continue to serve our local Muslim communities in the upcoming years in our commitment to upkeep and maintain the mosque with a dedicated fund of RM84,000 yearly.



Astaka Holdings Ltd. Food Bank Programme 2020

Food security is a pressing issue for many during the COVID-19 pandemic, especially for the underprivileged community members. To support local communities in the villages surrounding the Bukit Pelali @ Pengerang project and One Bukit Senyum project, Astaka organised a food bank programme to distribute food aid on 19 July 2020 and 23 July 2020. We contacted the Head of Village and he helped identify the poor, single mothers, disabled people, and the unemployed as the key beneficiaries. Employees from Astaka visited every targeted household and showed our care. In total, we distributed 1,500 kg rice and 150 bags of food supplies containing cooking oil, condiments, instant noodles etc. to 150 households.



Astaka Holdings Ltd. Bowling Tournament

Children engineer the future of our nation and our world. As a socially responsible property developer, Astaka is fully aware of the importance to create a happy living environment for children of all ages and all backgrounds. On 28 September 2019, Astaka held a bowling tournament with children from local orphanages. 10 teams of employees from Astaka and 4 teams of children participated in the games. Through the tournament, we aimed to bring some joy to the children and enrich their weekend life. The awards and cash prizes from the tournament were all donated to the orphanage and used to improve the children's well-being.



With the goal to transform the communal life and build a brand-new residential experience in Johor, we also ensure that negative environmental and social impacts are avoided or minimised during the transformation. Specifically, our property development arm Bukit Pelali Properties Sdn. Bhd. conducted monthly environmental monitoring to assess the environmental impact of our active project Bukit Pelali @ Pengerang from July 2019 to June 2020 in FY2020. Our reports showed that the water quality, surface run-off, ambient air quality and boundary noise level at our sites were all well below national limits in Malaysia. We are pleased to disclose that no significant negative environmental impacts on the local communities were detected during the year.

Occupational Health and Safety

Safeguarding the health and safety of our employees and other workers at our sites is one of the top priorities of Astaka. We are fully aware of the health implications in our sector. The Group has thus introduced multi-layer measures to protect our people's well-being. Firstly, we will work towards establishing a safe working environment culture by learning from best practices in existing national and international Occupational Health and Safety ("OHS") management systems.

Secondly, we require all our contractors to follow the guidelines from the Department of Occupational Safety & Health and comply with the requirements listed in OHS management systems such as OHSAS 18001. During the construction phase, Astaka's contractors need to publish monthly safety and health reports which cover diverse health and safety aspects such as policies, performance, compliance, and training. Astaka and its consultants frequently review these reports to ensure that the contractors duly inspect the workplace health and safety weekly, take corrective actions against non-compliance immediately, and prepare the workers physically and mentally for work. In FY2020, there were no occupational accident cases reported at the construction sites or in the workplace.

At Astaka, we also promote employees' health by organising physically active events such as badminton sessions.

Figure 10: Colleagues at a badminton session



COVID-19 Prevention in the Workplace

In view of the global COVID-19 pandemic, Astaka communicates and collaborates with the local authorities closely to implement precautionary public health measures. We proactively introduced a mandatory Health and Safety Guide to safeguard our employees' well-being and limit the risk of significant disruption to our Company's operations. Key measures in this guide include:

- Astaka provides surgical masks and hand sanitiser to all employees.
- No entry to the office will be allowed if an individual's body temperature is above 37.5 degrees Celsius or without wearing a face mask.
- Employees must wear a face mask at all times during working hours.
- Employees should always carry hand sanitiser and use as needed.
- Handshakes and hugs are not allowed.
- Employees should strictly abide by the one-meter safe-distancing rule in all occasions.
- Frequent self-disinfecting of workstation/laptop/mobile device are carried out.
- Employees are encouraged to meet virtually whenever possible. Physical meetings with a maximum capacity of 8 attendees are subject to approval.
- Employees should bring utensils from home and avoid sharing utensils.
- Assembling in large groups for praying are not allowed.

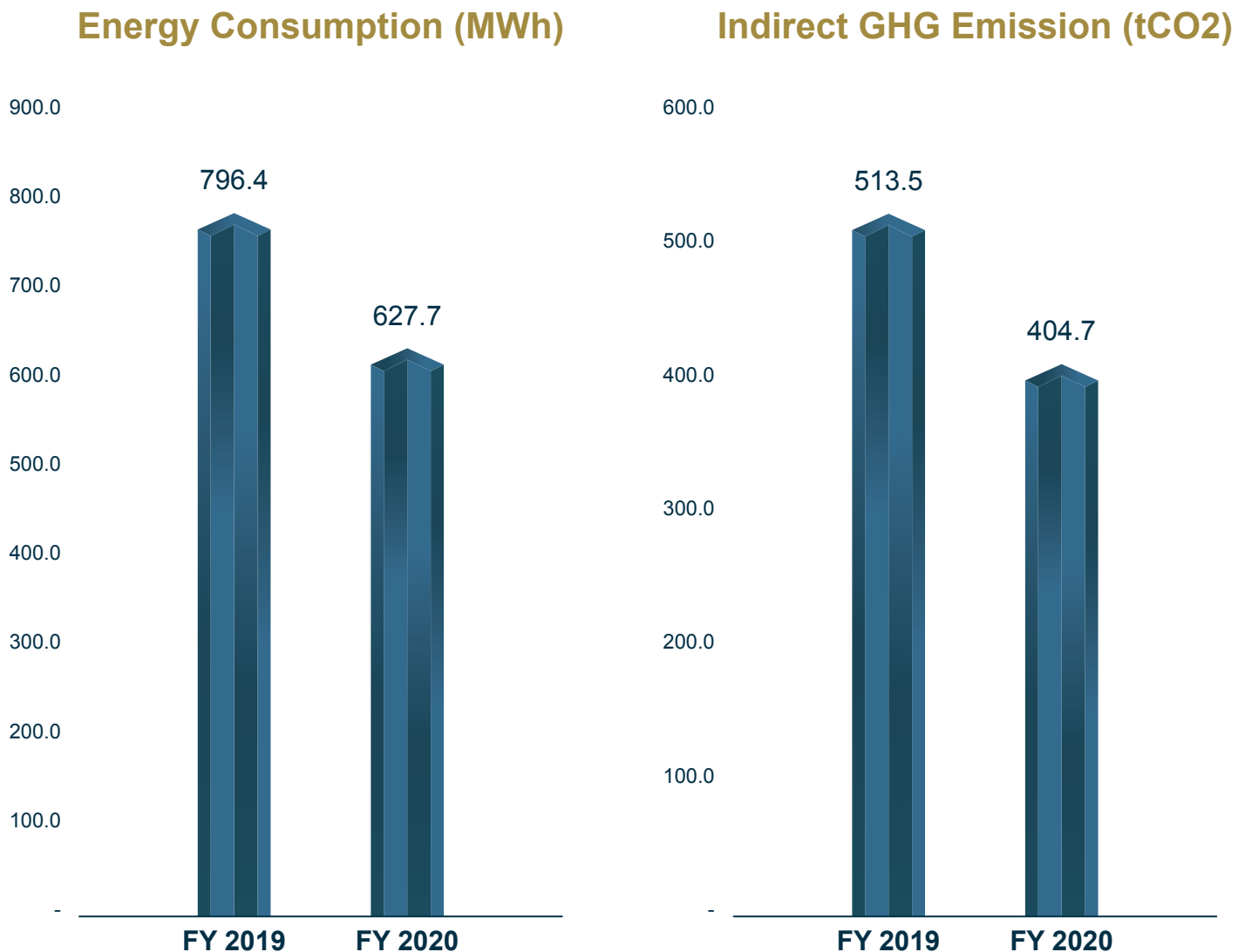
Environment

Energy Management

Astaka firmly believes that climate change is a global challenge and we seek to do our part by investing in effective energy conservation initiatives and technologies. Energy-saving LED lighting are installed at our corporate office, sales galleries, and at the common areas of The Astaka @ One Bukit Senyum. The Astaka @ One Bukit Senyum is managed with the full support of our property manager, Knight Frank, to ensure unnecessary usage of electricity is avoided when possible. In addition, the operating hours of the air conditioners at our office and the main lobbies of the Astaka are limited to ten to twelve hours each day to conserve energy during non-peak hours. Air conditioners at select areas are also switched off when not in use.

Our energy consumption for our corporate office, sales galleries and the common areas of two of our development projects, namely The Astaka @ One Bukit Senyum and Bukit Pelali consist solely of electricity purchased from the national grid. In FY2020, our total energy consumption decreased from 796.4 megawatt hour (“MWh”) in FY2019 to 627.7 MWh in FY2020, as a result of good upkeep of environmental housekeeping practices and investments in technology. Correspondingly, carbon emissions decreased from 513.5 tonnes CO₂ (“tCO₂”) in FY2019 to 404.7 tCO₂ in FY2020, attaining a reduction of about 21% in carbon emissions this year. Going forward, the Group aims to roll out more green initiatives for future new developments to further improve our carbon footprint.

Figure 11: Energy consumption and Indirect (Scope 2) GHG emissions at Astaka



Governance Compliance

Astaka firmly believes that compliance with laws and regulations is the foundation of the Company's long-term success. By adhering to socio-economic and environmental laws and regulations, we also ensure that our business contributes to Malaysia's goal of building a clean and prosperous society.

Figure 12: Major laws and regulations that Astaka needs to comply with

Major laws and regulations	Compliance objectives
Housing Development (Control and Licensing) Act 1996	To ensure Astaka has the license to operate in Malaysia
Environmental Quality Act 1974	To minimise the environmental impacts from our projects
Local Government Act 1976	To comply with local regulations
Fire Services Act 1988	To manage fire risks and hazards effectively
Solid Waste and Public Cleansing Management Act 2007	To maintain proper sanitation and public cleansing
Strata Titles Act	To be eligible to sell our properties to interested parties
Catalist Rules	To comply with the Catalist Rules and safeguard the shareholders' interests

To effectively fulfil our legal responsibilities, Astaka introduces and adopts a four-dimensional management approach:

Awareness	HR and finance departments are trained, and employees are frequently updated regarding Astaka's legal responsibilities.
Adherence	Risk management and compliance department ensures that Astaka is compliant with all relevant laws and regulations from different government bodies.
Integration	Astaka's employees need to abide by internal regulations including the Board Charter, the Code of Corporate Governance 2018, and Whistle Blowing Policy which integrates the expectations from the company's regulators.
Verification	An independent audit firm verifies Astaka's internal corporate governance system yearly and makes improvement recommendations and plans.

Astaka also has zero tolerance towards corruption, fraud and/or other unethical conduct. In the next year, we aim to develop and adopt a Group-wide anti-corruption policy to ensure the highest ethical standards and integrity of our employees.

In FY2020, there were zero incidents of socio-economic and environmental non-compliance. There were also zero confirmed anti-corruption cases at Astaka.



Astaka's actions for better governance in FY2020

In August 2019, the Board of Astaka was informed of, *inter alia*, non-disclosure of letters of demand and late interest payment on an outstanding loan between the Company's subsidiary and its contractor, resulting in prior year adjustments being made to the audited consolidated results of the Group for FY2018 (the "**Matters**"). Considering the legal, financial, social and reputational implications of the Matters, the Board proactively appointed Ernst & Young Advisory Pte Ltd ("**EY**") to conduct an independent fact-finding exercise, to understand the facts and circumstances surrounding the Matters as well as the improvement areas in Astaka's governance and internal controls.

Following the issuance of the fact-finding report, the Group has addressed the internal control weaknesses identified by EY, and implemented the internal control recommendations made by EY promptly by June 2020.

Moving Forward

With the full support of our leadership team, we are excited to share that the Group will be embarking on a journey to develop a three-year roadmap to improve the integration of sustainability into the Group's operations. We will share updates on this in our subsequent reports as we progress.

Appendix A: Methodology

This section details definitions, methodologies and data boundaries otherwise not already specified, applied to the sustainability performance data disclosed in our SR. They are made with reference to GRI Standards Glossary 2018, internationally recognised standards and the reporting guidance set out in the respective GRI topic-specific disclosures. The GRI topic-specific disclosures covered are listed out in Appendix B: GRI Content Index of this report.

General *Employee*

Employee is defined as an individual who is in an employment relationship with the Group, according to its national law.

Worker

Worker refers to an individual contracted by the Group to perform work at premises owned by, or controlled by, the Group.

Talent management and development

Training hours

Average training hours per employee = Total training hours for the financial year / the total number of employees recorded as at 30 June.

Occupational Health and Safety

Occupational accident

According to the International Labour Organization, an occupational accident is an unexpected and unplanned occurrence, including acts of violence, arising out of or in connection with work which results in one or more workers incurring a personal injury, disease or death.

The coverage for occupational accident cases include employees and workers at our corporate offices, sale galleries and development projects.

Energy management

Energy consumption and Indirect Scope 2 GHG emissions

Energy consumption and GHG emissions data at our development projects (The Astaka and Bukit Pelali) cover common areas owned by the Group and exclude data from tenants for the financial year. Noting that Bukit Pelali is a joint-venture development, the Group has applied the financial control approach, which is aligned with Greenhouse Gas Protocol's guidance, in determining the amount of energy consumed by Astaka. The same approach is applied for the calculation of GHG emissions.

The electricity Grid Emission Factor ("GEF") used has been sourced from 2017 CDM Electricity Baseline for Malaysia, prepared by Malaysian Green Technology Corporation. The last available GEF was from 2017.

Compliance

Non-compliance incidents

Such incidents refer to non-compliance with social, economic and environmental laws and/or regulations applicable to the Group, brought through dispute resolution mechanisms and/or resulting in:

- Significant fines
- Non-monetary sanctions

Appendix B: GRI Content Index

'AR' refers to Astaka's Annual Report 2020, which is available on our website at <http://astaka.com.my>.

GRI Standards Disclosures		Report Section and/or Direct Answers	Page Reference
General Disclosures			
Organisational Profile			
102-1	Name of the organisation	Board Statement	29
102-2	Activities, brands, products, and services	Corporate Profile	1-8
102-3	Location of headquarters	Corporate Information	25
102-4	Location of operations	Corporate Profile	1-8
102-5	Ownership and legal form	Group Structure	24
102-6	Markets served	Corporate Profile	1-8
102-7	Scale of the organization	Financial Highlights; Our People	17-18 36-37
102-8	Information on employees and other workers	Our People	36-37
102-9	Supply chain	Supply Chain Management	31
102-10	Significant changes to the organization and its supply chain	Chairman's Statement	11-12
102-11	Precautionary principle or approach	Supply Chain Management	31
102-12	External initiatives	Sustainability Commitment	34-35
102-13	Membership of associations	The Group is not part of any memberships or associations.	N.A.
Strategy			
102-14	Statement from senior decision-maker	Board Statement	29
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	Sustainability Approach	30
Governance			
102-18	Governance structure	Astaka's Sustainability Governance	30
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	31-32

GRI Standards Disclosures		Report Section and/or Direct Answers	Page Reference
102-41	Collective bargaining agreements	The Group has not entered into any collective bargaining agreements as at end of FY2020.	N.A.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	31-32
102-43	Approach to stakeholder engagement	Stakeholder Engagement	31-32
102-44	Key topics and concerns raised	Stakeholder Engagement	31-32
Reporting Practice			
102-45	Entities included in the consolidated financial statements	About the Report	29
102-46	Defining report content and topic Boundaries	About the Report	29
102-47	List of material topics	Materiality Assessment	33
102-48	Restatement of information	No restatements were made to prior year's data.	N.A.
102-49	Changes in reporting	About the Report; Materiality Assessment	29 33
102-50	Reporting period	About the Report	29
102-51	Date of most recent report	Published on 27 November 2019	N.A.
102-52	Reporting cycle	Annual	N.A.
102-53	Contact point for questions regarding the report	About the Report	29
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	29
102-55	GRI content index	Appendix B: GRI Content Index	45-48
102-56	External assurance	This Sustainability Report is not externally assured. The Group will consider engaging an independent third-party assurer as we mature in our reporting.	N.A.
Material Topic: Economic Performance			
Management Approach			
103-1	Explanation of the material topic and its boundary	Economic Performance	36
103-2	The management approach and its components	Our Sustainability Policy; Our Sustainability Targets; Economic Performance	35 35 36

GRI Standards Disclosures		Report Section and/or Direct Answers	Page Reference
103-3	Evaluation of the management approach	Economic Performance	36
Economic Performance 2016			
201-1	Direct economic value generated and distributed	Economic Performance	36
Material Topic: Talent Management and Development			
Management Approach			
103-1	Explanation of the material topic and its boundary	Training and Education	37
103-2	The management approach and its components	Our Sustainability Policy; Our Sustainability Targets; Training and Education	35 35 37
103-3	Evaluation of the management approach	Training and Education	37
Training and Education 2016			
404-1	Average hours of training per year per employee	The Group will disclose training hours data on this in the next SR.	N.A.
Material Topic: Local Communities			
Management Approach			
103-1	Explanation of the material topic and its boundary	Local Communities	37-39
103-2	The management approach and its components	Our Sustainability Policy; Our Sustainability Targets; Local Communities	35 35 37-39
103-3	Evaluation of the management approach	Local Communities	37-39
Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities	37-39
Additional Topic: Occupational Health and Safety			
Management Approach			
103-1	Explanation of the material topic and its boundary	Occupational Health and Safety	39-40
103-2	The management approach and its components	Our Sustainability Policy; Occupational Health and Safety	35 39-40

GRI Standards Disclosures		Report Section and/or Direct Answers	Page Reference
103-3	Evaluation of the management approach	Occupational Health and Safety	39-40
Material Topic: Energy Management			
Management Approach			
103-1	Explanation of the material topic and its boundary	Energy Management	41
103-2	The management approach and its components	Our Sustainability Policy; Our Sustainability Targets; Energy Management	35 35 41
103-3	Evaluation of the management approach	Energy Management	41
Energy 2016			
302-1	Energy consumption within the organization	Energy Management	41
Emissions 2016			
305-2	Energy indirect (Scope 2) GHG emissions	Energy Management	41
Material Topic: Regulatory Compliance			
Management Approach			
103-1	Explanation of the material topic and its boundary	Compliance	42-43
103-2	The management approach and its components	Our Sustainability Policy; Our Sustainability Targets; Compliance	35 35 42-43
103-3	Evaluation of the management approach	Compliance	42-43
Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Compliance	42-43
Socio-economic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance	42-43
Environmental Compliance 2016			
307-1	Non-compliance with laws and regulations environmental laws and regulations	Compliance	42-43