

Sustainability Report

COMPANY OVERVIEW

• ABOUT THIS REPORT

Introduction

Venturing into a new year, MGB Berhad (“MGB” or “the Group”), remains committed to its efforts in strengthening economic, environmental, social, and governance (“EESG”) disclosures. In line with this commitment, the Group is proud to present the Sustainability Report for the year 2023 (“SR2023”). In this report, MGB has meticulously detailed its sustainability strategies and achievements between 1 January and 31 December 2023.

MGB believes that EESG efforts are integral to the Group’s business strategies. By listening to its stakeholders and finding out what topics matter the most to them, the Group can leverage its value chain and produce the best possible value – financial or otherwise. Likewise, with sustainability at the heart of its operations, MGB is better positioned to champion environmental stewardship and create positive socio-economic dynamics.

Through this report, MGB has strategically crafted a thorough accounting of the Group’s sustainability efforts and approaches in addressing critical material subjects. Through these initiatives, readers will be able to gain a better understanding of the Group’s vision and how it adds value to the environment and society.



ECONOMIC PROSPERITY:
Pioneering sustainable innovation for cost-effective construction solutions and enhance resource efficiency.

Please refer pages 64 - 69



CLIMATE RESILIENCE:
Building a sustainable future with next-gen climate-adaptive construction practices.

Please refer pages 70 - 83



SOCIAL ENRICHMENT:
Foster inclusive and thriving communities and workforce through technology-enabled skills development, workplace safety initiatives, and accessible construction projects.

Please refer pages 84 - 95



GOOD GOVERNANCE:
Establishing robust governance and ethical standards in the integration and deployment of advanced technologies within construction processes, ensuring transparency and accountability.

Please refer pages 60 - 63

Reporting Framework

The SR2023 has been prepared in alignment with the following frameworks and guidelines as well as drawing from the industry best practices and other leading benchmarks:

- Bursa Malaysia’s Sustainability Reporting Guide Third Edition
- Global Reporting Index (“GRI”) Standards: Core Option
- FTSE4Good Bursa Malaysia Index
- Taskforce for Climate-related Financial Disclosures (“TCFD”)
- United Nations Sustainable Development Goals (“UNSDGs”)
- SASB Sector-Specific Disclosures



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References

All mentions of “MGB,” “the Group,” or “its” shall refer to MGB Berhad unless otherwise stated.

Reporting Period and Cycle

The SR2023 contains information for the Financial Year 2023 (“FY2023”) between 1 January to 31 December 2023. The Group has provided data for three years (FY2021-FY2023) wherever applicable. This allows for presenting trendlines that indicate general performance for key material topics.

Statement of Use

The Board of Directors (“Board”) at MGB being the Group’s highest decision-making authority, acknowledges accountability for the subsequent statement of use: The information disclosed by MGB for FY2023 has been formulated in adherence to the GRI Standards.



This report is generated in accordance with a resolution adopted by the Board on 15 April 2024.

Membership in Association

MGB is a member of the following professional bodies and industry associations:

- Malaysian Employer Federation (“MEF”)
- Construction Industry Development Board (“CIDB”)
- Master Builders Association Malaysia (“MBAM”)
- Real Estate & Housing Developers’ Association (“REHDA”)
- Federation of Malaysian Manufacturers (“FMM”)

Reporting Scope and Boundary

The SR2023 has been scoped to include all relevant information related to MGB as a holding company, along with all relevant operating companies and subsidiaries. In cases where it is necessary, the Group shall also incorporate data on its value chain. This includes suppliers, business partners, contractors, vendors, and other service providers, as well as the Group’s associate companies and entities within the said value chain.

MGB would like to emphasise that it practices a “local-where-we-operate” policy.

Limitations

MGB aims to collect and present the most relevant and up-to-date data within the SR2023. However, the Group acknowledges that there may be gaps in certain indicators. As such, MGB remains dedicated to continually refining the data collection mechanisms and providing accurate information based on its ability to collect meaningful data from official channels and records. This same standard is applied to collecting similar disclosures from the Group’s supply chain.

Forward-Looking Statements

This SR2023 will contain forward-looking statements, especially in disclosures relating to Key Performance Indicators (“KPIs”), targets, plans, focus areas, strategic priorities, operations, and forecasted figures. These disclosures are reported based on reasonable assumptions made from information available on hand and market trends at the time of reporting.

MGB would also like to highlight that there may be terms in this report which indicate the Group’s expectations regarding future growth, including future increases in economic value creation. These statements are not intended to provide any form of guarantee for future performance.

Readers are advised to practice discretion when using this report to make financial decisions. MGB does not provide any form of guarantee regarding the anticipated outcome disclosed within this SR2023.

Assurance Statement

All disclosures presented in the SR2023 have been verified internally by the respective data owners within the Group. Additionally, electricity, water, and waste data have been internally audited by the Program Management Office (“PMO”) for added assurance. At the same time, all financial data has undergone impartial auditing and validation by an External Auditor. This financial data is reported quarterly and annually through announcements and our published annual report.

Report Availability and Feedback Channel



Interested parties may access a copy of this Sustainability Report on the corporate website of the Group: <https://mgbgroup.com.my/sustainability/>

As part of our ongoing commitment to refining sustainability practices, MGB encourages constructive input from esteemed stakeholders. For any inquiries, feedback, or suggestions, kindly direct them to the Chairman of the MGB Sustainability Committee, Datuk Lim Lit Chek, at scr@mgbgroup.com.my.

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• INTRODUCTION TO MGB

MGB stands as a well-established company within the Malaysian construction industry with over 17 years of experience. Throughout this period, MGB has contributed significantly to the development of the nation through its expertise in designing, building, and overseeing the construction of residential, commercial, and industrial buildings, as well as infrastructure works.

A cornerstone of the Group's success lies in the utilisation of Industrialised Building System ("IBS") Precast Concrete technology which allows MGB to rapidly develop its projects while keeping costs low. This strategic approach has resulted in the successful completion of over 25,000 property units, and more than 10,000 units completed using IBS Precast Concrete with a notable focus on affordable housing.

As a dynamic industry solutions provider, MGB's highly experienced team skillfully implements the Group's proprietary VaDTech Solutions approach to all of its projects. This ensures that each project receives optimal building solutions, precisely tailored to its unique challenges and requirements.



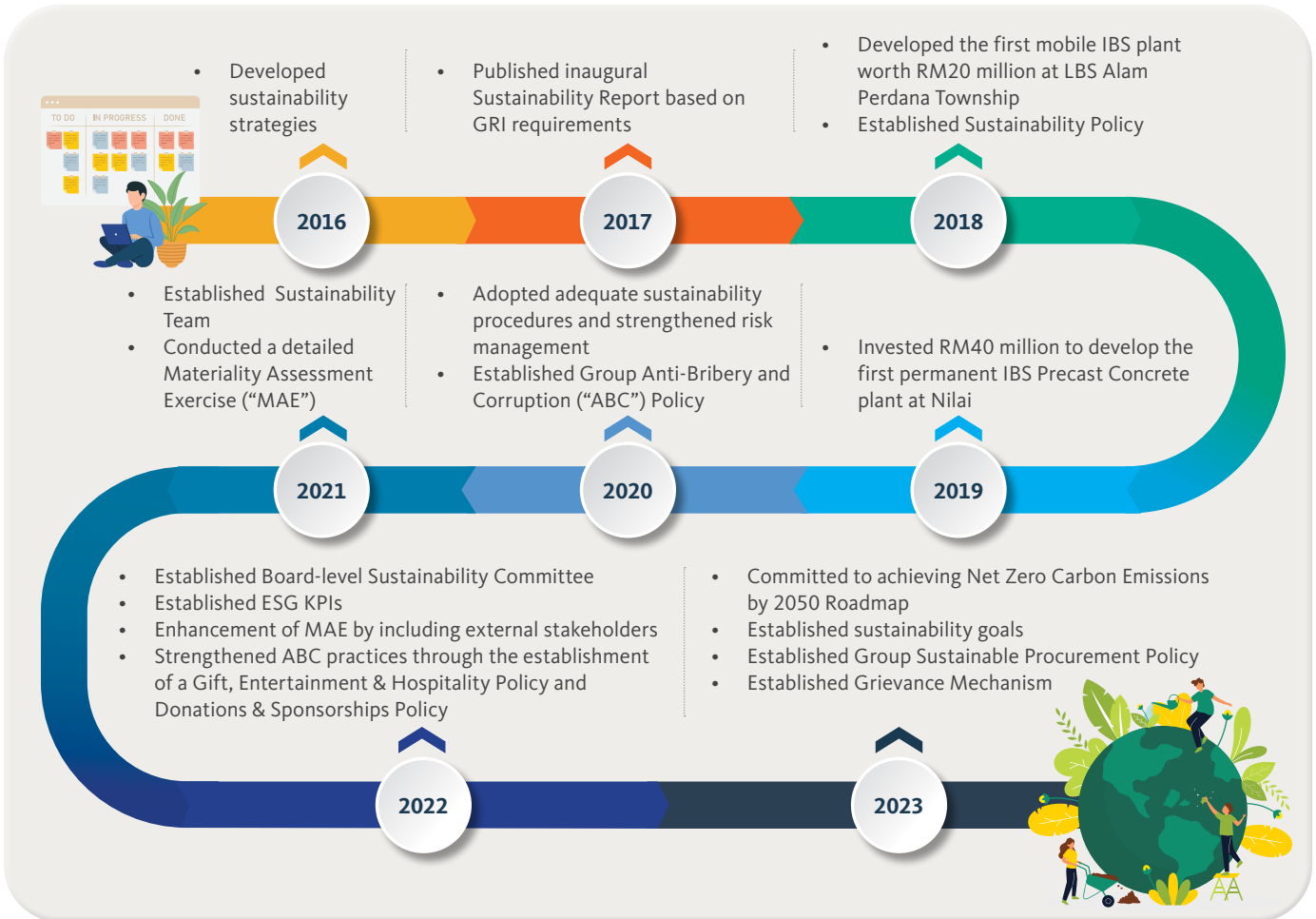
IBS Precast Concrete Factory, Nilai

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Corporate Governance

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Sustainability Milestones



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Awards and Recognition

▼ MGB Construction & Engineering Sdn Bhd received a **DIAMOND AWARD** for the KITA Ria project during the 19th MOSHPA OSH Excellence National Awards 2023. This ceremony was hosted by the Malaysian Occupational Safety & Health Practitioners' Association (“MOSHPA”).



▲ MGB Berhad received *The Edge ESG Awards Silver in Construction Category* from The Edge.



The KITA Mesra site received a score of 93 (5-star) during the Safety and Health Assessment System in Construction (“SHASSIC”) audit.

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F Y 2 0 2 3 S U S T A I N A B I L I T Y H I G H L I G H T S



ECONOMIC



PRODUCT QUALITY & OPERATIONAL EFFICIENCY

Group-Wide Adoption of ISO 9001:2015 Quality Management System

Adoption of IBS Precast Concrete and Framework System

Reduced construction time by 33% through IBS

Adoption of Building Information Modelling (“BIM”) in construction

31% reduction on manual labour through IBS



ENVIRONMENTAL



ENVIRONMENTAL MANAGEMENT

All MGB project sites are certified with ISO 14001:2015 Environmental Management System

ENERGY CONSUMPTION

Installation of Renewable Energy infrastructure at IBS Precast Factory, Nilai

CLIMATE CHANGE

Established Net Zero Carbon Emissions by 2050 Roadmap with short, medium, and long-term strategies

WASTE MANAGEMENT

Implemented a 6-level waste management hierarchy at all project sites

BIODIVERSITY

Achieved an average of 15% green landscapes for all new project launches



SOCIAL



SAFETY & HEALTH

All MGB project sites are certified with ISO 45001:2018 Occupational Health and Safety Management System



GOVERNANCE



ETHICAL GOVERNANCE

Zero tolerance approach on regulatory and anti-corruption non-compliance

Sustainability Report

Datuk**Lim Lit Chek**Executive Director &
Chief Executive OfficerChairman,
Sustainability Committee

**SUSTAINABILITY
COMMITTEE
CHAIRMAN'S
STATEMENT**

DEAR READERS,

FY2023 has been a year of resilience and adaptation for MGB Berhad. Our industry saw signs of recovery as the general Malaysian economic outlook improved.

Despite encountering significant challenges such as global economic uncertainty and geopolitical issues, including fluctuations in raw material prices and an increase in the Overnight Policy Rate (OPR) by Bank Negara Malaysia throughout FY2023, we have remained steadfast in our commitment to excellence and quality. Through this report, we aim to highlight the significant steps we have taken to ensure MGB remains resilient and continues to provide the best value to all our stakeholders.

As I reflect on the journey of MGB over the past year, I am pleased to share the significant milestones and achievements that highlight our persistent commitment to sustainability and responsible business practices. In a world marked by constant change, our dedication to environmental stewardship, social responsibility, governance, and economic sustainability has been at the forefront of our endeavours.

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“
Our commitment to sustainability extends beyond compliance; it’s woven into the fabric of our projects. The adoption of Renewable Energy at our IBS Precast Factory exemplifies our dedication to reducing our carbon footprint.
 ”

In our pursuit of environmental sustainability, we initiated a comprehensive climate scenario analysis, a strategic move to identify and address potential risks. This strategic move not only ensures our ability to withstand environmental challenges but also positions us as conscientious custodians of the ecosystems in which we operate. Additionally, the establishment of the Net Zero Carbon Emissions by 2050 Roadmap demonstrates our ambition to actively contribute to mitigating climate change.

Similarly, our decision to continue eliminating single-use plastic bottles at all construction sites speaks volumes about our resolve to address plastic pollution and contribute to a cleaner planet. In shaping urban spaces, our commitment to green landscapes is evident, as we have already allocated, on average, 15% of green spaces in all our new project launches. This is not just about aesthetics, but about fostering sustainable and eco-friendly living spaces that harmonise with nature.

Moving to our social responsibility initiatives, the certification of all MGB project sites with ISO 45001:2018 Occupational Health and Safety Management System underscores our commitment to the well-being of our workforce. Through the adoption of the Industrialised Building System (“IBS”), we not only achieved a 31% reduction in manual labour but also enhanced the efficiency and safety of our construction processes.

Economically, our commitment to excellence is evident in the group-wide adoption of the ISO 9001:2015 Quality Management System. This reflects our dedication to delivering the highest standards to our clients and stakeholders. Furthermore, the adoption of the IBS Precast Concrete and Framework System, along with the integration of Building Information Modelling (BIM) in our construction processes, demonstrates our embrace of innovation to enhance project planning and efficiency.

At MGB, we acknowledge the role the community has played in ensuring our continued growth and success. To that extent, we have invested in various programmes to give back to the local community and leave a positive impact. We have allocated close to RM550,000 to fund community empowerment initiatives alongside LBS Foundation, the philanthropic arm of our parent company, LBS Bina Group Berhad.

In conclusion, our achievements over the past year are more than a checklist of accomplishments; they are a narrative of our values and commitments. As we look towards the future, we remain steadfast in our dedication to progress, innovation, and a sustainable future that reflects the essence of MGB Berhad.

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STRATEGISING SUSTAINABILITY: BUILDING A SOLID ESG FOUNDATION

MGB's Sustainability Framework stands as a definitive guideline that steers the Group's holistic approach to sustainability. This framework incorporates the principles of Climate Resilience, Economic Prosperity, Social Enrichment, and Good Governance to provide a meticulous roadmap for the Group's sustainability journey.

As part of MGB's commitment to upholding accountability, this framework will be revisited from time to time. This periodic assessment is instrumental in guaranteeing the Group's mission, vision, and sustainability approach remains dynamic and relevant to the matters that are significant to MGB.

The vision and mission that guide MGB's ESG value creation are:

Vision 

To be a recognised design and build expert setting new standards in creating living spaces to enrich life.

Mission 

To constantly push boundaries and surpass expectations through Quality, Reliability and Innovation.

STAKEHOLDER ENGAGEMENT

MGB's sustainability strategy is shaped significantly by its stakeholders who play an important role in determining key EESG topics. The Group recognises the value of both internal and external stakeholders in this process as they offer diverse perspectives that are crucial for a holistic view of MGB's impact and responsibilities.

Through regular engagement, the Group can gauge current priorities and adapt its sustainability strategies to meet these evolving needs. This process fosters a collaborative environment where stakeholders, who are affected by or can affect the Group's operations, are actively allowed to provide essential feedback.



EMPLOYEES

Employees are the main driving force behind the daily operations contributing to the Group's success. By engaging them and providing a positive work environment with plenty of growth opportunities, MGB can maintain a motivated and productive workforce that enhances operational efficiency.



Engagement Platforms & Frequencies of Engagement	Issues of Concern	MGB's Approaches	GRI Standards
<p>Q</p> <ul style="list-style-type: none"> Employee Engagement Surveys 	<ul style="list-style-type: none"> Training & Education Employment Occupational Safety & Health Local Communities 	<ul style="list-style-type: none"> Promote communication at all levels through employee engagement and internal programmes Regularly brief employees on MGB's Code of Conduct Conduct online training On-site training for job functions Mandatory safety training for all construction site staffs Orientation for new recruits Briefing on EMS, QMS, and OHSAS Management Systems to the relevant staffs 	<ul style="list-style-type: none"> GRI 401 Employment GRI 402 Labour/ Management Relations GRI 403 Occupational Health and Safety GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity GRI 405 Non-Discrimination GRI 407 Freedom of Association and Collective Bargaining GRI 408 Child Labour GRI 409 Forced or Compulsory Labour
<p>A</p> <ul style="list-style-type: none"> Annual Performance Appraisal Townhall Meetings 			
<p>P</p> <ul style="list-style-type: none"> Briefings & Trainings Events, Celebrations & Sports Management, Operational & Committee Meetings 			
<p>AW</p> <ul style="list-style-type: none"> WhatsApp Broadcast 			

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SHAREHOLDERS & INVESTORS

Shareholders and investors provide financial support and influence the Group's capital structure and investment decisions. Maintaining a positive relationship is necessary to sustain MGB's overall financial health.



Engagement Platforms & Frequencies of Engagement	Issues of Concern	MGB's Approaches	GRI Standards
<p>Q</p> <ul style="list-style-type: none"> Quarterly Financial Report Analysts Briefings 	<ul style="list-style-type: none"> Economic Performance Corporate Governance Anti-Corruption 	<ul style="list-style-type: none"> Promote timely and comprehensive reporting Demonstrate strong foundations and deliver resilient financial performance Enhanced sustainability disclosures in line with global frameworks and standards to elevate transparency Declaration and payment of dividends 	<ul style="list-style-type: none"> GRI 201 Economic Performance GRI 205 Anti-Corruption
<p>A</p> <ul style="list-style-type: none"> Annual General Meeting Annual Report 			
<p>P</p> <ul style="list-style-type: none"> Briefings 			
<p>AW</p> <ul style="list-style-type: none"> Extraordinary General Meeting Engagement Sessions through Meetings & Site Visits Regular Communication on Bursa Securities and Corporate Websites 			



CUSTOMERS

As an innovative solutions provider in the construction industry, MGB's customers are usually other industry players. These stakeholders directly impact the revenue and market standing of the Group. Building a strong relationship with them allows MGB to understand and meet their expectations.



Engagement Platforms & Frequencies of Engagement	Issues of Concern	MGB's Approaches	GRI Standards
<p>P</p> <ul style="list-style-type: none"> Media Channels Product Launches Marketing & Promotion Programmes & Events 	<ul style="list-style-type: none"> Economic Performance Corporate Governance Procurement Practices Customer Health & Safety Anti-Corruption 	<ul style="list-style-type: none"> Develop quick and thorough action plans to address customer feedback Maintain open dialogues with customers to develop shared understanding and establish mutually beneficial solutions in addressing challenges Implementing measures to enhance safety, e.g. increased safety inspections to reinforce safety culture across projects Engaging with customers on ESG concerns 	<ul style="list-style-type: none"> GRI 201 Economic Performance GRI 204 Procurement Practices GRI 205 Anti-Corruption
<p>AW</p> <ul style="list-style-type: none"> Feedback Channels Corporate Website 			

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SUPPLIERS & CONTRACTORS

Suppliers and contractors are an important part of the Group's supply chain. Collaborating effectively with them is essential for successful operations that contribute to MGB's reliability and ability to meet market demands.



Engagement Platforms & Frequencies of Engagement	Issues of Concern	MGB's Approaches	GRI Standards
<p>P</p> <ul style="list-style-type: none"> Supplier Assessment Training Briefings & Trainings 	<ul style="list-style-type: none"> Corporate Governance Procurement Practices Anti-Corruption 	<ul style="list-style-type: none"> Implement the Group Sustainable Procurement Policy to guide suppliers in ESG practices and good business ethics Working closely with suppliers to ensure a clear understanding of the scope of work and timelines Request suppliers and contractors to declare Conflicts of Interest before they can participate in the procurement process Conduct progress meetings with suppliers 	<ul style="list-style-type: none"> GRI 204 Procurement Practices GRI 301 Materials GRI 308 Supplier Environmental Risk Assessment GRI 414 Supplier Social Risk Assessment
<p>AW</p> <ul style="list-style-type: none"> Meetings & Site Visits 			



LOCAL COMMUNITIES

Local communities represent the social elements surrounding the Group's operations. Positive engagements with them build trust and enhance MGB's license-to-operate.



Engagement Platforms & Frequencies of Engagement	Issues of Concern	MGB's Approaches	GRI Standards
<p>P</p> <ul style="list-style-type: none"> Community Outreach & Development Programmes Corporate Website & Social Media 	<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Engage local communities on social issues Provide employment opportunities for young graduates (e.g. internships) Provision of sponsorships and volunteers through the CSR initiatives 	<ul style="list-style-type: none"> GRI 413 Local Communities
<p>AW</p> <ul style="list-style-type: none"> Strategic Partnerships Charitable Contributions 			

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GOVERNMENT & REGULATORS

The government and regulators establish the legal frameworks that govern the industry and influence the Group's operating guidelines. Engaging them is essential for maintaining a favourable operating landscape and securing necessary permits and approvals.



Engagement Platforms & Frequencies of Engagement	Issues of Concern	MGB's Approaches	GRI Standards
<p>Q</p> <ul style="list-style-type: none"> Income Tax Filing 	<ul style="list-style-type: none"> Corporate Governance Anti-Corruption 	<ul style="list-style-type: none"> Maintain a high level of integrity, corporate governance, transparency, and best practices Support the government's climate ambition to achieve Net Zero Carbon Emissions by 2050 Implement a Whistleblowing Policy, Anti-Bribery & Corruption Policy, Gift, Entertainment & Hospitality Policy, Donations & Sponsorships Policy and Sustainability Policy Risk and crisis management Authority Chart and Discretion Power 	<ul style="list-style-type: none"> GRI 205 Anti-Corruption GRI 206 Anti-Competitive Behaviour
<p>A</p> <ul style="list-style-type: none"> Annual Returns Audited Financial Statement 			
<p>AW</p> <ul style="list-style-type: none"> Official Meetings & Site Visits Industry Events & Seminars 			



MEDIA

The media often serves as a communication channel, shaping the Group's image among its other stakeholders. Proactive engagements with them can enhance the visibility of MGB's best practices and latest initiatives, elevating its brand reputation and simultaneously providing a marketing platform.



Engagement Platforms & Frequencies of Engagement	Issues of Concern	MGB's Approaches	GRI Standards
<p>P</p> <ul style="list-style-type: none"> Corporate Website & Social Media 	<ul style="list-style-type: none"> Corporate Governance Customer Health & Safety 	<ul style="list-style-type: none"> Ensure continuous clarification, communication, and casual meetings with media to maintain a strong relationship Timely response to all media enquiries by relevant parties Intensify communication and engagement with media in their areas of interest, particularly progress in ESG, sustainability, and other company-related information 	
<p>AW</p> <ul style="list-style-type: none"> Community Outreach & Development Programmes Strategic Partnerships Charitable Contributions 			

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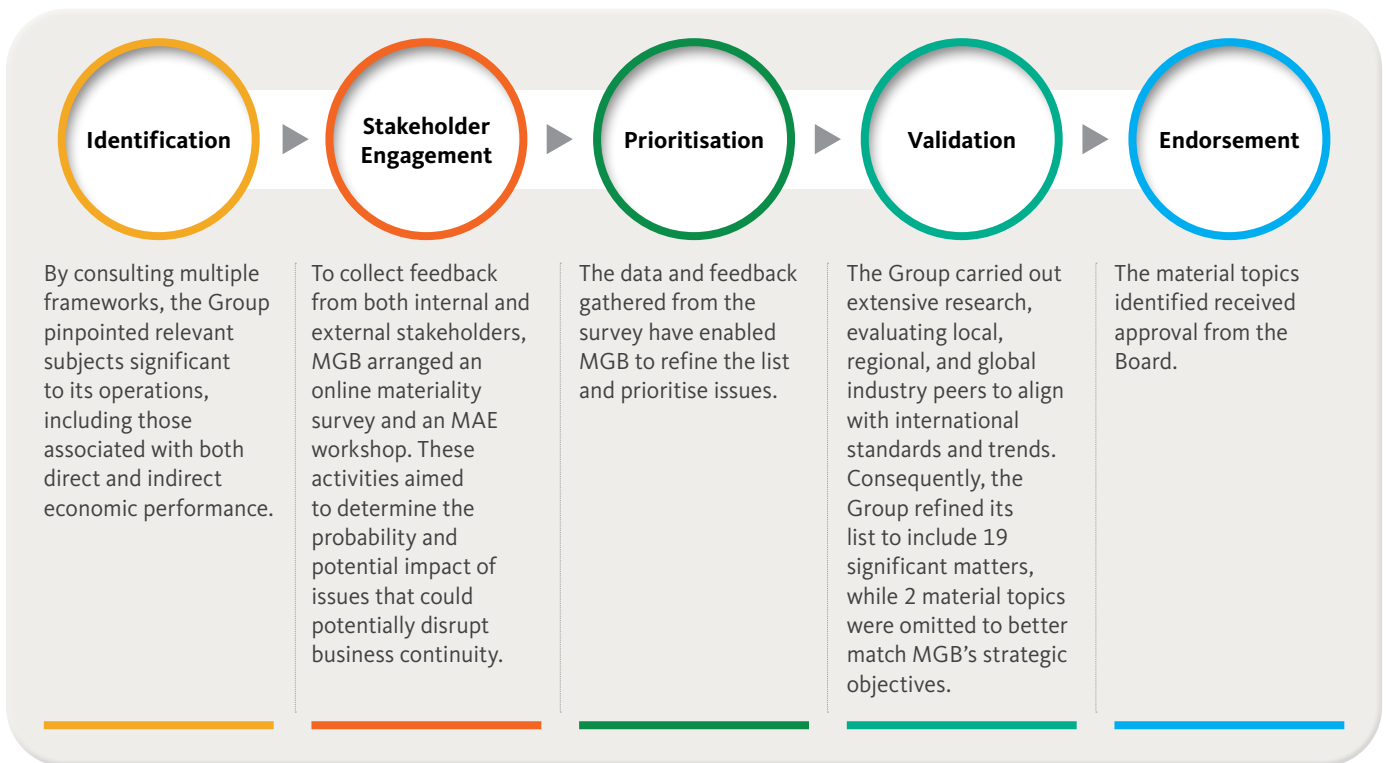
• ASSESSING MATERIALITY

Identifying Material Topics

MGB conducted a comprehensive Materiality Assessment Exercise (“MAE”) in FY2022 to identify key material topics that are important to the Group’s value creation. The MAE included participation from both internal and external stakeholders to obtain more diverse points of view. The inclusion of external stakeholders also allowed the Group to highlight specific ESG areas that were important to them.

The actual survey itself was conducted through a physical workshop and an online survey. ESG topics were selected based on industry standards as well as key topics outlined in the various reporting frameworks the Group follows.

Using these avenues of communication and the following process flow, the Group was able to develop a materiality matrix that ranked MGB’s key ESG topics according to their importance to both the Group and its various stakeholders.



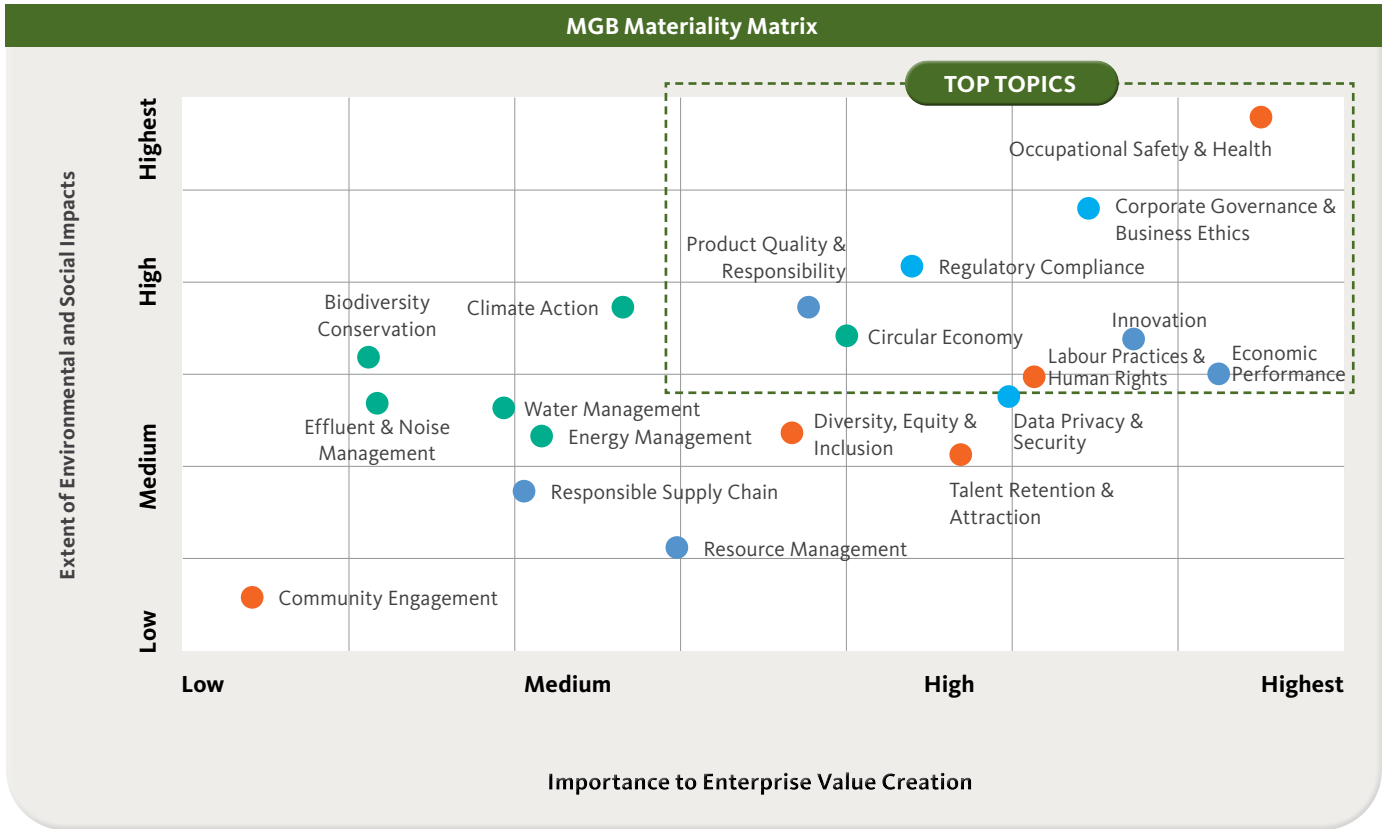
Materiality Matrix

MGB conducted thorough research in FY2023 to reassess the Group’s existing material topics. This extensive analysis compared MGB’s material topics against local, regional, and global benchmarks and standards. Following this, the Group was able to make the necessary adjustments to its materiality matrix to better align with MGB’s overall management approach.

Among the 21 material matters previously identified, 19 remained as material topics with no changes, 14 were renamed, 2 were removed, and 8 were reprioritised based on their latest significance. By reassessing its materiality topics, MGB reaffirms its commitment to focusing on pivotal issues that have a significant impact on its business operations while aligning with the Group’s overall strategic objectives. The finalised material topic for FY2023 has received Board approval, indicating that the top leadership of the Group acknowledge their importance to value creation. This will ensure wholesale integration of these topics into MGB’s business model.

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As such, the following materiality matrix will continue to be used to guide MGB's value creation in FY2023.



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• SUSTAINABILITY TARGETS

MGB's ESG approach in FY2023 is based on its overarching goal of achieving **Net Zero Carbon Emissions by 2050**. In order to align its operational performance towards this main commitment, the Group has established robust goals for each sustainability pillar with clear Key Performance Indicators ("KPIs") based on relevant UNSDGs. These goals serve as a strategic blueprint, ensuring the entire Group is aligned towards a shared sustainability target.

Legend: ● Achieved ● On-track ● Attention Required



ECONOMIC PROSPERITY

Pioneering sustainable innovation for cost-effective construction solutions and enhanced resource efficiency



FY2025 KPI	FY2023 Performance	
To achieve 70% and above QCLASSIC score for all new projects	4 projects assessed in FY2023 received QCLASSIC scores above 70%	●
To achieve 20% Building Information Modelling ("BIM") utilisation in all property development projects	All property development projects achieved 20% BIM utilisation	●



CLIMATE RESILIENCE

Building a sustainable future with next-gen climate-adaptive construction practices



FY2025 KPI	FY2023 Performance	
To achieve a 5% reduction in Energy Intensity by Revenue (Scope One & Two) (Baseline year: FY2022)	Achieved a 12.50% decrease from FY2022 levels	●
To achieve a 5% reduction in Carbon Intensity by Revenue (Scope One, Two & Three) (Baseline year: FY2022)	Achieved 19.12% decrease from FY2022 level	●
To achieve a 5% reduction in Water Intensity by Revenue (Baseline year: FY2022)	Achieved 7.16% increase from FY2022 levels	●
To achieve 10% of waste diversion from landfills (own-managed properties) (Baseline year: FY2023)	16.30% of waste from own-managed properties diverted from landfills	●
To achieve 10% of waste diversion from landfills (construction sites) (Baseline year: FY2023)	5.82% of waste from construction sites diverted from landfills	●
Zero fines or penalties for non-compliance with environmental laws and regulations	Zero fines or penalties for non-compliance with environmental laws and regulations	●
To provide more than 10% of minimum regulatory of landscape (softscape and hardscape) in all new development projects	All new projects launched in FY2023 exceeded the 10% minimum regulatory green landscape requirement	●
To achieve a 40% Industrialised Building System ("IBS") adoption rate	67% of projects have adopted IBS	●



SOCIAL ENRICHMENT

Foster inclusive and thriving communities and workforce through technology-enabled skills development, workplace safety initiatives, and accessible construction projects



FY2025 KPI	FY2023 Performance
Maintain zero fatalities at all sites	Achieved zero fatalities at all sites ●
To achieve 100% employees trained in Occupational Safety and Health (“OSH”)	100% of employees received OSH training ●
To achieve a Lost Time Injury (“LTI”) of less than 0.7	Achieved 2.0 LTI ●
Maintain zero incidents of human rights violations	Zero incidents of human rights violations ●
Suppliers and vendors are committed to full compliance with statutory employment regulations for worker hiring	To develop the declaration form to be acknowledged by all suppliers and vendors before awarding projects ●
To achieve a total of 1,000 volunteering hours per annum	Achieved 130 volunteering hours ●



GOOD GOVERNANCE

Establishing robust governance and ethical standards in the integration and deployment of advanced technologies within construction processes, ensuring transparency and accountability



FY2025 KPI	FY2023 Performance
100% of employees are trained in Group’s Anti-Bribery & Corruption Policy, Gift, Entertainment & Hospitality Policy, as well as Donations & Sponsorships Policy	100% of employees received ABC, Gift, Entertainment & Hospitality, and Donations & Sponsorships Policies training ●
Maintain zero bribery and corruption incidents	Zero incidents of bribery and corruption ●
To reach a minimum of 30% female representation on the Board of Directors (“Board”) by FY2027	Achieved 42% female representation on the Board ●

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GOOD GOVERNANCE



MGB's Goal

Establishing robust governance and ethical standards in the integration and deployment of advanced technologies within construction processes, ensuring transparency and accountability.

MGB has long realised that a central governance structure is necessary to ensure the seamless alignment of the Group's sustainability objectives with its overall strategic goals. This alignment facilitates the integration of sustainability within MGB's core business operations, making it more likely to be prioritised and effectively implemented. An effective governance structure also allows MGB to consistently monitor its sustainability performance, making necessary improvements and modifications whenever the need arises.

At the same time, the Group's unwavering commitment to corporate governance and business ethics is evident in its comprehensive adherence to regulations and policies. This dedication fosters a culture of ethical conduct and corporate integrity, with a zero-tolerance policy towards unethical behaviour, such as corruption. MGB strives to maintain an operational environment that is completely transparent and accountable.

Likewise, the Group's integration of sustainable financial practices ensures that all financial decisions are made after carefully considering MGB's environmental and social responsibilities. This reflects a holistic approach that ensures the Group's sustainability-centric focus is cascaded throughout all levels of the organisation. Ultimately, it is a strategic decision that underscores MGB's alignment as a responsible corporate entity, committed to ethical excellence and sustainable development.

Material Matters:

- Corporate Governance and Business Ethics
- Regulatory Compliance
- Data Privacy and Security

Highlights



100% of employees have received training on Group policies



Zero incidents of bribery or corruption



42% female representation on the Board



Established a **Sustainability Policy**

Sustainability Report

• SUSTAINABILITY GOVERNANCE

MGB practices a top-down sustainability approach where sustainability practices are driven directly by the Group’s Board of Directors (“Board”) and Management. This strategy ensures that sustainability is a core principle that guides all decision-making from the highest level. By setting sustainability directives from the top, MGB can drive change throughout the organisation, ensuring that all operations align with the Group’s overarching sustainability goals.

Sustainability Governance Structure

In enacting its top-down governance approach, MGB has instituted a Board-led sustainability governance structure to oversee and carry out the Group’s strategic initiatives regarding key EESG topics. This structural approach closely aligns with the Group’s Sustainability Policy as well as the principles of the Malaysian Code on Corporate Governance (“MCCG”). Through this approach, MGB can ensure that the Group manages its material EESG topics while balancing the needs of various stakeholders.

At its core, MGB’s sustainability approach is driven by the Board which is assisted by three specialised working groups – the Sustainability Committee (“SC”), Group Sustainability (“GS”), and the Sustainability Team (“ST”). The SC is a Board-appointed committee that maintains the Board’s direct oversight of the Group’s overarching sustainability strategy, initiatives, as well as performances.

At the Management level, the GS supervises significant EESG matters and develops action plans to achieve the Board and SC’s strategies. The GS works closely with the ST, which comprises different Heads of Departments (“HODs”), who are responsible for implementing and monitoring these action plans at the operational level. Together, each level of the Group’s sustainability structure plays a role in advancing MGB’s sustainability commitment.

The Group’s sustainability structure and the roles of each level are as follows:



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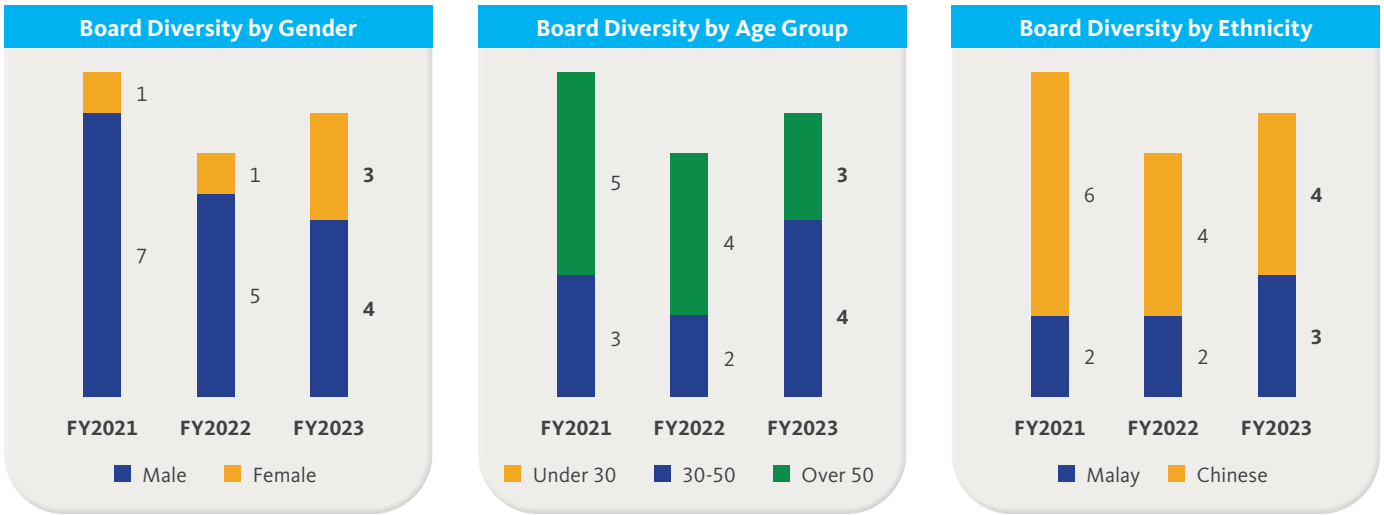
Corporate Governance

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Board Diversity and Independence

MGB is led by a Board that consists of a diverse group of capable and experienced individuals.

 Their individual profiles can be found in the **Board of Directors Profile** section of the Group's Annual Report FY2023 ("AR2023").



Note: Directors composition as of 31 March 2024

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• CORPORATE GOVERNANCE AND BUSINESS ETHICS

Group Sustainability Policies

The main policy guiding MGB's sustainability approach is its Sustainability Policy. Aside from laying out MGB's sustainability governance framework, this policy embodies the Group's commitment to ethical and sustainable business conduct by integrating EESG considerations into all business decisions. Besides that, the policy aims to create value for stakeholders, support communities, foster inclusivity, and enhance environmental protection. By balancing EESG considerations with stakeholder interests, this Sustainability Policy serves as a guiding principle for MGB's operations, promoting sustainable value creation for its stakeholders.

In operational terms, MGB's Sustainability Policy promotes sustainability across all facets of the Group's business activities, including strategic planning and risk management. The policy applies to the entire Group, including its subsidiaries, promoting holistic alignment with the Group's overarching sustainability objectives. This comprehensive approach ensures that MGB's operations are conducted with a focus on sustainable development.

Apart from the Group's Sustainability Policy, the following are other policies that guide MGB's sustainability efforts.

 All these policies are readily available on the Group's website and can be referred to at: <https://mgbgroup.com.my/sustainability/>

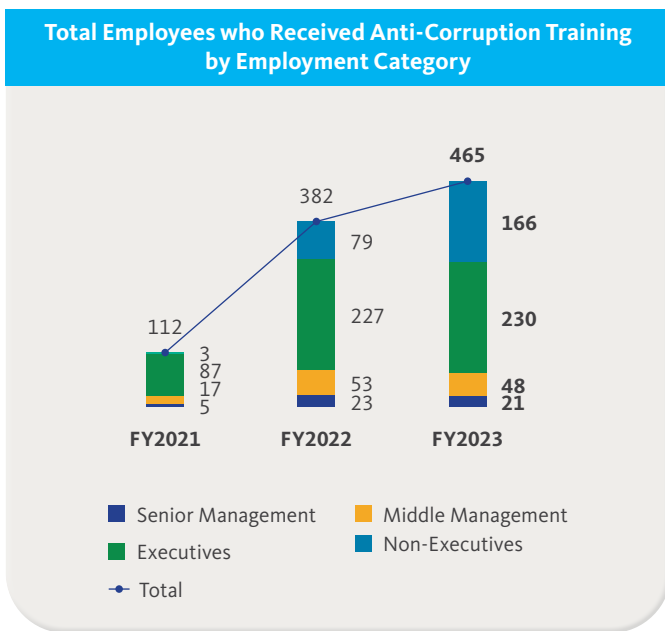


Sustainability Report

Anti-Corruption

MGB maintains its zero-tolerance approach towards bribery and corruption, not just within the Group, but throughout its supply chain. Given the inherent legal and compliance risks associated with inadequate internal anti-corruption practices, MGB has been implementing a Group-wide Anti-Bribery and Corruption (“ABC”) Policy since FY2020. This policy aligns with the provisions of Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009 and ISO 37001:2016 Anti-Bribery Management Systems (“ABS”).

The ABC policy is communicated to the entire workforce, with all employees and Board members receiving some form of anti-corruption training. All its employees received this training in FY2023. Concurrently, the policy and the Group’s staunch anti-corruption position are also extended to the entire supply chain, 100% of which have acknowledged their commitment to the Group’s ABC Policy this year.



All anti-corruption data undergoes verification by the Risk Management Working Group (“RMWG”), which is then reported to the Board for their notice. There have been zero cases of corruption or bribery throughout MGB in FY2023.

Code of Ethics

The Group expects the highest standards of professionalism, integrity, and ethical behaviour from its workforce, aligning with responsible governance practices. In pursuit of this commitment, MGB has crafted a Code of Conduct and Business Ethics (“Code”) that serves as a guide to the entire Group, including members of the Board.

Every individual within MGB is required to familiarise themselves with the Code and strictly adhere to its provisions. Violations of the Code will result in disciplinary measures, potentially even leading to the termination of employment.

Whistleblowing Channel

To further instil an environment of transparency and accountability, the Group has enforced a Whistleblowing Policy that provides a comprehensive mechanism to prevent corruption within and outside MGB. This policy affords internal whistleblowers anonymity to report instances of any misconduct in good faith, whether actual or perceived. The policy further extends protection to these whistleblowers, shielding them from potential harassment or retaliation that may arise from the report.

Such incident reports can be made through the Group’s dedicated whistleblowing channel, accessible to both internal and external stakeholders. The channel is supervised directly by the Investigating Committee which allows for investigations to begin immediately the moment a report is made.

Once a report is made, it will trigger an investigation by the Investigating Committee which comprises three Independent Non-Executive Directors, with support from the Human Resources (“HR”) and Group Legal Departments. The initial phase of the investigation involves a preliminary assessment conducted by the whistleblowing channel administrator, with a report summarising the outcomes forwarded to the Investigating Committee within seven days. Subsequently, the Investigating Committee undertakes a comprehensive investigation which results in an Investigation Report being submitted to either the Group Managing Director (“GMD”) or Board for careful deliberation. Based on their decision, the matter is either considered resolved or referred to relevant departments for their next steps.

In FY2023, no reports were received through the Group’s whistleblowing channel.

Data Privacy and Security

MGB places the utmost priority on the privacy and confidentiality of its customers’ personal data, aligning the Group with the stringent requirements of the Personal Data Protection Act (“PDPA”) 2010. In compliance with this, MGB ensures that all data collection is conducted with explicit consent from the data owners and is exclusively used for engagement purposes. MGB does not sell or disclose this data to any third-party, except when requested by law enforcement authorities.

Internally, the Group implements the latest safeguards to secure confidential data associated with the organisation and its workforce. Administered by an internal IT Department, these measures include the installation of firewalls across all MGB devices to fortify cybersecurity. As an added layer of protection, all MGB devices also have a credential system in place which requires a password to be keyed in before the device can be accessed. While simple, this is a failsafe method to prevent unauthorised access by individuals without the proper clearance. MGB’s IT Department also conducts routine screenings to detect and block suspicious activities. This actively protects the Group from potential cyber threats.

There were no instances of data breaches in FY2023.

Sustainability Report

ECONOMIC PROSPERITY



MGB's Goal

Pioneering sustainable innovation for cost-effective construction solutions and enhanced resource efficiency.

While economic performance falls outside the conventional definition of ESG, it is a crucial component of MGB's sustainability ambition. It serves as the Group's lifeblood, providing the resources it needs to propel and sustain all initiatives while ensuring business continuity. As such, it is important to strike a balance between maintaining a profitable business model while still upholding responsible ESG practices.



The relationship between the Group's economic value creation and our ESG agenda is not mutually exclusive, but rather a symbiotic one. As mentioned, a robust fiscal performance supports the longevity of MGB and provides the necessary capital needed to initiate and sustain its sustainability agenda. At the same time, ESG measures drive overall improvements within the Group, fostering increased savings and financial performance. This, in turn, benefits the Group's stakeholders as MGB can distribute more wealth and endorse more initiatives focused on sustainability and community development.



Material Matters:

- Product Quality & Responsibility
- Innovation
- Economic Performance
- Responsible Supply Chain
- Resource Management

Highlights

-  **4 projects** received QLASSIC scores above 70%
-  All property development projects achieved **20% BIM utilisation**
-  **100% local procurement** (except for MGBI)

Sustainability Report

• CULTIVATING ECONOMIC RESILIENCE

Direct Economic Values

FY2023 marked a period of sustained growth for MGB, demonstrating an overall positive trajectory. Revenue surged by 59% while similarly, profit after taxes grew by 255% compared to the previous financial year.

This growth aligns with the national economy rebounding back to pre-pandemic levels. The construction industry, in particular, has been experiencing a significant upswing which is bolstered by heightened government commitment to nationwide infrastructure development.

Direct Economic Value	FY2021 (RM'000)	FY2022 (RM'000)	FY2023 (RM'000)
Revenue	593,759	612,801	971,828
Profit Before Tax	39,977	25,612	69,207
Profit for the Financial Year	26,578	14,212	50,462
Share Capital	388,186	388,186	388,186
Equity Attributable to Owners of the Parent	497,702	507,385	552,925
Net Tangible Assets	242,341	251,836	296,920
Basic Earnings per share (sen)	5.18	2.55	8.14
Net Assets per share (sen)	84.12	85.76	93.45
Net Tangible Assets per share (sen)	40.96	42.56	50.18
Total Assets	938,064	916,758	1,123,028
Total Borrowings	86,487	113,933	94,051
Net Gearing Ratio	0.09	0.12	0.07
Market Capitalisation	428,948	307,659	396,407

Indirect Economic Values

Beyond financial performance, the Group's business operations result in diverse indirect economic benefits. These socioeconomic advantages include the creation of job and income opportunities, supporting local supply chains, and empowering local communities, among others.

As a property developer, MGB plays a role in enhancing the value of the areas it operates in. This is achieved through the development of new infrastructure or the improvement of existing ones which, in turn, initiate a multiplier effect as new residents and businesses are attracted to the region, fostering additional benefits for the local economy.

Indirect Economic Value	FY2021 (RM'000)	FY2022 (RM'000)	FY2023 (RM'000)
Economic Value Generated	595,654	615,098	974,410
Economic Value Distributed	569,035	605,846	925,197
Total Monetary Value/Spend on Procurement	519,981	549,190	851,869
Total Payout to Employees in Salaries and Benefits	30,100	34,063	45,529
Taxes Paid to the Government	13,400	11,400	18,745
Repayments to Financiers	5,536	5,508	6,086
Community Investment	19	271	16
Dividend Returns to Shareholders	-	5,413	2,952
Economic Value Retained	26,619	9,252	49,213

Sustainability Report

• RESPONSIBLE SUPPLY CHAIN

MGB is committed to ethical procurement practices, ensuring that all acquired products and services meet the highest integrity standards. The Group follows a responsible supply chain approach that requires all suppliers, vendors, and third-party contractors to be aware of MGB's various policies. To reinforce this commitment, MGB requests written confirmation to acknowledge these guidelines and policies.

The Group conducts periodic assessments throughout the contract duration to verify ongoing compliance. Policy violations prompt a warning, allowing suppliers an opportunity to rectify issues. However, consistent violations can lead to contract termination and exclusion from future collaborations. Cases of severe non-compliance may even be reported to the relevant authorities if needed. Furthermore, while MGB has been diligent in its supplier oversight, it has yet to incorporate ESG elements into its supplier evaluation process. However, recognising the importance of ESG considerations, MGB plans to implement this initiative, further solidifying its commitment to sustainability and ethical business practices.

In FY2023, MGB's entire supply chain confirmed and maintained compliance throughout the year.

Group Sustainable Procurement Policy

In FY2023, MGB took a significant step by establishing a Group Sustainable Procurement Policy, aligning with its overarching sustainability strategy and ensuring that all procurement activities within the Group actively prioritise EESG considerations. Serving as a comprehensive guide for supply chain partners, the Policy integrates sustainability into every aspect of procurement, showcasing MGB's commitment to ethical and responsible sourcing. Its objectives focus on upholding high sustainability standards during procurement and mitigating potential risks during the process.

The Group Sustainable Procurement Policy reflects MGB's commitment to strengthening EESG principles, dedication to the UN SDGs particularly in reducing environmental and social impacts while supporting local suppliers. With this policy as a guideline, suppliers are carefully selected based on their compliance with the Group's EESG requirements. This includes promoting regulatory compliance, environmental stewardship, ethical business practices, and upholding human rights among others. Through these efforts, MGB strengthens its supply chain and contributes to a more sustainable and equitable global market. This is in line with the recommendations of sustainability guidelines such as the FTSE4Good Index.



For more information on this policy, please visit <https://mgbgroup.com.my/sustainability/>

Local Procurement

The localisation of its supply chain not only benefits MGB but also contributes positively to the socioeconomic development of the local community. For the Group, this is a strategic move that provides enhanced oversight, cost control, and flexibility in managing its supply chain. At the same time, prioritising local suppliers aligns with MGB's commitment to fostering job opportunities, local economic growth, and indirectly contributing to the economic development of the nation. This approach carries environmental advantages as well by mitigating potential pollution and emissions associated with storage and logistics.

The Group consistently maintains a fully local supply chain, with 100% of the procurement budget allocated to local suppliers. The exception to this is the Group's wholly-owned subsidiary MGB International for Industry ("MGBI") which operates in multiple countries around the world.

Material Management

MGB's Group Sustainable Procurement Policy stands at the core of the Group's material management approach, ensuring that all procurement of goods actively prioritises sustainability practices and compliance with the relevant environmental laws. By choosing suppliers who share MGB's dedication to reducing GHG emissions and managing pollution, as well as responsible resource and material management, the Group ensures that all the materials it uses as part of daily operations contribute to a greener supply chain.

Additionally, MGB actively leverages its expertise as a Value Driven Technology ("VaDTech") Solutions specialist to optimise resource usage across operations. The integration of Industrialised Building System ("IBS") and Building Information Modelling ("BIM") processes showcase the Group's innovative resource management approach.



More information on these processes can be found in the **Operational Excellence Through Innovation** section (pages 67-69).

Sustainability Report

The top five most used materials by the Group over the past three years were:

Materials	Unit	FY2021	FY2022	FY2023
Concrete	Tonnes	227,021	190,808	395,574
Reinforcement Bar	Tonnes	5,334	3,999	11,127
BRC	m ²	1,102,969	1,046,710	1,867,606
Diesel	Litre ('000)	1,786	1,538	2,202
Cement	Tonnes	8,078	7,997	16,585

Performance:

MGB witnessed an increase in material consumption during FY2023 as a result of heightened operational activities. As the Group undertook more active projects throughout the year, there was a surge in critical material and fuel required for the construction process. Despite this increased need for resources, MGB's prudent management approach ensured that the rise remained controlled rather than exponential.

• ELEVATING CUSTOMER SATISFACTION

Ensuring optimal product quality and customer satisfaction is important to the economic performance of MGB as it directly influences the Group's corporate branding and reputation. By providing the best quality products, MGB can retain its customers' loyalty which, in the long term, translates to increased revenue and profitability.

The Group relies on both internal and external audits based on the ISO 9001:2015 system for the meticulous evaluation of build quality. Concurrently, it actively incorporates feedback or complaints from customers into improving the quality of products.

So far, MGB's approach towards achieving high workmanship throughout the entire construction process has been fruitful as it has achieved QLASSIC scores of over 70% for its latest projects.

Build Quality	Mercu Jalil	KITA Ria	Melodi Perdana	Residensi Bintang
CIDB QLASSIC Score	77%	74%	75%	75%

• OPERATIONAL EXCELLENCE THROUGH INNOVATION

In the dynamic construction sector, technology and digitalisation play a vital role in shaping the future. MGB is fully aware of this trend and has proactively integrated such innovations into its core operations. This strategic move has enabled the Group to streamline processes, enhance operational efficiency, and achieve significant cost reductions. These cutting-edge approaches are applied to all aspects of the Group's operations, from sales and after-sales services to project management and on-site construction monitoring. Through this innovative practice, MGB transforms traditional practices, setting new standards for operational excellence.

Sustainability Report

VaDTech

Nowhere is the Group’s commitment to digitalisation more apparent than in the implementation of VaDTech solutions during the construction process. These solutions are a testament to MGB’s innovative approach to providing new ways to enhance productivity and secure a competitive edge within the industry. More than a tool, VaDTech solutions offer the Group innovative solutions to optimise time, value, quality, resources, and operational processes for better productivity. This approach has revolutionised the way MGB operates, setting a new standard for efficiency and excellence.

The Group’s entire VaDTech philosophy is built on four main pillars:

The Group is aware of the rising cost of home ownership in Malaysia. While it cannot solve this issue, by leveraging VaDTech solutions, MGB can minimise operational costs and improve development efficiency. This allows for affordable housing projects that make home ownership a realistic dream for all Malaysians without compromising on size, quality, and comfort.

MGB’s focus on practicality ensures that every technological adoption enhances productivity and efficiency from conception to completion. Leveraging extensive construction experience and VaDTech solutions, the Group aims to maximise value in the construction sector through advanced technology and innovative methods.

MGB is committed to challenging the status quo and seeking innovative methods to deliver superior solutions. Driven by a strong passion and clear vision, the Group looks for opportunities amidst challenges. It is poised to offer optimal solutions that add significant value to the construction sector by optimising production, reducing environmental impacts, and cutting costs.

VaDTech solutions are a powerful catalyst for ESG-consciousness and allows MGB to foster a safer and greener working environment that implements sustainable practices. The focus on affordable housing and construction methods is a strategic move that advances the affordable housing agenda. At the same time, VaDTech solutions drive better traceability and visibility throughout the process.

MGB’s VaDTech approach allows it to deliver comprehensive high-quality and cost-competitive technological solutions:

IBS Construction Solution

Industrialised Building System (“IBS”) is integral to MGB’s VaDTech solution. It provides solutions designed to address challenges faced by the construction sector, such as labour shortages and fluctuations in material prices. With over 15 years of experience in the fabrication of steel and aluminium frameworks using this technology, the Group is well-equipped to lead the adoption of IBS practices across the industry.

The Group’s IBS capabilities are produced from its on-site precast plant in Alam Perdana and permanent factory in Nilai which are currently able to produce precast concrete products for approximately 6,000 new homes every year. Capitalising on these advancements, MGB has successfully utilised its innovative IBS technology to streamline construction timelines, reduce overhead costs, and elevate the overall quality of the Group’s products.

Projects	IBS Score
KITA Ria	58.80%
Ritma Perdana	84.90%
KITA Mekar	74.50%
Idaman BSP	56.60%
KITA Sejati	60.43%
KITA Mesra	78.06%

Sustainability Report

Affordable Housing Solution

MGB has risen to the challenge of providing affordable housing solutions in the urban heart of Selangor. As a key member of the consortium that introduced the Rumah Selangorku Idaman MBI initiative, MGB will develop 6 affordable housing projects strategically located in townships with robust infrastructure and connectivity, with the first project expected to be completed and handed over to purchasers in 2024.

Through a comprehensive end-to-end approach, MGB has meticulously managed every aspect of these developments – from planning and design, all the way through to construction and after-sales service. This holistic strategy, underpinned by the Group's innovative IBS precast technology, resulted in the development of 7,210 units of affordable housing.

In a further commitment to leveraging VaDTech solutions to drive social responsibility, the Group has played a pivotal role in supporting the Selangor state government's goal of constructing 30,000 affordable homes by 2025. MGB's contribution to this initiative not only reflects its dedication to community development but also highlights the Group's capability to use technological innovation and deliver large-scale housing commitments. By prioritising affordable housing solutions without compromising on quality, MGB is making significant strides towards inclusive urban development and sustainable community building.

Investment Proposition Solution

MGB's experience in driving innovation through VaDTech has positioned it as a provider of investment solutions. The meticulous planning and attention to detail required to establish a new factory of industrial complex are well within the Group's expertise. Rather than replicating standard designs, MGB is able to collaborate with investors to bring their unique visions to life, offering them the flexibility of individualised industrial hubs tailored to their specific needs.

The Group has already ventured into this through a joint venture with the Terengganu state government to develop the expansive 780-acres Kertih Terengganu Industrial Park ("KTIP"). As the turnkey contractor, MGB was responsible for the comprehensive execution of the entire project. This venture proved that VaDTech solutions enable the Group to manage large-scale industrial development from inception to completion, ensuring that every facet of the project aligns with the overarching vision of creating a state-of-the-art heavy industrial park.

Innovative Financing Solution

The building industry reflects a nation's development and MGB has been playing a crucial role in supporting the capital needs required for construction projects. Leveraging its strong credit history, the Group provides tailored financing solutions for clients, extending loans to fuel their development visions. An example of this financial expertise is MGB's successful design, financing, and construction of an RM150 million township in Johor. This venture is part of a larger financial mobilisation strategy, with the Group having channelled approximately RM500 million into various other projects.

Upcoming Water Technology Solution

Another avenue for the innovative use of VaDTech solutions is for sustainable water management. The Group is poised to integrate value-added technology in the construction of a new water treatment plant, aiming to significantly reduce the operational costs associated with providing clean water to the surrounding community. This initiative not only underscores MGB's commitment to sustainability but also demonstrates its ability to leverage cutting-edge technology to enhance community services.

Future Tech Solution Tracks

MGB's adoption of VaDTech signals a future full of opportunities. The Group is expanding its horizons, exploring new possibilities in a dynamic market by venturing into technologies such as Renewable Energy ("RE") and Data Management Solutions. Already, MGB has begun integrating increased RE capacity into its operations by installing solar panels within its IBS Precast Factory in Nilai.



More information on this can be found in the **Unlocking Energy Efficiency** section (page 78).

With a keen interest in innovation, MGB is ready to meet the growing needs of the industry, offering comprehensive solutions to new industries and sectors in Malaysia and contributing to regional growth.

Digitalisation of Processes

MGB's digitalisation process is a strategic initiative that significantly enhances operational efficiency and reduces costs across the company's diverse operations. By embracing automation and other technological innovations, MGB has transformed its approach across all business avenues, from sales and project management to site mapping and monitoring. This digital overhaul has not only streamlined workflows but also improved accuracy and speed, leading to a more agile and cost-effective business model. The integration of digital solutions ensures that MGB remains at the forefront of the construction industry, ready to meet the challenges of an increasingly digital future.

BIM

One of the main ways the Group ensures consistent high-quality outputs is through the utilisation of Building Information Modelling ("BIM"). This innovative initiative was started in FY2022, with the establishment of a dedicated BIM team operating through digital construction methods.

MGB's current emphasis lies in the conversion of conventional 2D designs into more visual 3D models. This transformative approach allows for a more thorough analysis and coordination of project designs well in advance of physical on-site construction works.

Beyond meeting MGB's stringent quality standards, BIM also allows the Group to reduce the need for on-site corrections, consequently lowering time delays and costs. Currently, BIM technology is being used for the design of five projects, namely, Idaman Melur, Idaman Cahaya Plot 1 and 2, Idaman Sari, and Saujana Indah.

Sustainability Report

CLIMATE RESILIENCE



MGB's Goal

Building a Sustainable Future with Next-Gen Climate-Adaptive Construction Practices.

MGB is aware of the crucial role the natural environment plays in the Group's operations. The very nature of the industry relies on the natural resources and services it provides. The Board and Management of MGB acknowledge that consuming natural capital, accompanied by releasing carbon emissions, waste products, and pollution, are topics that require the Group's immediate attention and action.

As such, MGB is dedicated to maintaining a comprehensive environmental management approach by routinely assessing potential impacts stemming from its daily operations. The Group pledges to environmental responsibility and innovations that exceed previous benchmarks.

MGB aspires to transcend beyond ad-hoc remedial actions. Instead, the Group aims to focus on formulating strategic plans that allow it to better root out potential environmental issues and make a more pronounced impact on its environmental footprint.

Material Matters:

- Circular Economy
- Water Management
- Climate Action
- Biodiversity Conservation
- Energy Management
- Effluent and Noise Management

Highlights



Achieved a **19.12% decrease** in carbon intensity by revenue



Achieved a **12.50% decrease** in energy intensity by revenue



Office: **16.30%** of waste diverted from landfills
Site: **5.82%** of waste diverted from landfills



Exceeded **10% minimum regulatory** green landscape requirements for all new projects



Launched **Net Zero Carbon** Emissions by 2050 Roadmap



Introduced **Internal Carbon Pricing Mechanism**



Zero non-compliance with environmental regulations



Achieved **67% IBS** adoption rate

Sustainability Report

• NAVIGATING CLIMATE RESILIENCE AND ACCOUNTABILITY

Climate change stands as one of the most significant threats faced by the world today, necessitating an urgent need to address it. Through its operations within the construction sector, MGB is poised to play an important role in mitigating the potential impacts of climate change and supporting Malaysia's climate ambitions.

The Group is also aware of the potentially disruptive risks brought by climate change. As local weather patterns become increasingly unpredictable, there are heightened risks to the long-term operational viability of MGB as instances of natural disasters become more frequent. This would require a complete reevaluation of the Group's operational strategies, including considerations related to building design, site selection, and landbank strategies. Such adjustments inevitably incur elevated operating costs and reduced productivity which, in turn, impacts the quality of the Group's products and services.

In response, MGB has initiated several prudent measures to manage emissions and build resilience towards climate change risk. Recognising the significance of this matter, climate change governance is spearheaded directly by the Group's Board and Management, seamlessly integrating strategic planning into every aspect of MGB's operations from the outset. Under this proactive, top-down approach, all of the Group's projects undergo an initial climate change scenario planning, allowing for personalised integrated approaches to mitigate potential climate-related risks.

TCFD Adoption

MGB's approach towards responsible climate management began with the integration of the Taskforce for Climate-Related Financial Disclosures ("TCFD") in line with the requirements of Bursa Malaysia. While this enhanced disclosures, it also had the added benefit of driving the concept of "common but differentiated responsibility" throughout the Group. Under this perspective, each division within the Group shares the responsibility of reducing carbon emissions and building climate resilience by playing their specific roles to reach the same goal. And to MGB, this goal is to achieve Net Zero Carbon Emissions by 2050.

In FY2023, MGB adopted a comprehensive roadmap aimed at achieving this goal. By actively integrating TCFD recommendations, this roadmap allows the Group to systematically track and measure its progress based on the different EESG milestones.

Governance

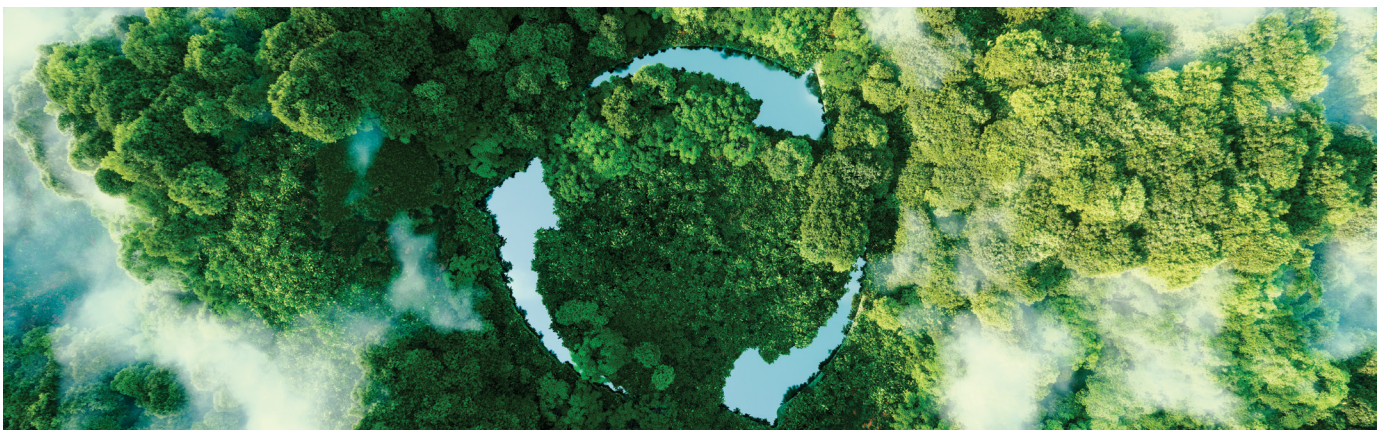
MGB adopts a comprehensive and strategic approach towards climate change governance. The Board maintains direct oversight of the topic through MGB's Sustainability Committee ("SC"). As the highest decision-making body within the Group, this ensures that all climate-related strategies are crafted based on their integration with MGB's overall business model.

The day-to-day execution and management of these strategies are handled by the Group Sustainability ("GS") team, which plays a pivotal role in translating the Board's climate strategies into actionable targets with tangible outcomes. This ensures that the Group's climate goals are practical, measurable, and achievable.

At the operational level, implementing said climate strategies fall under the purview of the various Heads of Departments ("HODs"). They are responsible for implementing the Group's climate strategies and targets into their departmental operations and monitoring the progress. The performance of these targets is periodically reported back to the GS and Board. This allows for the necessary realignment of goals and provides broad-level supervision of strategy effectiveness.



More information on the Group's sustainability governance structure can be found in the Good Governance section (page 61).



Sustainability Report

Strategies

Net Zero Carbon Emissions by 2050 Roadmap

The main driving force of the Group’s operational strategies surrounding climate change is its Net Zero Carbon Emissions by 2050 Roadmap.

Our Approach to Net Zero Carbon Emissions by 2050 Roadmap

In our commitment to achieving carbon neutrality by 2050, we have developed a comprehensive roadmap with measurable short-term, medium-term, and long-term key performance indicators.

2022

Short-Term Strategy: Setting Measurable Targets

To align with our commitment, we have established measurable short-term objectives.

2023

2025

Medium Term Strategy: Halving Emissions

Enhancing our commitment to climate transparency and accountability, actively supporting TCFD to foster better climate-related financial disclosures. This initiative is part of our strategic approach to achieving our ambitious 2030 goal for greater climate resilience and sustainability, guided by two core strategies and six decisive climate actions.

Our Strategy	Our Climate Action
Business Strategy Integration	<ul style="list-style-type: none"> • Land Acquisition Due Diligence • Digitalisation
Operational Reduction	<p>Internal</p> <ul style="list-style-type: none"> • Decarbonisation Strategy <p>Internal & External</p> <ul style="list-style-type: none"> • Green Mission Programme • Sustainable Procurement/Supply Chain • Tenant Management

2030

2050


Long Term Strategy: Climate Action

Our long-term strategy is firmly rooted in a commitment to environmental stewardship and sustainable development. Central to our approach are two key climate actions designed to advance our sustainability objectives:

- Carbon Storage or Capture
- Investing directly/indirectly in large-scale solar farms

- To achieve 5% reduction of energy intensity by revenue
- To achieve 5% reduction of carbon intensity by revenue

Achieve
Net Zero
Carbon Emission












Under the Roadmap, the Group has structured a series of sustainability goals into short-term, medium-term, and long-term objectives. Each objective is backed by KPIs and targets that are regularly tracked to ensure steady progress towards achieving carbon neutrality.

Additionally, each objective is further linked to several strategic ESG targets, complete with interim milestones that allow the Group to track and measure its progress. These milestones play a crucial role in integrating MGB’s overarching strategy into its day-to-day operations, allowing for a more proactive stance in realising its net-zero ambitions.

Sustainability Report

As part of its commitment, MGB has transitioned to the medium-term strategies of the roadmap to halve the Group’s operational emissions. In line with the TCFD framework, MGB has adopted two strategies alongside six climate actions to strengthen climate resilience by 2030.

Strategy	Climate Action
Business Strategy Integration	 <p>Land Acquisition Due Diligence By exercising prudent decision-making when siting future development locations, MGB can ensure these areas are safeguarded against climate change risks, such as natural disasters.</p>
	 <p>Digitalisation Leveraging digitalisation significantly boosts efficiency, enabling rapid execution of projects while minimising environmental footprint. For MGB, this is by focusing on its VaDTech to foster innovative ways to increase productivity and improve the Group’s competitive edge.</p> <p> <i>For more details, please refer to the Operational Excellence Through Innovation section (pages 67-69)</i></p>
Operational Reduction	Internal
	 <p>Decarbonisation Strategy By adopting sustainable practices throughout its operations, especially in terms of energy consumption, MGB can actively minimise its carbon footprint.</p> <p> <i>More information on the Group’s sustainable energy practices can be found in the Unlocking Energy Efficiency section (pages 78-79)</i></p>
	Internal and External
	 <p>Green Mission Programme MGB’s Green Mission Programme outlines an operational reduction strategy that focuses on energy transition, efficiency, innovation, and supply chain optimisation. This integrates initiatives across four critical areas – biodiversity, waste, energy, and water management – both internally and externally, to bolster climate resilience.</p>
	 <p>Sustainable Procurement/Supply Chain It is important to MGB that its carbon reduction initiatives are equally adopted all across its supply chain. This creates a holistic approach that ensures all areas of the Group’s operations are contributing to its goal of Net Zero Carbon Emissions.</p> <p> <i>For more information, please refer to the Responsible Supply Chain section (page 66).</i></p>
 <p>Tenant Management In 2024, MGB is deepening its commitment to sustainability by partnering with tenants through Sustainable Tenancy Initiative, aimed at embedding eco-friendly practices within the operations. This collaborative effort focuses on engaging tenants in sustainable activities, such as implementing energy-saving measures and minimising carbon emissions. By fostering a culture of mutual responsibility and environmental awareness, the initiative not only enriches MGB offerings but also contributes to the creation of green communities.</p>	

Looking beyond 2030, the Group’s focus extends to the execution of long-term climate action strategies. This involves the prioritisation of two climate actions, specifically carbon storage/capture, and investments, either direct or indirect, in large-scale solar farms. These strategic initiatives position MGB to combat climate change on two fronts – firstly, by mitigating carbon emissions from the energy sector through the ‘greening’ of the energy grid, and secondly, by innovatively removing excess carbon already present in the atmosphere.

Sustainability Report

Internal Carbon Pricing

To further drive its efforts in mitigating climate change, MGB has taken the proactive step of voluntarily introducing an internal carbon pricing of RM20 per tonne CO₂e in FY2023. This initiative, focusing on Scope Two emissions, accelerates internal decarbonisation and generates funds for carbon reduction and removal efforts. It also aligns with the launch of the Voluntary Carbon Market (“VCM”) by Bursa Malaysia back in FY2022 and the expected implementation of the Carbon Border Adjustment Mechanism (“CBAM”) from FY2023.

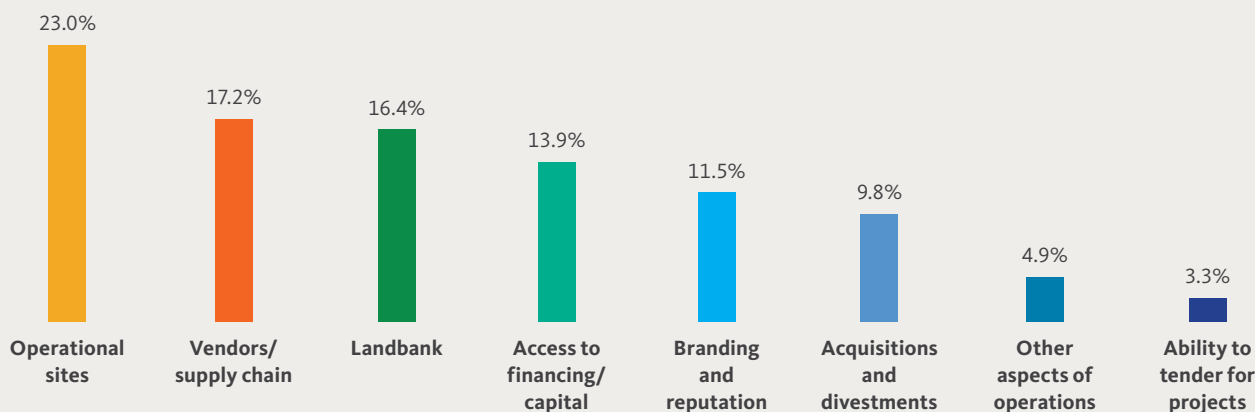
MGB’s actions are in line with the strategies outlined in the “*Pelan Kelestarian Alam Sekitar Malaysia 2020 – 2030*” which emphasise the need for an Emissions Trading System (“ETS”) and a carbon tax.

Evaluating and Managing Climate Risks

Climate Scenario Planning

As part of the Group’s strategy to ensure long-term resilience against climate change risks, MGB conducted its first climate change risk assessment and scenario planning workshop in FY2023. This workshop aimed to identify the physical and transitional risks associated with climate change alongside their extent, severity, and timeframes, as well as potential mitigation measures the Group could implement to minimise potential impacts.

Business/Operational Exposure Rankings to Climate Change Risks and Impacts



For the exercise, MGB conducted a risk assessment based on the following physical and transitional risks. For each risk, the Group identified several potential impacts and potentially how long it would take for these impacts to affect business operations. The timeframe used was short-term (“S”) for anything sooner than two years, medium-term (“M”) for impacts that would take three to five years, and long-term (“L”) for up to 10 years.

Potential Impacts	Timeframe	Mitigation Measures
Physical Risk – Flash Floods		
Increased damages and liabilities on ongoing projects	S to L	<ul style="list-style-type: none"> Monitoring of rainfall at all construction sites via rainfall measurement devices Provisions for the development of large stormwater infrastructure including drains and retention ponds at all relevant sites if required Increasing training and awareness sessions on flash flooding as part of the overall OSH training for site workers at areas that may be prone to flash flooding
Changes in planning and design, resulting in higher development cost	M to L	
Delay in construction time	S to L	
Supply chain disruptions	S to L	
Insufficient insurance coverage during construction	M to L	
Availability of suitable land bank for development	L	
Rise in vector-borne diseases	S to L	
Increased OSH incidents	S to L	

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Potential Impacts	Timeframe	Mitigation Measures
Physical Risk – Rising Temperature		
Changes in planning and design, resulting in higher development cost	M to L	<ul style="list-style-type: none"> Continuous improvements in the defect management process, including incorporating the potential usage of automation and technology for swift and full rectification of defects Changes in design approach to maximise natural crosswind ventilations, more shaded areas, and reduced exposure to direct sunlight Increased use of landscaping (selection of shady trees, inclusion of water features, etc.) to provide a cooling effect
Worker health issues and increased OSH incidents	S to L	
Increased issues of defects and liabilities	S to L	
Physical Risk – Drought		
Water scarcity	M to L	<ul style="list-style-type: none"> Identify and tap alternate water sources
Transitional Risk – Increased Green Regulations		
Increased green feature requirements within developments	M to L	<ul style="list-style-type: none"> Continuous engagement with local, state, and federal authorities, as well as industry bodies and professional associations on the changing requirements. These include CIDB, MBAM, and other bodies
Increased recycling of construction and other waste	L	
Increased requirements for water- and energy-saving features in developments	M to L	
CIDB initiatives (Green Building Index)	S to L	
Transitional Risk – Access to Financing		
Likelihood of reduced margin of financing or higher interest rates due to low ESG scores or high environmental footprint	L	<ul style="list-style-type: none"> Continued engagements with bankers and financiers to understand their priorities for portfolio decarbonisation
Transitional Risk – Adopting Energy-Efficient Solutions		
Increased costs to transition to RE/electricity use compared to fossil fuels	S to L	<ul style="list-style-type: none"> Commence using a higher proportion of electricity at operation sites as opposed to fossil fuels Consideration for more “green features” in projects i.e. provision of EV charging stations, increased use of LED lighting for common areas, etc. Considerations for using green steel and green cement for projects, based on the client’s preference for such materials

At the same time, the Group was also able to identify certain opportunities that may arise.

Potential Opportunity	Timeframe
Increased Demand for IBS Precast & Formwork Systems	
Growth in business opportunities	S to L
Strengthening of brand reputation as a leading IBS solutions provider	S to L
Reduced manpower costs	S to L
Improvements in addressing physical climate change risks (i.e. faster building times reduce workers’ exposure to floods, increased temperatures, etc.)	L
Purchasing of Carbon Credits	
Offsetting carbon emissions	L
Opportunities for brand building and strengthening reputation as a responsible company	L
Expansion into New Business Sectors & Industries	
Business diversification into new niche sectors (i.e. green buildings, thermal energy storage, cooling systems, data centres, etc.)	S to L

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The risk assessment exercise also resulted in climate change scenario planning based on the identified risks and opportunities and two climate change scenarios. These were the Network for Greening the Financial System (“NGFS”) Net Zero 2050 scenario and the Intergovernmental Panel on Climate Change (“IPCC”) Representative Concentration Pathway (“RCP”) 3.4. The NGFS Net Zero 2050 scenario is driven by national or regional commitments to achieve net-zero emissions by 2050, while the IPCC RCP 3.4 scenario outlines the potential impacts of climate change, including changes in temperature, precipitation levels, and sea level.

Scenario	Impact	Mitigation Measures
Loss of Operational Days		
+5%	Minor to no impacts on overall site progress and productivity. No major financial impacts expected.	<ul style="list-style-type: none"> Reassessment of work schedule and priority, expediting site work through a surge in manpower, machinery, equipment, and working hours.
+10%	Moderate impact with significant project delays. Some financial impacts are expected.	<ul style="list-style-type: none"> Reassessment of work schedule and priority, expediting site work through a surge in manpower, machinery, equipment, and working hours. Negotiations with supply chain for expedited/advance supply of goods/services. Reassessment of project timelines, securing extensions from authorities.
+20%	Significant financial impacts with EOD request being a necessity. Possible erosion of profit margins.	<ul style="list-style-type: none"> Reassessment of work schedule and priority, expediting site work through a surge in manpower, machinery, equipment, and working hours. Negotiations with supply chain for expedited/advance supply of goods/services. Increased technological use. Machinery and manpower from unaffected sites would be brought in to supplement existing workforce. Request authorities for extended working hours.
Supply Chain Disruptions		
>30 days	Construction schedule delayed by a few weeks. However, this is still within the acceptable limits and will not cause major financial impacts.	<ul style="list-style-type: none"> Continue diversifying and expanding supplier base with preference for local procurement.
>90 days	Construction schedule significantly delayed. Some financial impacts are expected.	<ul style="list-style-type: none"> Ensure all supply contracts have adequate provisions that protect MGB’s interest and hold subcontractors responsible in regards to delays. This may include monetary compensation. Alternative materials can be considered to circumvent supply chain blocks of usual materials.
>180 days	Construction schedule severely disrupted. Significant financial impacts with EOT requests and renegotiation of contract terms with relevant parties becoming a necessity.	<ul style="list-style-type: none"> Ensure all supply contracts have adequate provisions that protect MGB’s interest and hold subcontractors responsible in regards to delays. This may include monetary compensation. Alternative materials can be considered to circumvent supply chain blocks of usual materials. Leveraging insurance policies to ensure sufficient coverage. Undertake production of own materials where possible.

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Scenario	Impact	Mitigation Measures
Reduction in Worker Productivity due to Weather, Illness, etc.		
+5%	Lower productivity and minor increase in medical claims. Minimal financial impact.	<ul style="list-style-type: none"> Rescheduling worker schedules to reduce incidence of illness among workers. Continue providing roofing and amenities to protect from direct heat, as well as ample water stations. Introduce shorter work shifts during hot periods.
+10%	Substantially lower productivity and moderate increase in medical claims.	<ul style="list-style-type: none"> Rescheduling worker schedules to reduce incidence of illness among workers. Continue providing roofing and amenities to protect from direct heat, as well as ample water stations. Introduce shorter work shifts during hot periods. Securing of temporary surge capacity in manpower. Increasing work shifts during cooler periods of the day. Securing regulatory approvals to work on an extended daily schedule. Ensuring that workers work in cooler areas during the hottest periods of the day. Reschedule worker shifts during heatwaves. Increase medical coverage.
+20%	Severely reduced productivity causing projects to be delayed. Substantial increase in medical claims. Project deadlines may not be met leading to significant financial loss.	
Increased Requirements for Green Building Features		
+5%	Minor increase in overall cost. Possible to absorb cost and still retain healthy margins. Ability to offer private financing unimpacted.	-
+10%	Moderate increase in overall cost with the possibility of requiring longer construction period. Ability to offer private financing unimpacted.	<ul style="list-style-type: none"> Reassess building design and materials. Design and innovate engineering methodologies. Possibility of transferring cost to project owner/end user to sustain margins.
+20%	Major increase in overall cost. Significant replanning required with increased necessity for larger proportion of external borrowing to fund projects. Ability to offer private financing may be significantly impacted.	<ul style="list-style-type: none"> Reassess building design and materials. Design and innovate engineering methodologies.

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Metrics and Targets

MGB strives to approach its climate performance with transparency and accountability. As such, the Group has been disclosing its Scope One, Two and Three emissions regularly since FY2021. These disclosures have also been audited internally to ensure data accuracy.

The sources of MGB's emissions for FY2023 are:

- **Scope One (Direct Emissions):** Fossil fuel (diesel and petrol) consumption by company vehicles and company facilities
- **Scope Two (Indirect Emissions):** Purchased electricity consumed by operational activities
- **Scope Three (Other Indirect Emissions):** Employee commuting, business travel, and waste generated during operations

All emissions have been calculated following the methodologies established by the World Business Council for Sustainable Development and the World Resources Institute's ("WBCSD/WRI") Greenhouse Gas ("GHG") Protocol. The emission factors used are sourced from the Intergovernmental Panel on Climate Change's ("IPCC") Sixth Assessment Report ("AR6") and the Malaysian Green Technology and Climate Change Centre ("MGTC") for Scope One and Two emissions. Scope Three emissions were calculated based on data from the United Kingdom's Department for Environment, Food, & Rural Affairs ("DEFRA"). Commencing in FY2023, this updated methodology enables us to provide a more comprehensive breakdown of greenhouse gases (GHGs). Additionally, the GHG breakdown for Scope Two emissions is derived from the United Nations Framework Convention on Climate Change ("UNFCCC") Malaysia Biennial Update Report 2022.



For more information on MGB's emissions, please refer to the **Unlocking Energy Efficiency** section (pages 78-79)

• UNLOCKING ENERGY EFFICIENCY

As a responsible industry player, MGB recognises that prudently managing its energy consumption can significantly impact the Group's environmental footprint. Therefore, the Group's commitment to sustainability entails a meticulous focus on energy consumption throughout its operations.

MGB understands the intricate connection between its energy usage with broader environmental and societal considerations. Furthermore, beyond the perspective of environmental and social stewardship, prudent and optimised energy consumption directly correlates with the cost, efficiency and quality of the Group's products and services.

As such, the Group diligently monitors and manages its energy consumption in alignment with the Group's robust HSE Policy and EMS 14001:2015 certification. The Group also ensures that all employees stay informed about the latest energy-saving measures through regular internal updates and training programmes.

To drive energy-saving measures, MGB has implemented measures to prevent unnecessary electricity wastage by posting signage in key areas throughout the offices. These signages were intended to remind employees to switch off lights and air conditioning before leaving. Looking ahead, MGB is further committed to replacing all lights in its offices with more energy-efficient versions. When a light fixture requires repair or replacement, the bulb will be replaced with an energy-saving LED light bulb. It is a small step but eventually, every light fixture within the Group's buildings will shift to more energy-efficient alternatives, contributing to overall energy savings.

Accelerating Renewable Energy Solutions

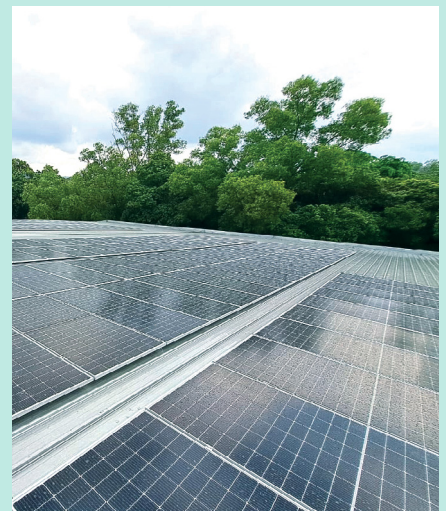
MGB has ventured into renewable energy ("RE") to harness the vast potential of green energy generation. As a significant step in this direction, MGB has installed solar panels at its fully-owned IBS Precast Factory located in Nilai. This initiative aligns perfectly with the Group's goal of achieving Net Zero Carbon Emissions by 2050.



More information on this can be found in the **Net Zero Carbon Emissions by 2050 Roadmap** section (page 72).

Leveraging RE generation allows MGB to meet its internal energy demand efficiently while simultaneously reducing its dependency on traditional energy generation methods.

This move signifies a major shift towards greener operations that have a reduced environmental impact. The solar panels installed have been highly effective and have thus far generated up to 19,195 kWh of energy in FY2023. Additionally, MGB has been able to offset 14.55 tonnes of CO₂e through this initiative, further reinforcing its commitment to reducing emissions.



Sustainability Report

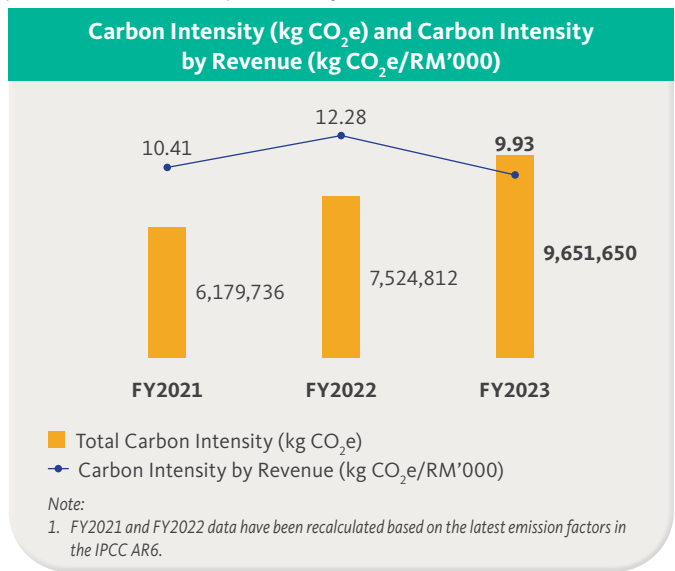
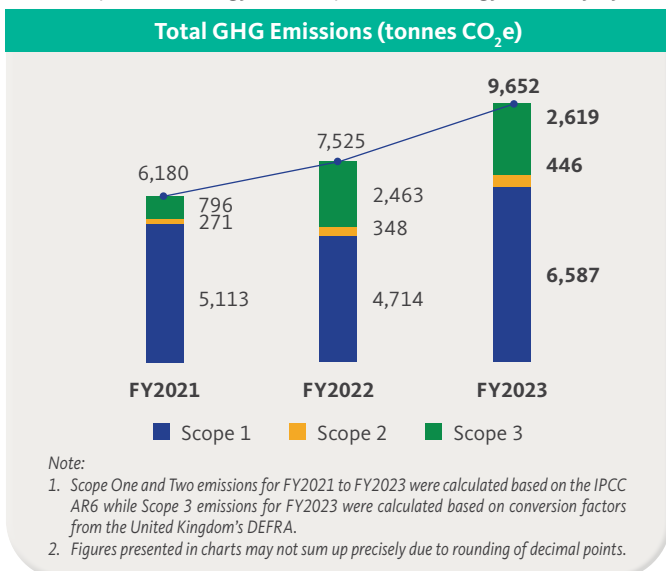
Strategic Partnerships for a Sustainable Future

On a larger level, MGB has begun venturing into partnerships with renewable energy (“RE”) players to explore alternate sources of energy. In FY2023, the Group entered such a partnership by signing a Letter of Intent (“LOI”) with LBS Bina Group Berhad (“LBS”), Midwest Green Sdn Bhd (“MWG”), and the Malaysian Green Tech Corporation (“MGTC”) for the intent to explore a proposed innovative solar farm project.

The Group has participated in similar partnerships in the past, by entering a Framework Agreement with, leading green energy solutions provider, Invest Energy Sdn Bhd (“IESB”) for the development of a Centralised Utility Facility (“CUF”) Technology in Kertih Terengganu Industrial Park (“KTIP”). This partnership would improve the energy efficiency and environmental footprint of KTIP, which is operated by a subsidiary of MGB.

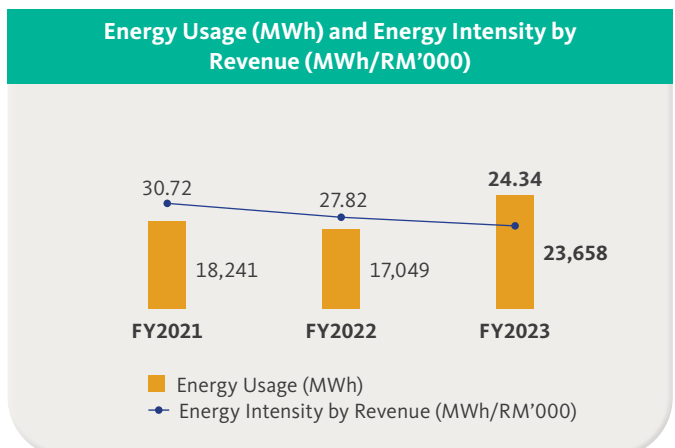
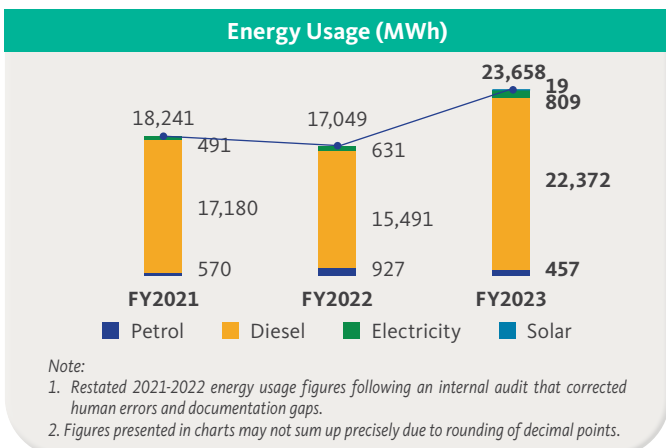
In terms of performance, MGB tracks energy usage based on the Group’s consumption of fossil fuel and purchased electricity. Fossil fuels, namely diesel and petrol, are used to operate the Group’s fleet of vehicles while electricity is primarily used to power buildings and offices.

The Group’s total energy consumption and energy intensity by revenue performance over the past three years are as follows:



Performance: Starting from FY2023, MGB expanded its Scope Three calculations to include waste generated in operations. This, as well as a general increase in operational activities, led to an increase in total emissions compared to the previous years. Even so, the Group’s emissions intensity over revenue saw a 19% drop compared to the FY2022 baseline. This reduction highlights the effectiveness of the Group’s optimised energy and emissions reduction measures.

Energy Usage and Energy Intensity by Revenue



Performance: MGB experienced increased operations in FY2023, which in turn, led to a rise in overall energy consumption. However, given its commitment to driving energy efficiency throughout its operational processes, MGB managed to reduce its energy intensity measured against revenue by 12.50%.

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• CHARTING SUSTAINABLE WATER MANAGEMENT

Water conservation is important to MGB and it consistently implements proactive measures to reduce consumption wherever applicable. The Group’s water supply is exclusively sourced from municipal sources, with consumption closely monitored through monthly bills.

In the construction sector, water plays a critical role, directly influencing the quality of products and services. Given its importance, MGB has a robust internal HSE Policy in place to manage water consumption. This approach is further fortified by the Group’s ISO 45001 certification, which has been in effect since 2018.

Beyond its conventional uses in landscaping, general cleaning, and internal plumbing, water also plays a vital role in the construction sector, particularly in cooling machinery and during the concrete batching process – areas prone to higher water consumption, especially the latter. Recognising the potential for wastage, the Group meticulously monitors concrete usage to prevent excessive water consumption in line with project specifications.

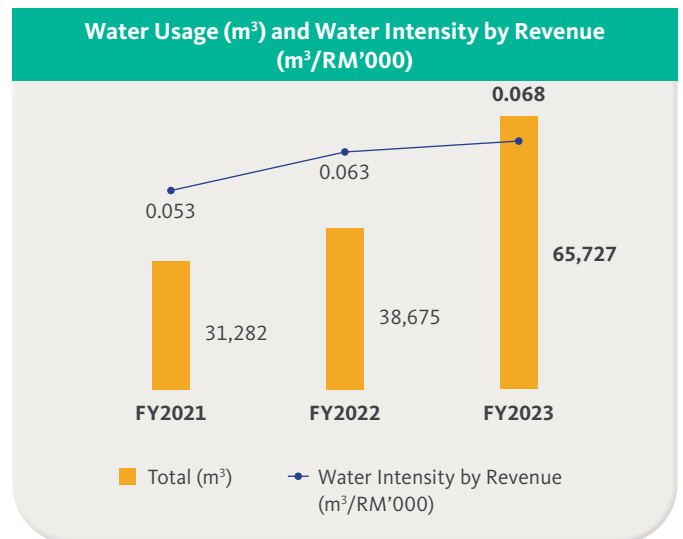
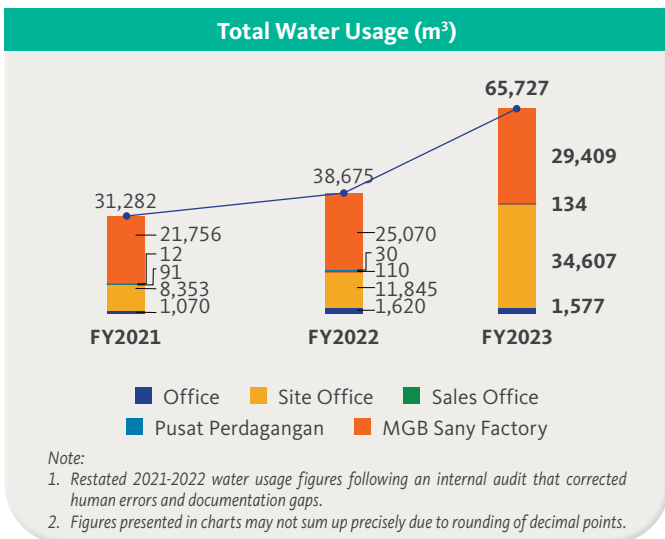
The Group’s water conservation efforts are further facilitated through the recycling of water for other uses. For example, non-critical works such as road cleaning or dust suppression often come from nearby sources like silt traps instead of municipal water sources.

Looking ahead, MGB is dedicated to further advancing water conservation efforts. By FY2028, the Group aims to establish a comprehensive management plan that covers all project sites. This plan will reduce the Group’s dependency on potable municipal water sources by identifying and utilising alternative water sources within project areas. Simultaneously, MGB is also actively exploring other viable sources of sustainable water, such as the use of groundwater at the Cybersouth site for daily non-potable usage.

A water footprint assessment is in the works for MGB’s manufacturing arm. This assessment will allow the Group to track water usage in the MGB SANY manufacturing plant and develop strategies for additional water savings. In fact, such tracking measures throughout all its projects will allow the Group to eventually implement water-efficient fittings and devices in high-use areas for a more comprehensive water management approach.

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Water Usage and Water Intensity by Revenue



Performance: MGB’s water performance in FY2023 had a nuanced trend. There was a slight uptick in water intensity measured over revenue by 7.16% compared to FY2022 levels as the Group saw a growth in operational activities. This, in turn, led to increased water consumption, particularly within the MGB Sany Factory and other site offices. However, MGB’s prudent water management approach ensured that the increase remained minimal, highlighting its commitment to responsible water usage.

Effluent Management

Another way the Group ensures responsible and prudent water management is through the stringent management of wastewater effluents that cannot be recycled. MGB ensures that all discharges are in strict compliance with the Department of Environment (“DOE”) Malaysia’s Environmental Quality Act (“EQA”) 1974. The adherence to this act underscores the Group’s commitment to maintaining environmental standards and safeguarding the ecosystem from potential harm caused by wastewater discharge.

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To ensure compliance with the established limits, effluents from MGB's project sites are subjected to periodic measurements and rigorous monitoring. Due to this meticulous approach, the Group has been able to maintain its compliance with regulatory standards and recorded zero instances of non-compliance in FY2023. This not only reflects MGB's dedication to environmental stewardship but also its commitment to upholding the highest standards of regulatory compliance.

• DRIVING WASTE REDUCTION THROUGH CIRCULAR ECONOMY

The inherent nature of the Group's business operations will undeniably generate some level of waste. However, MGB still recognises that there are efforts it can take to reduce as much of this waste as possible. The Group believes that proper waste management is an important topic as it directly influences the amount of impact MGB has on the surrounding environment. Inadequate waste management practices not only pose harm to the environment and surrounding communities but also risk polluting the very resources integral to the Group's daily operations.

MGB's commitment to responsible waste management is encapsulated in a 6-level waste management hierarchy. Through this structured approach, MGB aims to eliminate pollution and reduce the volume of waste diverted to landfills. This latest waste management system is mandated by the Group to be implemented at all project sites, both existing and new, starting from FY2023. The introduction of this system also integrates seamlessly with MGB's other existing initiatives and policies such as its HSE Policy, EMS 14001:2015 certification, and zero single-use plastic practice being implemented at the Group's construction sites. Ultimately, the idea is not merely reducing waste but also fostering the adoption of 'green practices' among the workforce.

The Group's utilisation of innovative construction technology has already allowed it to reduce waste by optimising resource consumption throughout its operations. For example, MGB's reliance on IBS Precast Construction System and Aluminium Formwork System focuses on precision in the construction process. This reduces the consumption of materials like timber and concrete, indirectly also cutting down on the amount of waste produced. Similarly, BRC is cut to specific sizes at a fabrication factory to prevent wastage later on at the project site.

When it comes to hazardous or scheduled waste, MGB ensures meticulous adherence to storage and disposal procedures as outlined by the Environmental Quality (Scheduled Waste) Regulation 2007. Beginning in FY2023, the Group also requires all new project sites to implement proper scheduled waste management. As a construction company, MGB mainly produces four types of scheduled waste – oil-water mixture (SW 309), contaminated soil or debris (SW 408), contaminated containers, bags, or equipment (SW 409), and contaminated rags, plastic, papers, or filters (SW 410). These hazardous wastes are stored at a designated scheduled waste storage at the site. Collection and disposal are done by DOE-licensed third-party contractors at sites approved by the authorities.

The Group's new waste management approach does not stop at the construction site. Within its offices, employees are constantly encouraged to practice prudent waste management practices. For example, reusing single-sided printed paper for internal documentation. All sites and offices under the purview of MGB are also provided with 3R bins to promote the separation and recycling of general waste. Overall, the Group's approach has been successful in diverting 5.83% of waste away from landfills from both own-managed properties and construction sites combined.

Trash to Treasure: Employee Engagement in Waste Management during Green Day

On 1 December FY2023, MGB participated in a special event called "Green Day". Held in conjunction with World Environment Day, this event served as a platform for MGB to demonstrate its commitment to environmental stewardship through responsible waste management and effective resource consumption.

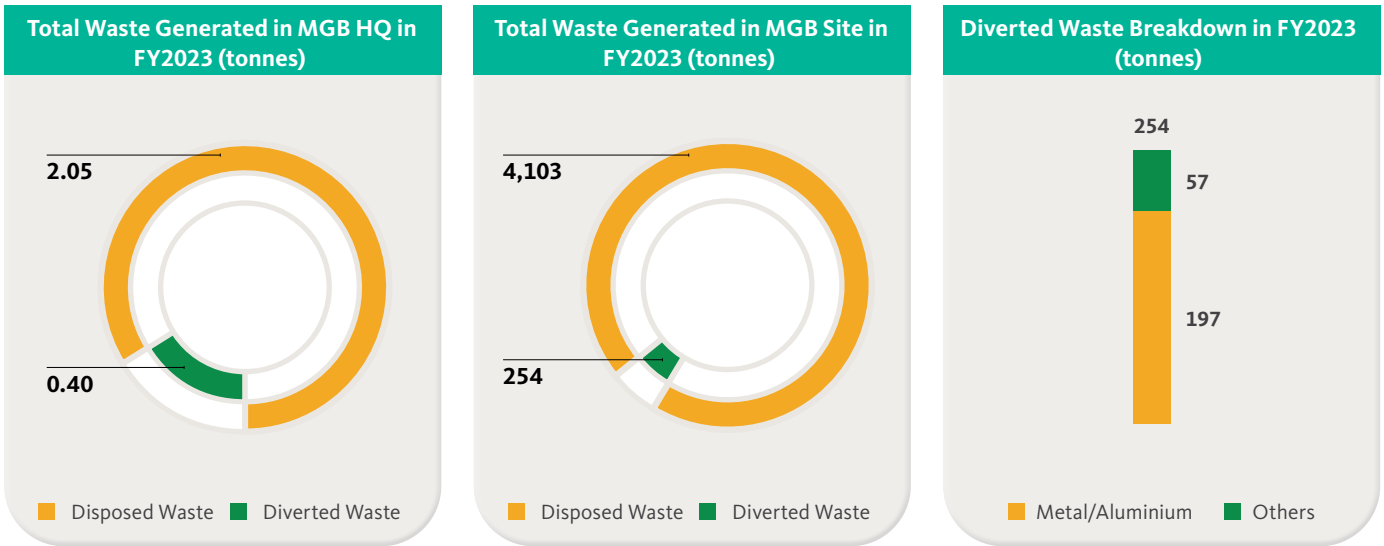
In the month leading up to the event, MGB initiated an individual recycling competition among its staff. The competition, which ran from 26 October, was designed to instil a culture of waste management within the Group's workforce. The competition concluded during Green Day with 3 employees recognised as contributing the most recyclable items. In addition to the competition, MGB had also established DIY recycling corners on every floor of its main office. These efforts resulted in a 7% participation rate in recycling activities and led to the collection of 399 kg of recyclables.

One of the main highlights of the Green Day event was the launch of MGB's 6-level waste management hierarchy. This hierarchy, which encompasses Prevention, Reduction, Reuse, Recycle, Recovery, and Disposal, is a testament to MGB's dedication to reducing waste and enhancing resource efficiency through the principles of the circular economy. An awareness talk was organised to introduce the staff to this new approach, emphasising the need for a collaborative approach in driving MGB's waste management strategy.

The Green Day event also featured a preloved market, providing an opportunity for employees to sell their preloved items. Any items that remained unsold at the end of the event were donated to Kloth Cares, a fabric recycling enterprise. This initiative underscored MGB's dedication to sustainability while highlighting the different ways to tackle waste management.

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MGB implemented comprehensive segregation and monitoring of waste across all its operations in FY2023. This strategic approach not only facilitates the Group’s waste reduction but also enables it to identify primary waste sources within its operations. As a construction company, a large bulk of the waste MGB disposes is construction waste. With that said, the Group diligently collects and recycles other waste whenever possible. For instance, at the MGB Sany Precast Factory, over 190 tonnes of metal was recycled throughout FY2023, representing 100% of the metal waste produced there. This approach marks MGB’s first steps towards actively managing its waste, with FY2023 serving as a baseline for any future reduction efforts.



• RETHINKING RESOURCE CONSUMPTION

Tying in with its responsible waste management initiatives, MGB approaches resource consumption and management with the same principles of environmental stewardship and efficiency. The Group is committed to reducing its reliance on natural resources throughout its operations wherever possible by relying on MGB’s innovative VaD Tech solutions and the Group’s Sustainable Procurement Policies.

More information on the Group’s innovative measures can be found in the **Operational Excellence through Innovation** section (pages 67-69) while details on MGB’s Sustainable Procurement Policy and material management can be found in the **Responsible Supply Chain** section (pages 66-67).

Volatile Organic Compounds

Volatile organic compounds (“VOCs”) are compounds contained within paints and emulsions that are released during usage and drying. Given their extensive use in the construction sector, MGB has consistently undertaken efforts to minimise these emissions throughout its operations. To achieve this objective, the Group ensures that all paints and emulsions utilised during the construction process contain minimal to no VOC.

Paint Usage (l)	VOC Emissions (kg/l)		
	FY2021	FY2022	FY2023
External	85.67	103.63	577.40
Internal	4.30	13.89	49.46
Metal & Wood	0.16	1.10	2.66
Total	90.13	118.63	629.52

Note:
VOC content for External paints averages at 5.62 g/l while Internal and Metal & Wood paints average at 0.15 g/l.

• MONITORING ENVIRONMENTAL COMPLIANCE

In adherence to the regulatory requirements governing the construction sector, MGB conducts regular environmental performance monitoring to ensure strict compliance with government-prescribed regulations. This is especially regarding issues relating to air, water, and noise pollution. The Group’s steadfast commitment to compliance is evident as it has not received any fines or site closure notices throughout FY2023.

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Apart from monitoring, MGB also proactively implements pollution-prevention practices based on issues that are observed on-site. For example, the Group's construction sites are prone to air pollution caused by dust, especially during dry weather. In response, the Group ensures that all active project sites are provided with two water bowser lorries to water the roads every hour as a dust control measure.

• BIODIVERSITY CONSERVATION

MGB deeply acknowledges the intrinsic value of biodiversity in maintaining the equilibrium of the natural environment and its profound impact on communities relying on the ecosystem's services. Recognising the inevitable biodiversity loss associated with the Group's construction operations, its commitment to biodiversity conservation has only strengthened.

In terms of projects, the Group's goal extends beyond mere compliance with existing green landscape regulations. Instead, it aims to surpass them by 10% by FY2025. There has already been significant progress on this in FY2023 as MGB achieved 15% green landscape coverage in its active projects.

While MGB does not operate in or around high conservation value sites, the Group conducts regular biodiversity assessments – either before a project's commencement or as periodic standalone audits. Through these assessments potential flora and fauna species with significant conservation value can be identified, allowing the Group to coordinate appropriate conservation or management responses.

Striving towards a net-neutral or positive biodiversity impact, MGB staunchly opposes unnecessary biodiversity loss during the construction process. For instance, during the tree felling stage, specific trees of designated size or age are transplanted instead of being simply cut down. Moreover, MGB makes an active effort to replace felled trees with other native or endangered species as part of our landscape planning.

One, Two...Plant a Tree!

MGB participated in the LBS "One, Two...Plant a Tree!" initiative, a key component of the LBS Green Mission with the aim of inspiring Group employees to take an active role in tree planting. Beyond greening the environment, it also allowed MGB to reduce its carbon footprint and enhance community spaces. It's an endeavour that empowers the Group's workforce to become environmental stewards, contributing to sustainability goals through personal action and teamwork.

Recently, the Group has conducted biodiversity assessments at the following project sites:

Future and Current Projects	Key Biodiversity Area ("KBA")	Type of KBA	Biodiversity Trigger	Detail on Proximity	Status of Management Plan
Alam Perdana, Selangor	North-Central Selangor Coast	Important Biodiversity Area	Threat to Mangrove Flora/ Migratory Bird Species	Not within 5km range	Step 1 – Physical Proximity to Biodiversity Areas Assessment
Cahaya Alam, Selangor					
Idaman BSP, Selangor					
Skylake, Selangor					
Astella, Selangor					
Bukit Jalil, Selangor	Hulu Gombak-Sungai Lalang Forest		Presence of Endangered/ Vulnerable Migratory Bird Species		
Cybersouth, Selangor					
Idaman Sari, Selangor					
Saujana Indah, Johor	Panti Forest and Ubin-Khatib		Threat to Forest Reserve/ Vulnerable Species		
Laman Bayu, Johor	South-West Johor Coast		Threat to Vulnerable Aquaculture Species/ Migratory Birds		

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S O C I A L E N R I C H M E N T 



MGB's Goal

Foster inclusive and thriving communities and workforce through technology-enabled skills development, workplace safety initiatives, and accessible construction projects.

The aspect of social performance remains integral to MGB's business operations as it primarily involves the management of the workforce – a fundamental necessity for the Group's ensured business continuity. As such, the Group pays specific attention to the topics of talent and labour management. MGB aspires to be a world-class employer that holds the best interest and professional development of its employees at heart.

At the same time, MGB also strives to leave positive societal impacts on the communities around it by enhancing its local community engagement. This concern also extends to workers who are not directly under the Group but are part of its extended supply chain.



Material Matters:

- Occupational Safety and Health
- Labour Practices and Human Rights
- Talent Retention and Attraction
- Diversity, Equity and Inclusion
- Community Engagement

Highlights

-  Achieved **2.0 LTI**
-  **No incidents** of human rights violations
-  **100% of employees** have received OSH training
-  Achieved **130 volunteering hours**

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• HUMAN CAPITAL DEVELOPMENT

Training and Development

MGB is deeply committed to fostering a skilled workforce and actively engages in the advancement of its employees’ careers through targeted and innovative training initiatives. The Group places a strong emphasis on professional development as it understands its ties with enhancing employee competency, supporting succession planning, and reinforcing overall morale and satisfaction.

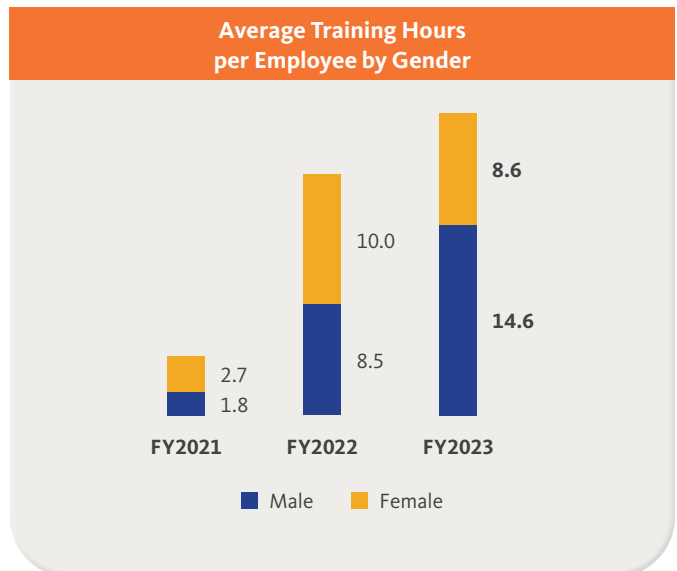
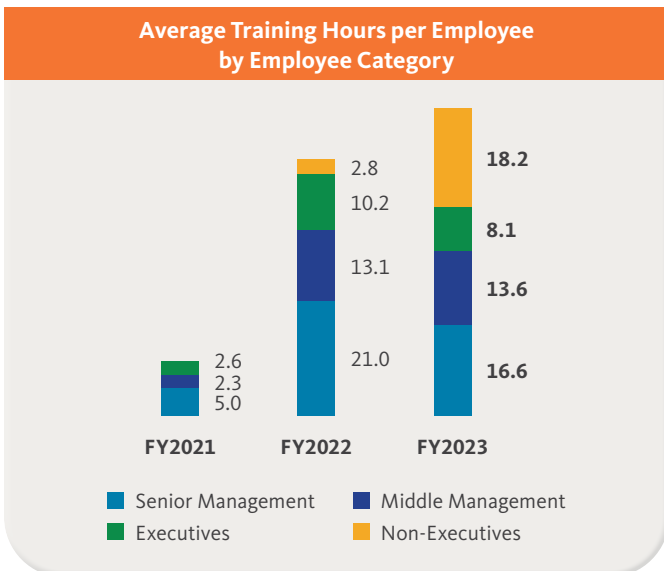
All of the Group’s training efforts are coordinated by the HR Department, working collaboratively with the relevant Heads of Departments (“HODs”). This ensures there is a consistent and comprehensive approach to professional development across MGB. To further streamline the process, the Group has established a Training and Development Standard Operating Procedure (“SOP”) that guides on the overall management approach to training. This SOP involves identifying skill gaps during the appraisal process and subsequently offering tailored training opportunities to address them.

This appraisal process is a formal assessment conducted annually to monitor the performance of the Group’s employees and identify areas for improvement. Employee appraisal is a transparent two-way process that encourages employees to have an open dialogue with their respective HODs on their work performance. Through these appraisals, MGB actively promotes career advancement and contributes to higher employee satisfaction and retention rates. All Group employees underwent the appraisal process in FY2023.

Beginning back in FY2022, MGB had committed to regularly contribute resources to the Human Resources Development Fund (“HRDF”) under the Ministry of Human Resources (“MOHR”). This will enhance the availability of HRDF-claimable training opportunities.

In addition to formal training programmes, MGB fosters employee development through engagement campaigns tailored to promote professional growth. The “Heroes for Change” intraoffice campaign is a recent example, aiming to motivate employees and equip them to navigate challenges effectively. Through this campaign, employees learn to act swiftly, remaining agile, innovative, and competitive, while breaking down departmental and multigenerational barriers. Ultimately, this encourages the free expression of ideas that add value to MGB’s business operations.

The Group successfully organised an average of 13.2 hours of training per employee in FY2023.



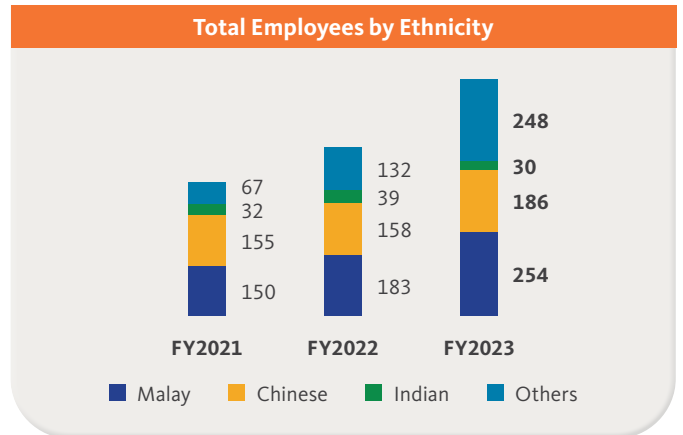
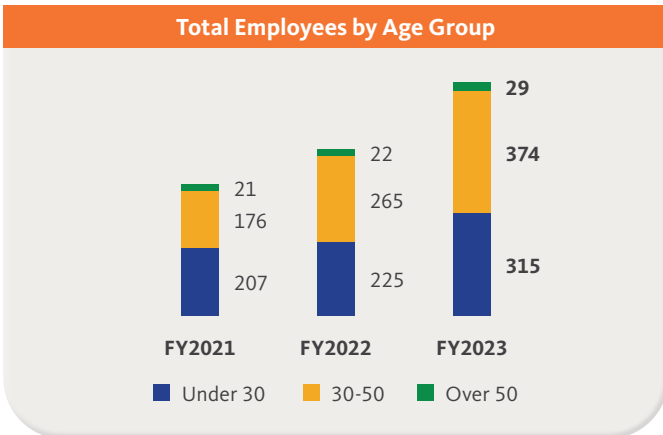
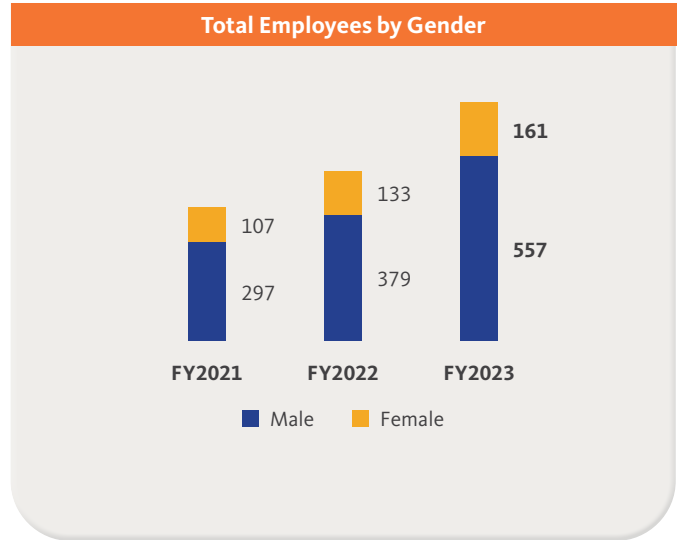
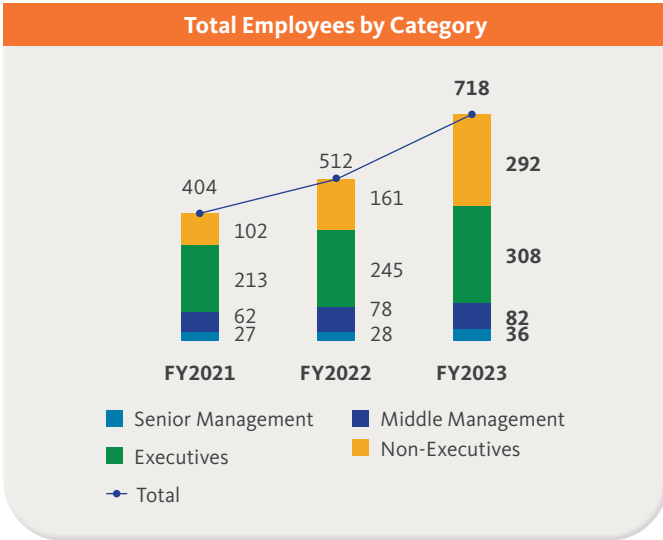
• DIVERSITY, EQUITY AND INCLUSION

MGB upholds a non-discriminatory approach to workforce management where employees are judged based on their competencies and professional contributions. As such, the Group strictly enforces a zero-tolerance policy against any form of discrimination as part of its commitment to foster a safe and productive work environment.

In the case of any such incidents, MGB has instituted a confidential and responsive grievance mechanism for employees to make reports. This mechanism follows the prescriptions of its Whistleblowing Policy and ensures that all reports are investigated while safeguarding the anonymity and privacy of the reporter. No such reports were made in FY2023.

Sustainability Report

While the Group maintains a gender-neutral approach to hiring, the physically demanding nature of the construction industry naturally attracts more male applicants. However, the imbalance is offset by prioritising more women in office and management-related positions.



• TALENT MANAGEMENT AND RETENTION

Effective talent management is a cornerstone for the economic viability of any organisation – and MGB is no different. By employing a holistic approach that encompasses strategic recruitment practices and fosters the continuous development of diverse skill sets within the workforce, MGB aims to drive robust value creation. Given the critical importance of this topic to the Group, the topic of employee management falls under the direct oversight of the Company’s Top Management, who establishes guidelines for the Group’s HR team to execute.

Hiring and Attrition

Hiring

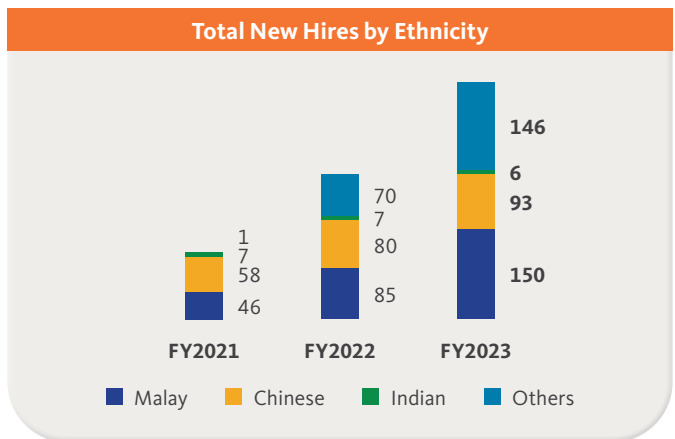
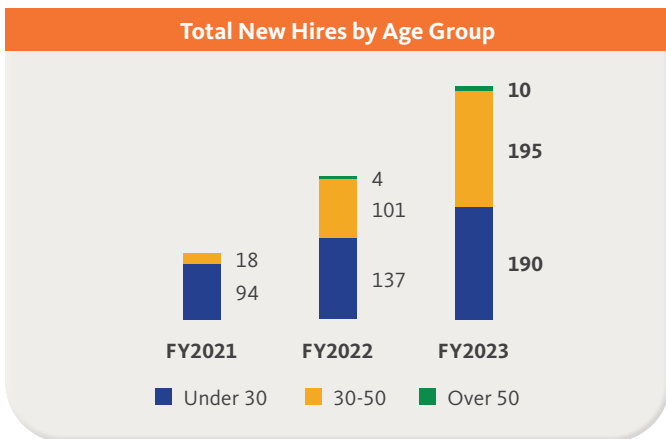
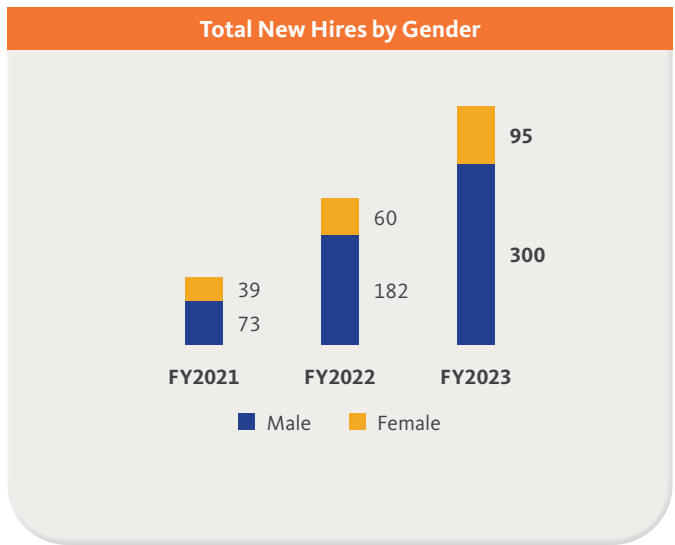
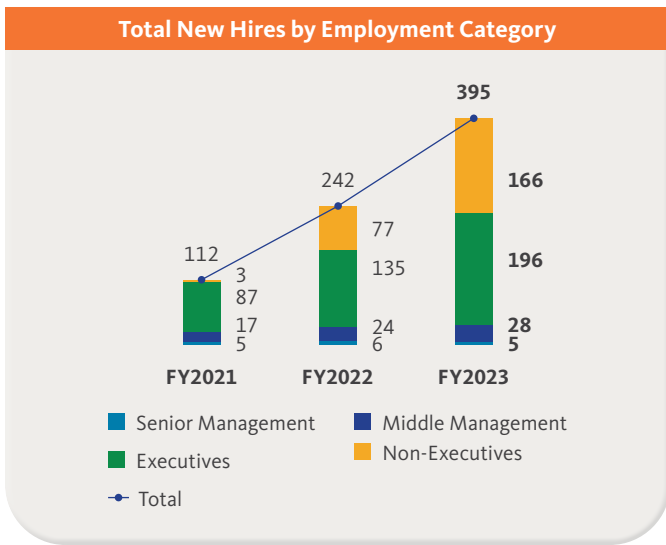
In the rapidly advancing landscape of today’s industry, it has become increasingly important for companies to attract and retain skilled professionals. At MGB, the approach is grounded in a commitment to meritocracy, where individuals are hired solely based on their abilities and experience.

The recruitment process at MGB is managed by the Group HR department, guided by the Group’s Recruitment Policy. This ensures that no form of discrimination occurs during the recruitment process, and no candidate is overlooked due to gender, age, race, or other factors not related to their working capability.

Sustainability Report

Successful applicants who join MGB undergo a structured orientation and induction process, which is part of the standard onboarding procedure. This applies to all new recruits as well as incoming Board members. Individuals participating in the induction process benefit from seamless integration into MGB’s work culture and internal workflows, facilitating optimal performance.

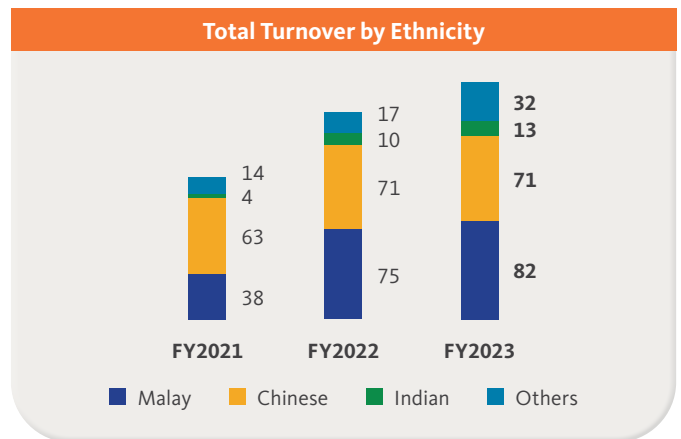
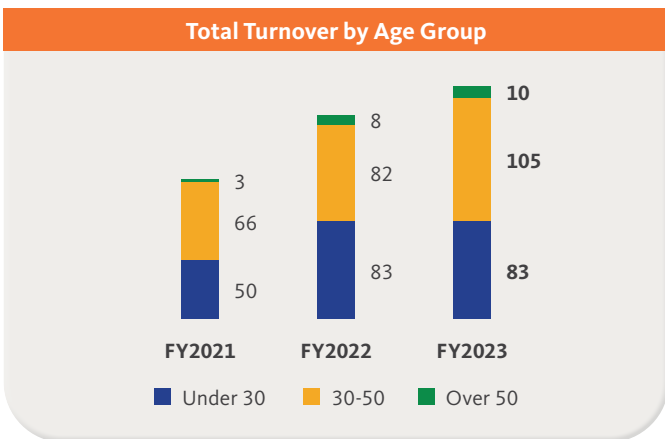
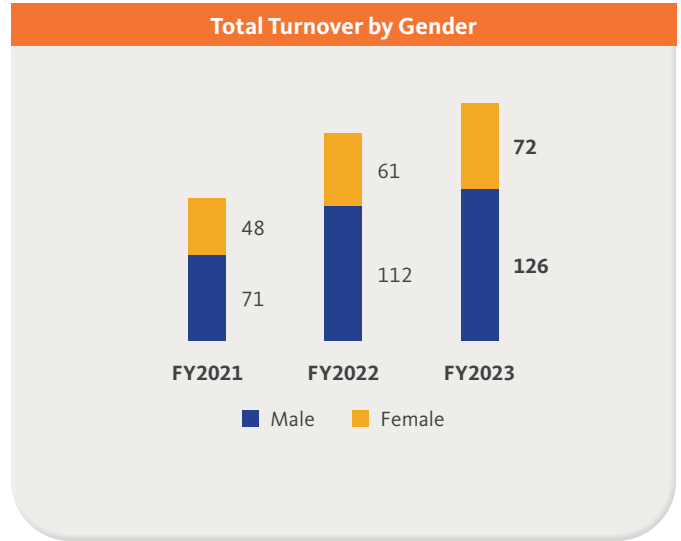
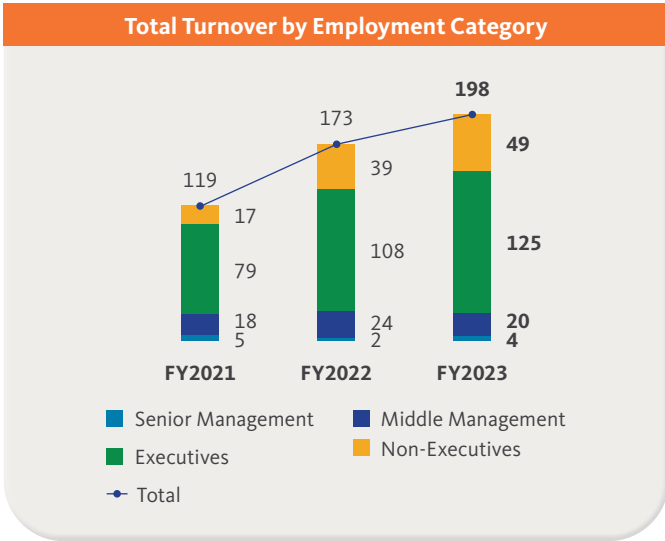
Beyond this, the induction process also serves as a communication channel, notifying new employees of the Group’s commitments and policies on matters such as anti-corruption, labour laws, and OSH violations, among others. During this process, employees are briefed in detail on the definition and consequences of illegal or unethical behaviours, such as corruption, harassment and discrimination.



Attrition & Turnover

Despite MGB’s best efforts, the organisation understands that employee attrition is a normal part of running a business. As such, MGB has instituted a constructive practice to obtain valuable insight from departing employees. This practice takes the form of an exit interview, in which employees who have resigned are allowed to candidly share their feedback. The exit interview is a transparent process that involves a set of structured questions aimed at probing the employee for insights that can be used for improvement. Importantly, while MGB encourages earnest and honest feedback to facilitate such improvements, employees are not obligated to reveal the specifics of their resignation.

Sustainability Report



Performance Appraisal

MGB approaches employee evaluations through a comprehensive and structured performance appraisal system. Annually, each member of the workforce participates in a formal appraisal process that involves providing feedback and self-assessment. This approach is an important way to assess individual performance against the Group’s established goals and objectives.

Rather than a simple assessment-based system, MGB’s appraisal approach is collaborative, engaging both the employees and their supervisors to pinpoint areas for skill development and foster professional growth. Often, this can lead to the creation of tailored training programmes by the HR Department.

In FY2023, all Group employees had undergone a performance appraisal.

Remuneration and Benefits

MGB remains committed to providing its employees with competitive remuneration as a gesture of appreciation for their dedication to driving the success of the Group. This commitment is entrenched in the Group’s comprehensive Remuneration Policy, providing equitable rewards based on an individual’s performance. The policy is endorsed by the Board and undergoes periodic reviews and updates to ensure it stays up-to-date with current industry practices.

The remuneration package encompasses salaries, bonuses, allowances, and various other employment benefits in line with the requirements of the Employment Act. A distribution bell curve is used to plot employee performance, allowing the Group to better group low, average, and high performers within the workforce. This is then used as a guide for determining annual increments and other forms of remuneration.

Sustainability Report

Employee Benefits	FY2021	FY2022	FY2023
	RM'000		
Total payments made to employees in terms of salaries, bonuses and benefits	30,099.20	34,092.80	45,529.12
Total statutory payments made for employees' retirement benefits (EPF)	3,158.56	3,465.83	4,401.35
Total payments in medical insurance (SOCISO) for employees	266.51	295.38	416.30

Additional benefits provided to our full-time employees are as such:



Return to Work		FY2021	FY2022	FY2023
Return to Work Rates (return to work after parental leave period)	Male	100%	100%	100%
	Female	100%	100%	100%
Retention Rates (remain with the organisation for 12 months or more post parental leave)	Male	100%	100%	100%
	Female	100%	100%	88%

03.

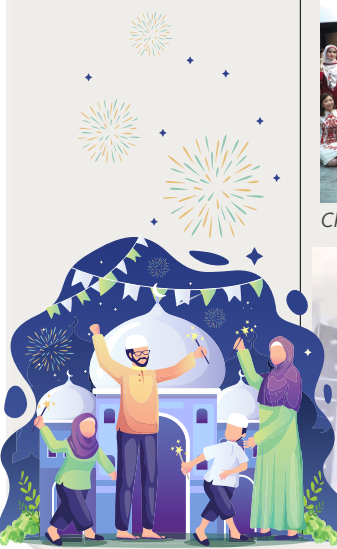
Corporate Governance

Sustainability Report

Employee Engagement

MGB actively searches for avenues to positively engage its workforce. In FY2023, multiple employee engagement programmes were conducted, including:

FESTIVALS



Chinese New Year



Hari Raya



Christmas



Merdeka



Christmas

pg. 90

HEALTH & WELLNESS



Fitness and Wellness Day

LEISURE/SUSTAINABILITY



Departmental Idea Pitch



Ice Cream Day



Green Day



Sustainability Report

MGB Festive Celebrations

As an organisation with a diverse group of employees from various ethnic backgrounds, MGB always takes the opportunity to show its appreciation by hosting events during different festive celebrations. These events are not only a reflection of the Group's inclusive culture but also serve as a platform for team-building and fostering unity among staff.

Ice Cream Day

As a refreshing break for its workforce, MGB organised an Ice Cream Day event to increase engagement and show appreciation to the staff for their hard work throughout FY2023.

Departmental Idea Pitch

The Departmental Idea Pitch was a competition held among MGB's staff as a way to cultivate creativity and generate new ideas aligned with diverse sustainability topics. 12 teams from across the Group participated, with the top four advancing to the grand finale. Ultimately, this event managed to enhance ESG knowledge among the workforce and provided the Group with useful ideas on how to refine our sustainability practices based on 21 material topics.

Dress-Up Friday

Two themed Dress-Up Friday events were organised during FY2023, encouraging MGB staff to participate by dressing according to specified themes, namely Batik Heritage and Rock 'n' Roll. These events served as enjoyable opportunities to engage employees in a fun way while promoting the Group as having a fun and relaxed working environment.

Succession Planning

MGB has instituted a Succession Planning Policy to ensure smooth transitions and maintain leadership continuity within the Group. This move is crucial for addressing the inevitable changes in management and mitigating the risks that arise from vacancies in key positions. The Succession Planning Policy emphasises collaboration across the Group to identify high-potential employees and prepare them for advanced roles through mentoring, coaching, and training. The aim is to create a diverse pool of qualified and motivated employees ready to take on leadership roles.

Under the policy, the Board is tasked with succession planning for top management roles, such as the GMD, Chief Executive Officer ("CEO"), or Executive Directors. Meanwhile, the Executive Directors oversee the succession planning of other critical roles, including the Deputy CEO, Chief Operating Officer ("COO") and HODs. This process involves a systematic approach by identifying talent needs, determining the capabilities of the Group's existing workforce, and developing high-level plans to prepare selected employees for their future roles.

• LABOUR PRACTICES AND HUMAN RIGHTS

As an ethical and equitable employer, MGB maintains strict compliance with all relevant employment and human rights regulations that apply to its diverse workforce. In Malaysia, MGB aligns with the Malaysian Employment Act 1955, which prohibits the engagement of children and forced labour in all aspects of its business operations. To further strengthen its human rights commitment, the Group also extends compliance with laws such as the Children and Young Persons (Employment) Act 1966.

Internally, MGB champions human rights through its dedicated Human Rights Policy, which underscores the Group's commitment to providing a safe and inclusive work environment, free from discrimination and exploitation. The policy also upholds employees' rights to freedom of association and collective bargaining, ensuring fair representation.

These principles go beyond MGB's organisational boundaries, extending to its third-party workers. These workers are provided with essential healthcare, fair remuneration, and decent accommodation. Moreover, the Group does not condone unethical labour practices such as holding onto the passports of foreign workers. This aligns its practices with the UN Guiding Principles on Business and Human Rights and the UN Concept.

The Group's stringent approach also applies to its subcontractors, who are consistently reminded of its policies against forced or illegal labour. Any subcontractor found engaging in such practices faces immediate contract termination and will be reported to the relevant authorities. Third-party labour contractors must furnish documented evidence of compliance with labour laws.

In FY2023, there were no instances of human or labour rights violations in the Group, including the use of children or forced labour in the workforce.

• OCCUPATIONAL SAFETY AND HEALTH

Occupational Safety and Health ("OSH") is considered a crucial topic to MGB, reflecting the Board and Management's deep concern for the well-being of not only its employees and third-party workers but also local communities and any other stakeholders who may be involved.

OSH matters are reviewed quarterly, with Management leading the discussions on any OSH issues and their necessary control measures. Whenever required, revisions are periodically made to the Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") to address evolving safety concerns.

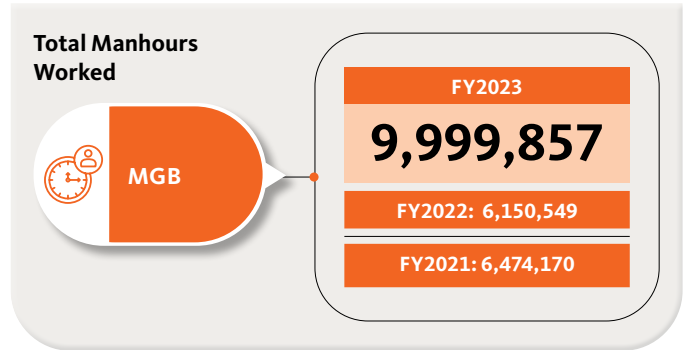
The overarching objective of the Group's OSH initiative is to cultivate a safe and conducive work environment by preventing accidents. This commitment not only enhances productivity but protects employees from undue harm and fatalities.

Sustainability Report

Beyond its moral imperative, comprehensive OSH measures can also affect the Group’s business operations and economic performance. Any OSH incident can disrupt project timelines, leading to delays and increased rectification costs. Additionally, as the Group’s reputation is also tied to this matter, high OSH incidents can negatively influence the perceptions of MGB’s safety and reliability.

As construction projects increased year-on-year, MGB recorded a total of 9,999,857 manhours worked with 30 lost days in FY2023.

Results were measured and verified by an internal audit committee, followed by external ISO auditors.



Given the majority of high-risk jobs at construction project sites, the OSH performance data on work-related fatalities, injuries, and lost days are tabulated below:

OSH Data	FY2021	FY2022	FY2023
Fatality	0	0	0
Work-related Injuries	0	1	2
Lost Time Accidents	0	1	2
Total Days Lost/Charged	0	80	30
Total Days Worked	329	243	285
Average Workers Per Day	23,277	26,858	39,153
Accident Frequency Rate	0	0.16	0.20
Severity Rate	0	13	3

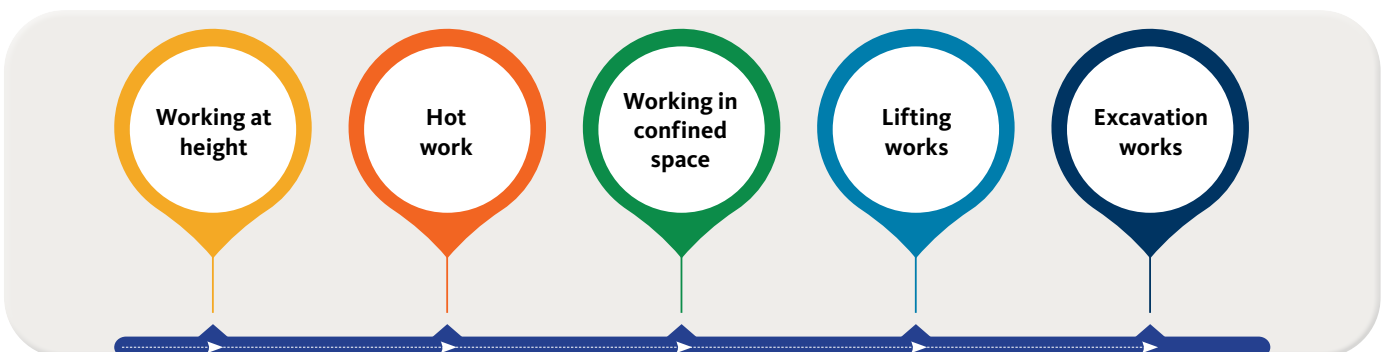
OSH Management

As strong supporters of a safety-first culture throughout the organisation, MGB has developed a comprehensive Health, Safety, and Environment (“HSE”) Policy. This policy serves as the foundation for fostering an OSH-oriented mindset throughout the Group to attain regulatory compliance and provide the safest working conditions. Aligned with Malaysia’s Occupational Safety and Health Act 1994 and other relevant regulations, the HSE Policy applies to all business activities and premises.

However, a robust policy alone is not enough to drive OSH at the operational level. This is where an effective and well-structured OSH Committee comes into play. Comprising a Safety Officer, Site Safety Supervisor, and Project Manager, this committee has a crucial responsibility to maintain an incident-free work site. Part of its roles also includes organising regular OSH Committee meetings, conducting weekly toolbox meetings, implementing HIRARC programmes, conducting inspections and investigations, and facilitating knowledge-sharing sessions across worksites. Worker representation in these committees is also ensured, with the assignment of four workers for every 100 as representatives.

Constant monitoring and reviews are another integral part of MGB’s OSH management strategy. This approach enables the ongoing assessment of existing control measures and associated risks, facilitating the development of effective action plans. Adhering to the Plan-Do-Check-Act (“PDCA”) system, MGB ensures OSH management remains dynamic and responsive.

The Group has also realised that certain tasks have a higher risk of OSH incidents. These are:



Sustainability Report

To address the risks associated with these tasks, MGB employs a Permit-to-Work system, especially for tasks that are considered high-risk. Under this approach, a site Safety Officer conducts a comprehensive assessment of the physical environment and work processes in line with established safety protocols before issuing a Permit-to-Work for Hazardous Work to a site employee. Individual workers also bear the responsibility of ensuring proper workplace health and safety based on the Group's ISO 45001 OSH Policy and the Health and Safety at Work Act 1994.

OSH Process

In the event of an OSH incident, the immediate response is to notify the management of MGB. This will be followed by an investigation after which an on-site shutdown may be implemented, either for the entire project or only the affected area. The Department of Occupational Safety and Health ("DOSH") would also be promptly notified.

OSH Training

In FY2023, MGB has continued the prioritisation of OSH training to ensure a secure workplace and promote a higher level of competence among staff. The Group consistently sends staff for various OSH-related training and refresher sessions to enhance work competence and safety awareness. At operational sites, this also is in the form of weekly housekeeping and toolbox meetings, as well as CIDB Green Card training for MGB's GW workers. A total of 216 employees underwent some form of OSH training during this period.

MGB has invested in establishing formal training rooms equipped with projectors to facilitate a conducive in-house learning experience for large groups. Dedicated funds have also been allocated for both in-house and external training programmes for the Group's Safety and Health Officers.

The Group also regularly communicates the latest OSH initiatives and reminders through an OSH newsletter that is prominently displayed on HSE notice boards and sites. Additionally, this is also shared through the company Intranet to regularly remind and inform staff.



100% of site employees have received OSH training

Sustainability Report

• COMMUNITY ENRICHMENT

MGB continues to uphold a strong sense of Corporate Social Responsibility (“CSR”) in its every business operation. Through the unwavering conviction from the Board and Management that believes in serving as a force of good, MGB strives to enrich local communities by providing a wide range of financial and non-financial support to various charitable causes as well as other altruistic purposes.

The CSR strategy adopted by MGB is centralised with the principles of the LBS Foundation (“LBSF”). LBSF is the philanthropic arm of the parent company, LBS Bina Group Berhad. Based on LBSF’s four pillars, the Group contributes to a wide range of societal causes and commits its full support to programmes undertaken by LBSF. The four pillars are Education, Health, Community and the Environment.

Beyond social contribution as a company, MGB’s employees are also encouraged to participate in CSR activities, either those organised by the company or LBSF, or any other organisation. In promoting active participation in CSR programmes, MGB plans to establish a tracking system for employees who participate in the company or LBSF-related events can submit the number of hours of their involvement to HR. Where possible, employees are granted time off to participate in company and LBSF-related CSR events. Moreover, employees can also approach LBSF on their own accord to suggest charitable organisations or causes for the foundation to support.

In the commitment to serve the local communities, LBSF continues to provide a platform that encourages employees to get involved in charity work, either through financial support or their time and effort at events.

Among the CSR initiatives organised in FY2023 was a Back-to-School campaign in collaboration with Unicef. MGB donated a total of RM540,000 to purchase educational equipment, including computers, for 100 students to help meet their learning needs.

The Group also contributed RM10,000 as the Silver Sponsor for the Kiwanis Treasure Hunt programme. This donation will be used to help the Kiwanis Down Syndrome Foundation fund its operations to take care of disabled children, ensuring they can live a happy and healthy life.

Other community outreach efforts included the Program Gotong Royong Perdana at the Pangsapuri Taman Desa Ria area on 24 June 2023, along with the Gotong Royong Madani 2023 Programme at SJKC Yuk Chai on 9 September 2023.



▲ Back-to-School campaign in collaboration with Unicef - MGB donated a total of RM540,000 to purchase educational equipment

Sustainability Report

Gotong Royong Perdana event at Pangsapuri Taman Desa Ria Fasa 1



Gotong Royong Perdana event at Pangsapuri Taman Desa Ria Fasa 1



40th Kiwanis Treasure Hunt Official Launching



Sustainability Report

 APPENDICES

- ENVIRONMENTAL PERFORMANCE

Emissions					
	Unit	FY2021	FY2022	FY2023	GRI Standards
SCOPE 1					
Company Vehicle	tonnes CO ₂ e	543	639	1,142	GRI 305
	tonnes CO ₂	541	637	1,143	GRI 305
	tonnes CH ₄	0.66	0.79	1.39	GRI 305
	tonnes N ₂ O	1.22	1.45	2.56	GRI 306
Company Facilities	tonnes CO ₂ e	4,570	4,074	5,444	GRI 305
	tonnes CO ₂	4,335	4,060	5,426	GRI 305
	tonnes CH ₄	5.50	4.90	6.55	GRI 305
	tonnes N ₂ O	10.07	8.98	11.99	GRI 305
Total Scope 1	tonnes CO ₂ e	5,113	4,714	6,587	GRI 305
	tonnes CO ₂	4,875	4,698	6,568	GRI 305
	tonnes CH ₄	6.16	5.69	7.94	GRI 305
	tonnes N ₂ O	11.29	10.43	14.55	GRI 305
SCOPE 2					
Purchased Electricity	tonnes CO ₂ e	271	348	446	GRI 305
	tonnes CO ₂	270	347	444	GRI 305
	tonnes CH ₄	0.12	0.16	0.21	GRI 305
	tonnes N ₂ O	0.85	1.10	1.36	GRI 306
Total Scope 2	tonnes CO ₂ e	271	348	446	GRI 305
	tonnes CO ₂	270	347	444	GRI 305
	tonnes CH ₄	0.12	0.16	0.21	GRI 305
	tonnes N ₂ O	0.85	1.10	1.36	GRI 305
Total Scope 1 & 2	tonnes CO ₂ e	5,383	5,062	7,033	GRI 305
	tonnes CO ₂	5,145	5,044	7,013	GRI 305
	tonnes CH ₄	6.28	5.85	8.15	GRI 305
	tonnes N ₂ O	12.14	11.53	15.91	GRI 305

Note:

- Figures presented may not sum up precisely due to rounding of decimal points.

Sustainability Report

Emissions					
	Unit	FY2021	FY2022	FY2023	GRI Standards
SCOPE 3					
Business Travel	tonnes CO ₂ e	293	1,838	91	GRI 305
	tonnes CO ₂	0	0	91	GRI 305
	tonnes CH ₄	0.00	0.00	0.11	GRI 305
	tonnes N ₂ O	0.00	0.00	0.30	GRI 305
Employee Commuting	tonnes CO ₂ e	503	625	392	GRI 305
	tonnes CO ₂	0	0	389	GRI 305
	tonnes CH ₄	0.00	0.00	1.77	GRI 305
	tonnes N ₂ O	0.00	0.00	0.95	GRI 305
Disposed Waste	tonnes CO ₂ e	0	0	2,136	GRI 305
Total Scope 3	tonnes CO ₂ e	796	2,463	2,619	GRI 305
	tonnes CO ₂	0	0	480	GRI 305
	tonnes CH ₄	0.00	0.00	1.88	GRI 305
	tonnes N ₂ O	0.00	0.00	1.26	GRI 305
Total Scope 1, 2 & 3	tonnes CO ₂ e	6,180	7,525	9,652	GRI 305
	tonnes CO ₂	5,145	5,044	7,492	GRI 305
	tonnes CH ₄	6.28	5.85	10.03	GRI 305
	tonnes N ₂ O	12.14	11.53	17.16	GRI 305
Emissions Avoidance					
Renewable Energy	tonnes CO ₂ e	0	0	15	GRI 305
Waste Diverted	tonnes CO ₂ e	0	0	132	GRI 305
Total Energy Consumption (Scope 1 & 2)					
Petrol	MWh	570	927	457	GRI 305
Diesel	MWh	17,180	15,491	22,372	GRI 305
Purchased Electricity	MWh	491	631	809	GRI 305
Renewable Energy	MWh	0	0	19	GRI 305
Total Energy Consumption	MWh	18,241	17,049	23,658	GRI 305
Total Water Consumption					
Municipal Water Supply	m ³	31,282	38,675	65,727	GRI 303
Rainwater Harvesting	m ³	0	0	0	GRI 303
Groundwater	m ³	0	0	0	GRI 303
Total Water Consumption	m ³	31,282	38,675	65,727	GRI 303
Total Waste					
Disposed Waste	tonnes				GRI 306
HQ	tonnes	0	0	2	GRI 306
Sites	tonnes	0	0	4,357	GRI 306
Total Disposed Waste	tonnes	0	0	4,359	GRI 303
Diverted Waste	tonnes				GRI 306
HQ	tonnes	0	0	2	GRI 306
Sites	tonnes	0	0	4,357	GRI 306
Total Diverted Waste	tonnes	0	0	4,359	GRI 306
Waste Diverted from Landfill	%	-	-	5.83%	GRI 306

Note:

- Figures presented may not sum up precisely due to rounding of decimal points.

Sustainability Report

• SOCIAL PERFORMANCE

Employment Data

	FY2021		FY2022		FY2023		
	Number	%	Number	%	Number	%	
BOARD Diversity							GRI 405-1
Total Board Members	8	-	6	-	7	-	
Board Diversity by Gender							
Male	7	87.50%	5	83.30%	4	57.14%	
Female	1	12.50%	1	16.70%	3	42.86%	
Board Diversity by Age Group							
Under 30 years old	0	0.00%	0	0.00%	0	0.00%	
30 - 50 years old	3	37.50%	2	33.30%	4	57.14%	
Over 50 years old	5	62.50%	4	66.70%	3	42.86%	
Board Diversity by Ethnicity							
Malay	2	25.00%	2	33.30%	3	42.86%	
Chinese	6	75.00%	4	66.70%	4	57.14%	
Indian	0	0.00%	0	0.00%	0	0.00%	
Others	0	0.00%	0	0.00%	0	0.00%	
Board Diversity by Disability							
Disabled	0	0.00%	0	0.00%	0	0.00%	
Non-Disabled	8	100.00%	6	100.00%	7	100.00%	
Employees							GRI 2-7
Total Employees	404	-	512	-	718	-	
Employees Diversity							GRI 405-1
Employees Diversity by Gender							
Male	297	73.50%	379	74.00%	557	77.60%	
Female	107	26.50%	133	26.00%	161	22.40%	
Employees Diversity by Age Group							
Under 30 years old	207	51.20%	225	43.90%	315	43.90%	
30 - 50 years old	176	43.60%	265	51.80%	374	52.10%	
Over 50 years old	21	5.20%	22	4.30%	29	4.00%	
Employees Diversity by Ethnicity							
Malay	150	37.10%	183	35.70%	254	35.40%	
Chinese	155	38.40%	158	30.90%	186	25.90%	
Indian	32	7.90%	39	7.60%	30	4.20%	
Others	67	16.60%	132	25.80%	248	34.50%	
Employees Diversity by Category							
Senior Management	27	6.70%	28	5.50%	36	5.00%	
Middle Management	62	15.30%	78	15.20%	82	11.40%	
Executives	213	52.70%	245	47.90%	308	42.90%	
Non-Executives	102	25.30%	161	31.40%	292	40.70%	

Note:

- Figures presented may not sum up precisely due to rounding of decimal points.

Sustainability Report

	FY2021		FY2022		FY2023		
	Number	%	Number	%	Number	%	
Employees Diversity							GRI 405-1
Employees Diversity by Category by Gender							
Senior Management							
Male	18	4.45%	17	3.32%	24	3.34%	
Female	9	2.23%	11	2.15%	12	1.67%	
Middle Management							
Male	37	9.16%	52	10.16%	53	7.38%	
Female	25	6.19%	26	5.08%	29	4.04%	
Executives							
Male	132	32.67%	153	29.88%	198	27.58%	
Female	81	20.05%	92	17.97%	110	15.32%	
Non-Executives							
Male	93	23.02%	157	30.66%	282	39.28%	
Female	9	2.23%	4	0.78%	10	1.39%	
Employees Diversity by Category by Age							
Senior Management							
Under 30 years old	0	0.00%	0	0.00%	0	0.00%	
30 - 50 years old	20	4.95%	21	4.10%	24	3.34%	
Over 50 years old	7	1.73%	7	1.37%	12	1.67%	
Middle Management							
Under 30 years old	10	2.48%	7	1.37%	10	1.39%	
30 - 50 years old	44	10.89%	65	12.70%	67	9.33%	
Over 50 years old	8	1.98%	6	1.17%	5	0.70%	
Executives							
Under 30 years old	147	36.38%	145	28.32%	181	25.21%	
30 - 50 years old	61	15.10%	94	18.36%	122	17.00%	
Over 50 years old	5	1.24%	6	1.17%	5	0.70%	
Non-Executives							
Under 30 years old	50	12.38%	73	14.25%	124	17.27%	
30 - 50 years old	51	12.62%	85	16.60%	161	22.42%	
Over 50 years old	1	0.25%	3	0.59%	7	0.97%	
Employees Diversity by Type							
Full-time	399	98.80%	506	98.80%	710	98.90%	
Contract	5	1.20%	6	1.20%	8	1.10%	
Part-time	0	0.00%	0	0.00%	0	0.00%	
Employees by Disability							
Disabled	0	0.00%	1	0.20%	1	0.14%	
Non-Disabled	404	100.00%	511	99.80%	717	99.86%	

Note:

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Sustainability Report

	FY2021		FY2022		FY2023		GRI 2-7
	Number	%	Number	%	Number	%	
Employment Status							
Permanent and Temporary Employees by Gender							
Permanent Male Employees	297	73.50%	379	74.00%	557	77.60%	
Permanent Female Employees	107	26.50%	133	26.00%	161	22.40%	
Temporary Male Employees	0	0.00%	0	0.00%	0	0.00%	
Temporary Female Employees	0	0.00%	0	0.00%	0	0.00%	
Permanent and Temporary Employees by Region							
Permanent Malaysian Employees	338	83.70%	381	74.40%	472	65.70%	
Permanent Non-Malaysian Employees	66	16.30%	131	25.60%	246	34.30%	
Temporary Malaysian Employees	0	0.00%	0	0.00%	0	0.00%	
Temporary Non-Malaysian Employees	0	0.00%	0	0.00%	0	0.00%	
Full-time Employees by Gender							
Full-time Male Employees	292	72.28%	374	73.05%	551	76.74%	
Full-time Female Employees	107	26.49%	132	25.78%	159	22.14%	
Full-time Employees by Region							
Full-time Malaysian Employees	333	82.43%	375	73.24%	464	64.62%	
Full-time Non-Malaysian Employees	66	16.34%	131	25.59%	246	34.26%	
Contract Employees by Gender							
Contract Male Employees	5	1.23%	5	0.97%	6	0.84%	
Contract Female Employees	0	0.00%	1	0.20%	2	0.28%	
Contract Employees by Region							
Contract Malaysian Employees	5	1.23%	6	1.17%	8	1.12%	
Contract Non-Malaysian Employees	0	0.00%	0	0.00%	0	0.00%	
Part-time Employees by Gender							
Part-time Malaysian Employees	-	-	-	-	-	-	
New Employees Hires							
Total New Hires	112	-	242	-	395	-	GRI 401-1
New Hires by Gender							
Male	73	65.18%	182	75.21%	300	75.95%	
Female	39	34.82%	60	24.79%	95	24.05%	
New Hires by Age Group							
Under 30 years old	94	83.93%	137	56.61%	190	48.10%	
30 - 50 years old	18	16.07%	101	41.74%	195	49.37%	
Over 50 years old	0	0.00%	4	1.65%	10	2.53%	

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Sustainability Report

	FY2021		FY2022		FY2023		
	Number	%	Number	%	Number	%	
New Employees Hires							GRI 401-1
New Hires by Ethnicity							
Malay	46	41.07%	85	35.12%	150	37.97%	
Chinese	58	51.79%	80	33.06%	93	23.55%	
Indian	7	6.25%	7	2.89%	6	1.52%	
Others	1	0.89%	70	28.93%	146	36.96%	
New Hires by Category							
Senior Management	5	4.46%	6	2.48%	5	1.27%	
Middle Management	17	15.18%	24	9.92%	28	7.09%	
Executives	87	77.68%	135	55.78%	196	49.62%	
Non-Executives	3	2.68%	77	31.82%	166	42.02%	
New Hires by Region							
Malaysian	112	100.00%	174	71.90%	250	63.29%	
Non-Malaysian	0	0.00%	68	28.10%	145	36.71%	
Employees Turnover							
Turnover rate	-	30.00%	-	38.00%	-	32.00%	
Employees Turnover by Gender							
Male	71	59.70%	112	64.70%	126	63.60%	
Female	48	40.30%	61	35.30%	72	36.40%	
Employees Turnover by Age Group							
Under 30 years old	50	42.00%	83	48.00%	83	41.90%	
30 - 50 years old	66	55.50%	82	47.40%	105	53.00%	
Over 50 years old	3	2.50%	8	4.60%	10	5.10%	
Employees Turnover by Ethnicity							
Malay	38	31.90%	75	43.40%	82	41.40%	
Chinese	63	52.90%	71	41.00%	71	35.85%	
Indian	4	3.40%	10	5.80%	13	6.55%	
Others	14	11.80%	17	9.80%	32	16.20%	
Employees Turnover by Category							
Senior Management	5	4.20%	2	1.20%	4	2.00%	
Middle Management	18	15.10%	24	13.90%	20	10.10%	
Executives	79	66.40%	108	62.40%	125	63.15%	
Non-Executives	17	14.30%	39	22.50%	49	24.75%	
Training and Development							GRI 404-1
Total training and development hours	832.0	-	4,556.0	-	9,499.0	-	
Average training and development hours per employee	2.1	-	8.9	-	13.2	-	
Average Training and Development Hours per Employee by Gender							
Male	1.8	-	8.5	-	14.6	-	
Female	2.7	-	10.0	-	8.6	-	

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Sustainability Report

	FY2021		FY2022		FY2023		
	Number	%	Number	%	Number	%	
Training and Development							GRI 404-1
Senior Management	136.0	-	588.0	-	597.0	-	
Middle Management	145.0	-	1,019.5	-	1,113.5	-	
Executives	551.0	-	2,498.5	-	2,480.5	-	
Non-Executives	0.0	-	450.0	-	5,308.0	-	
Average Training and Development Hours per Employee by Employees Category							
Senior Management	5.0	-	21.0	-	16.6	-	
Middle Management	2.3	-	13.1	-	13.6	-	
Executives	2.6	-	10.2	-	8.1	-	
Non-Executives	0.0	-	2.8	-	18.2	-	
Training on Anti-Corruption							GRI 205-1
Number of employees attended training on Anti-Corruption	112	-	382	-	465	-	
Employees attended training on Anti-Corruption by Category							
Senior Management	5	1.24%	23	4.49%	21	2.92%	
Middle Management	17	4.21%	53	10.35%	48	6.69%	
Executives	87	21.53%	227	44.34%	230	32.03%	
Non-Executives	3	0.74%	79	15.43%	166	23.12%	
Regular Performance and Career Development Reviews							GRI 404-3
Percentage of Completion of Regular Performance and Career Development Reviews by Gender							
Male	-	100.00%	-	100.00%	-	100.00%	
Female	-	100.00%	-	100.00%	-	100.00%	
Percentage of Completion of Regular Performance and Career Development Reviews by Employees Category							
Senior Management	-	100.00%	-	100.00%	-	100.00%	
Middle Management	-	100.00%	-	100.00%	-	100.00%	
Executives	-	100.00%	-	100.00%	-	100.00%	
Non-Executives	-	100.00%	-	100.00%	-	100.00%	
Parental Leave							GRI 401-3
Paternity Leave							
Employees entitled to paternity leave	169	-	183	-	201	-	
Employees who took paternity leave	9	-	16	-	13	-	
Number of employees that returned to work after paternity leave ended	9	-	16	-	13	-	
Return to work rate (after paternity leave)	-	100.00%	-	100.00%	-	100.00%	
Retention rate (remain with the organisation for 12 months after paternity leave)	-	100.00%	-	100.00%	-	100.00%	

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Sustainability Report

	FY2021		FY2022		FY2023		
	Number	%	Number	%	Number	%	
Parental Leave							GRI 401-3
Maternity Leave							
Employees entitled to maternity leave	107	-	133	-	161	-	
Employees who took maternity leave	4	-	7	-	8	-	
Number of employees that returned to work after maternity leave ended	4	-	7	-	8	-	
Return to work rate (after maternity leave)	-	100.00%	-	100.00%	-	100.00%	
Retention rate (remain with the organisation for 12 months after maternity leave)	-	100.00%	-	100.00%	-	87.50%	
Others							
Percentage of senior management hired from the local community	27	6.70%	28	5.50%	32	4.50%	GRI 202-2
Percentage of global staff with a disability	0	0.00%	1	0.20%	1	0.10%	
Percentage of women in the global workforce	107	26.50%	133	26.00%	153	21.30%	
Ratio of foreign to local hire of low-skilled workers (only for MGB)	0.02	2.00%	0.14	14.00%	0.43	43.00%	

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Sustainability Report

GRI Standards	Topic	Unit	Performance Data		
			FY2021	FY2022	FY2023
Work-Related Injury					
Employees					
GRI 403-9 (Occupational Health & Safety)	Hours worked	hours	6,474,170	6,150,549	9,999,857
	Fatalities	no.	0	0	0
	High-consequence work-related injuries	no.	0	0.16	0.2
	Lost-time injuries	no.	0	1	2
	Recordable work-related injuries	no.	0	1	2
	Main types of work-related injuries	no.	0	1	2
Non-Employees					
GRI 403-9 (Occupational Health & Safety)	Hours worked	hours	0	0	0
	Fatalities	no.	0	0	0
	High-consequence work-related injuries	no.	0	0	0
	Lost-time injuries	no.	0	0	0
	Recordable work-related injuries	no.	0	0	0
	Main types of work-related injuries	no.	0	0	0
Work-Related Ill Health					
Employees					
GRI 403-10 (Occupational Health & Safety)	Number of fatalities	no.	0	0	0
	Recordable work-related ill health	no.	0	0	0
	Main types of work-related ill injuries	no.	0	0	0
Non-Employees					
	Number of fatalities	no.	0	0	0
	Recordable work-related ill health	no.	0	0	0
	Main types of work-related ill injuries	no.	0	0	0
Others					
	Number of work-related fatalities (includes employees and contractors)	no.	0	0	0
	Accident frequency rate	no.	0	0.16	0.2
	Severity rate	no.	0	13.0	3.0
	Number and percentage of workers undergoing health surveillance	pax	0	0	0

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• BURSA SUSTAINABILITY DISCLOSURE INDEX

Indicator	Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	1.24	4.49	2.92
Middle Management	Percentage	4.21	10.35	6.69
Executives	Percentage	21.53	44.34	32.03
Non-Executives	Percentage	0.74	15.43	23.12
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	100.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	18,241.00	17,049.00	23,658.00
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	31.280000	38.680000	65.730000
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30 years old	Percentage	0.00	0.00	0.00
Senior Management 30 - 50 years old	Percentage	4.95	4.10	3.34
Senior Management Over 50 years old	Percentage	1.73	1.37	1.67
Middle Management Under 30 years old	Percentage	2.48	1.37	1.39
Middle Management 30 - 50 years old	Percentage	10.89	12.70	9.33
Middle Management Over 50 years old	Percentage	1.98	1.17	0.70
Executives Under 30 years old	Percentage	36.38	28.32	25.21
Executives 30 - 50 years old	Percentage	15.10	18.36	17.00
Executives Over 50 years old	Percentage	1.24	1.17	0.70
Non-Executives Under 30 years old	Percentage	12.38	14.25	17.27
Non-Executives 30 - 50 years old	Percentage	12.62	16.60	22.42
Non-Executives Over 50 years old	Percentage	0.25	0.59	0.97
Gender Group by Employee Category				
Senior Management Male	Percentage	4.45	3.32	3.34
Senior Management Female	Percentage	2.23	2.15	1.67
Middle Management Male	Percentage	9.16	10.16	7.38
Middle Management Female	Percentage	6.19	5.08	4.04
Executives Male	Percentage	32.67	29.88	27.58
Executives Female	Percentage	20.05	17.97	15.32
Non-Executives Male	Percentage	23.02	30.66	39.28
Non-Executives Female	Percentage	2.23	0.78	1.39
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	87.50	83.30	57.14
Female	Percentage	12.50	16.70	42.86
Under 30 years old	Percentage	0.00	0.00	0.00
30 - 50 years old	Percentage	37.50	33.30	57.14
Over 50 years old	Percentage	62.50	66.70	42.86
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	136	588	597
Middle Management	Hours	145	1,020	1,114
Executives	Hours	551	2,499	2,481
Non-Executives	Hours	0	450	5,308
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	5	2	4
Middle Management	Number	18	24	20
Executives	Number	79	108	125
Non-Executives	Number	17	39	49
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	1.00	2.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	260	333	501
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	0.00	550,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	0

Sustainability Report

- SASB CONTENT REFERENCE INDEX

Engineering and Construction

Code	Description	Performance		
		FY2021	FY2022	FY2023
Environmental Impacts of Project Development				
IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	0	0	0
IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Please refer to Operational Excellence through Innovation (pages 67-69)		
Workforce Health and Safety				
IF-EN-320a.1	1. Total recordable incident rate ("TRIR") and	0	1	2
	2. Fatality rate for (a) direct employees and (b) contract employees	0	0	0
Business Ethics				
IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	0	0	0
IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	Please refer to Corporate Governance and Business Ethics (pages 62-63)		

Home Builders

Code	Description	Performance		
		FY2021	FY2022	FY2023
Land Use and Ecological Impacts				
IF-HB-160a.2	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	0	0	0
IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	0	0	0
IF-HB-160a.4	Discussions of processes to integrate environmental considerations into site selection, site design, and site development and construction	Please refer to Charting Sustainable Water Management (page 80) and Biodiversity Conservation (page 83)		
Climate Change Adaptation				
IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Please refer to Evaluating and Managing Climate Risks (pages 74-77)		

• GRI CONTENT INDEX

GRI Standard	Disclosure	Page Reference/ Reasons for Omission	
GRI 2: General Disclosures 2021	2-1	Organisational details	3
	2-2	Entities included in the organisation's sustainability reporting	46
	2-3	Reporting period, frequency and contact point	46
	2-4	Restatements of information	79; 80
	2-5	External assurance	NA
	2-6	Activities, value chain and other business relationships	47
	2-7	Employees	85-86
	2-8	Workers who are not employees	NA
	2-9	Governance structure and composition	61
	2-10	Nomination and selection of the highest governance body	114-115
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	61
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	138
	2-16	Communication of critical concerns	61; 63
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	129
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	-
	2-22	Statement on sustainable development strategy	50-51
	2-23	Policy commitments	62; 66
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	63
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	58; 70
	2-28	Membership associations	46
	2-29	Approach to stakeholder engagement	52-55
	2-30	Collective bargaining agreements	-
GRI 3: Material Topics 2021	3-1	Process to determine material topics	
	3-2	List of material topics	56-57
	3-3	Management of material topics	

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GRI Standard		Disclosure	Page Reference/ Reasons for Omission
Economic Performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	64
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	65
	201-2	Financial implications and other risks and opportunities due to climate change	74-77
	201-3	Defined benefit plan obligations and other retirement plans	88-89
	201-4	Financial assistance received from government	NA
Market Presence			
GRI 3: Material Topics 2021	3-3	Management of material topics	64
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
	202-2	Proportion of senior management hired from the local community	-
Indirect Economic Impacts			
GRI 3: Material Topics 2021	3-3	Management of material topics	64
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	65
	203-2	Significant indirect economic impacts	
Procurement Practices			
GRI 3: Material Topics 2021	3-3	Management of material topics	66
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	66
Anti-Corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	60; 63
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	
	205-2	Communication and training about anti-corruption policies and procedures	63
	205-3	Confirmed incidents of corruption and actions taken	
Customer Privacy			
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	63
Materials			
GRI 3: Material Topics 2021	3-3	Management of material topics	66; 70
GRI 301: Materials 2016	301-1	Materials used by weight or volume	67
	301-2	Recycled input materials used	-
	301-3	Reclaimed products and their packaging materials	NA

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GRI Standard		Disclosure	Page Reference/ Reasons for Omission
Energy			
GRI 3: Material Topics 2021	3-3	Management of material topics	70; 78-79
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	79
	302-2	Energy consumption outside of the organisation	NA
	302-3	Energy intensity	79
	302-4	Reduction of energy consumption	79
	302-5	Reductions in energy requirements of products and services	NA
Water and Effluents			
GRI 3: Material Topics 2021	3-3	Management of material topics	70; 80-81
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	80
	303-2	Management of water discharge-related impacts	80-81
	303-3	Water withdrawal	80
	303-4	Water discharge	-
	303-5	Water consumption	80
Biodiversity			
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	83
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	NA
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	70-79
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	79
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	
	305-6	Emissions of ozone-depleting substances (ODS)	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	82

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GRI Standard		Disclosure	Page Reference/ Reasons for Omission
Waste			
GRI 3: Material Topics 2021	3-3	Management of material topics	81-82
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	82
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
Supplier Environmental Assessment			
GRI 3: Material Topics 2021	3-3	Management of material topics	66
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	-
	308-2	Negative environmental impacts in the supply chain and actions taken	
Employment			
GRI 3: Material Topics 2021	3-3	Management of material topics	85-88
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	87-88
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	88-89
	401-3	Parental leave	89
Labour/Management Relations			
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	-
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	91-93
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	92-93
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	
	403-10	Work-related ill health	

GRI Standard		Disclosure	Page Reference/ Reasons for Omission
Training and Education			
GRI 3: Material Topics 2021	3-3	Management of material topics	85
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	85
	404-2	Programmes for upgrading employee skills and transition assistance programmes	-
	404-3	Percentage of employees receiving regular performance and career development reviews	88
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3	Management of material topics	85-86
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	86
	405-2	Ratio of basic salary and remuneration of women to men	-
Non-Discrimination			
GRI 3: Material Topics 2021	3-3	Management of material topics	86-87; 91
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	
Child Labour			
GRI 3: Material Topics 2021	3-3	Management of material topics	91
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	
Forced or Compulsory Labour			
GRI 3: Material Topics 2021	3-3	Management of material topics	91
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	
Local Communities			
GRI 3: Material Topics 2021	3-3	Management of material topics	94
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	94-95
	413-2	Operations with significant actual and potential negative impacts on local communities	
Supplier Social Assessment			
GRI 3: Material Topics 2021	3-3	Management of material topics	66
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	-
	414-2	Negative social impacts in the supply chain and actions taken	-

Sustainability Report

• TCFD STATEMENT

TCFD Disclosures

Governance

Describe the Board’s oversight of climate-related risks and opportunities.

Please refer to Sustainability Governance (page 61) and TCFD Adoption: Governance (page 71)

Describe the management’s role in assessing and managing climate-related risks and opportunities.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.

Please refer to TCFD Adoption: Strategies (pages 72-74) and TCFD Adoption: Evaluating and Managing Climate Risks (pages 74-77)

Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.

Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk Management

Describe the organisation’s processes for identifying and assessing climate-related risks.

Please refer to TCFD Adoption: Strategies (pages 72-74) and TCFD Adoption: Evaluating and Managing Climate Risks (pages 74-77)

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.

Metrics and Targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Please refer to TCFD Adoption: Metrics and Targets (page 78)

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions, and the related risks.

Please refer to Unlocking Energy Efficiency (page 79)