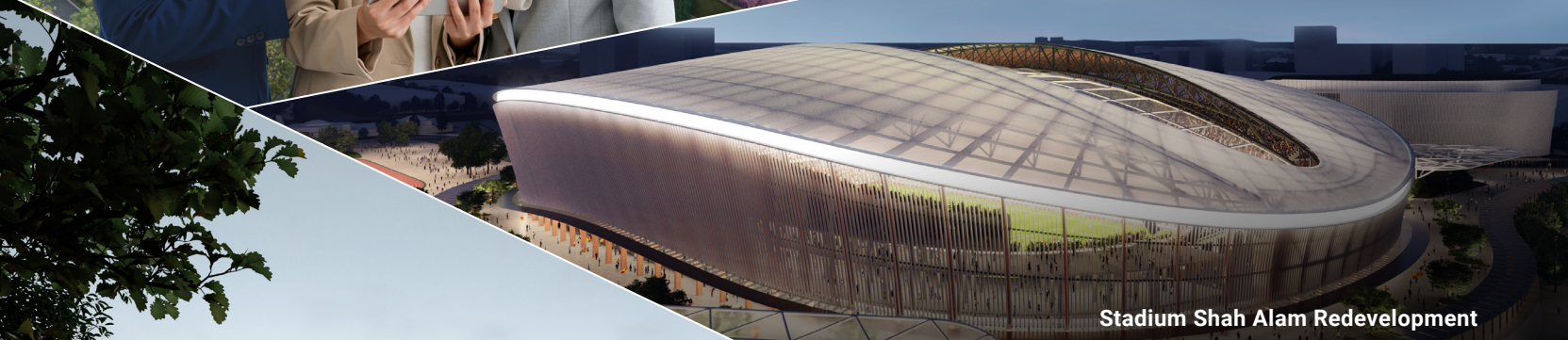




Kwasa Damansara City Centre



Stadium Shah Alam Redevelopment



The Symphony Centre, Auckland, New Zealand

BROADER VISION FOR A SUSTAINABLE FUTURE



VISTA, Gold Coast, Australia

WHAT YOU'LL FIND IN THIS REPORT

Extracted from MRCB's Integrated Annual Report 2024



Please scan for online
Integrated Annual Report

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BASIS OF THIS REPORT

SCOPE AND BOUNDARIES

This Integrated Annual Report provides an overview of Malaysian Resources Corporation Berhad's (MRCB or the Group) performance and key achievements throughout the reporting year and should be read in conjunction with the accompanying 2024 Financial Report for a comprehensive understanding of MRCB during the year under review. It provides insights into the strategies deployed to create value for our stakeholders and the management of our material matters, as well as the risks and opportunities related to the business.

This report covers the Group's three core business segments: Property Development & Investment; Engineering, Construction & Environment; and Facilities Management & Parking, across Malaysia, Australia, and New Zealand.

Reporting on our sustainability performance covers the domestic and international operations of the Group's three core business segments, which consist of subsidiaries that MRCB has direct control and in which the Group holds a majority stake. Reporting boundaries extend to the Group's activities and operations in financial and non-financial areas, as well as market risks and opportunities that impact our ability to create value. Where possible, information from previous years has been included to provide comparative data. The reporting process has been guided by the principles contained in the International Financial Reporting Standards (IFRS) Foundation's <IR> Framework and the Malaysian Code on Corporate Governance 2021. The Report has also been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021. It is guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the International Sustainability Standards Board's (ISSB) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures Standard, and Bursa Malaysia Securities Berhad's Sustainability Reporting Guide. The financial statements have been prepared in accordance with the IFRS, Malaysian Financial Reporting Standards (MFRS), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the Malaysian Companies Act 2016.

REPORTING PERIOD

This report covers the financial year starting 1 January 2024 and ending 31 December 2024.

FINANCIAL AND NON-FINANCIAL REPORTING

The content of this report includes both financial and non-financial metrics that contribute to our value creation capabilities.

ASSURANCE APPROACH

MRCB's Integrated Annual Report outlines its corporate journey in creating long-term sustainable value for all our stakeholders and is guided by the <IR> Framework issued by the International <IR> Council. The accuracy of sustainability data disclosed within this Integrated Annual Report has been verified by our Internal Audit Department and an independent third party. The latter's Independent Assurance Opinion Statement can be viewed on pages 363 to 365. MRCB's accompanying Financial Report has been audited by an independent third party, PricewaterhouseCoopers PLT, which has audited our financial statements. Their audit opinion can be viewed on pages 10 to 15 of the 2024 Financial Report.

Material Matters

Governance

EP Ethics & Principles

GC Governance & Compliance

Economic

PQR Product Quality & Responsibility

IEI Indirect Economic Impacts

EBP Economic & Business Performance

RPSA Responsible Procurement & Supplier Assessment

Social

HS Health & Safety

LP Labour Practices

EEW Employee Engagement & Well-Being

LCE Local Community Engagement

CE Customer Engagement

HR Human Rights

DEO Diversity & Equal Opportunity

Environment

MM Materials Management

PCR Physical Climate Risks

SC Sustainable Construction

GHGE GHG Emissions

W Waste

BIO Biodiversity

CTR Climate Transition Risks

United Nations Sustainable Development Goals (UN SDGs) Adopted



FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reference future prospects, plans, and/or outlooks. These statements should not be taken as definite. Any projections are subject to indeterminate circumstances that may change due to external influences beyond our control; readers are advised not to rely on these statements with absolute certainty.

FEEDBACK

We continually aspire to improve our reporting quality and welcome constructive comments or questions about this report via the following contact:

Isa Ismail

Head of Sustainability & Investor Relations

Email: isa.ismail@mrcb.com

Growth Principles & Key Action Plans



Strengthen Core for Sustainable Returns

- ▶ Ensure Steady Pipeline of Projects



Technology Adoption & Innovation

- ▶ Achieve Lean & Efficient Operations
- ▶ Leverage on MRCB Building System (MBS)



Diversification & Operational Expansion

- ▶ Geographical Expansion
- ▶ Enter into New Markets



Quality Products & People

- ▶ Uphold Good Governance
- ▶ Develop a Skilled Workforce

Stakeholders



Clients/Customers



Local Communities/
Civil Society/NGOs



Shareholders/
Investors/Analysts



Suppliers/
Sub-contractors



Employees



Media



Government/
Regulatory Bodies

Our Six Capitals

HC

Human Capital

The skills and diversity of our employees drive our innovative strategies and long-term growth. We invest in the development and well-being of our people, which increases their productivity and performance to help achieve our goals and targets. Our people are also equipped with a diverse set of skills that enable innovation and creativity, as well as allow them to thrive today and well into the future.

IC

Intellectual Capital

MRCB has created a strong brand of innovative excellence. Our Intellectual Capital is vital in solidifying our market position and competitive strength. Our team utilises emerging technologies to engineer and deliver market solutions. We also own intellectual property, such as the MRCB Building System (MBS), which is licensed to others and will help revolutionise the industry.

NC

Natural Capital

As a responsible company operating within the resource-intensive property development and construction sectors, we are cognisant of the resources we require for our projects. We consciously invest in initiatives that reduce our use of Natural Capital. This includes venturing into renewable energy and innovating new technologies that optimise efficiency and reduce material consumption. Additionally, we own urban land banks within strategic development areas critical to our success.

SRC

Social & Relationship Capital

Our work relies on the strong bonds we have created with our stakeholders. This includes establishing good rapport with shareholders, regulators, business partners, suppliers, customers, and the community. Our relationships are built on mutual understanding, which allows our stakeholders to continue to support and trust the Group, while we strive to always create value for every one of them.

FC

Financial Capital

The consistent flow of financial income generated by our operations is key to MRCB's survival. While a large portion of our earnings are channelled back into new developments, they are also used to create value for stakeholders. This includes generating tax revenues for the country, delivering dividends to shareholders, providing income to employees, and investing in the development of communities. Additionally, our Financial Capital is used to drive innovation and growth by investing in research and development, capacity building, and emerging technologies.

MC

Manufactured Capital

The Group's physical assets are located in strategic areas of growth. As a Transit Oriented Developer (TOD), our value proposition is our ability to integrate commercial, residential, and other types of developments around transportation hubs. Our unique disposition allows us to shape small and sustainable cities where different niche segments synergise and deliver value for both businesses and communities. We provide customers with catalytic projects that improve productivity and enhance economic activity and social development, and play our role in caring for the environment by constructing responsibly, where possible, using sustainable materials and new technologies, which enables the Group to deliver high-quality products in an efficient, timely, and ethical manner.



WHO WE ARE

WE ARE MRCB

As one of Malaysia's leading property development and construction companies, Malaysian Resources Corporation Berhad (MRCB) has been a key player in developing the nation's buildings and infrastructure since its listing on Bursa Malaysia in 1971.

At MRCB, we leverage our position as an industry leader and pioneer in Transit Oriented Developments (TODs) and green buildings to drive long-term growth. We aim to provide vibrant and sustainable city-within-a-city developments through our TODs, which focus on pedestrian-friendly living and working around high-quality mass transport systems.

When competing to construct large infrastructure projects, we use our skills, expertise, and track record to build high-quality infrastructure that meets the population's needs and expectations.

PURPOSE

To Build Meaningful Places for a Better Tomorrow

Our nation-building role is to transform communities into innovative and sustainable urban developments that connect and empower people.

VISION

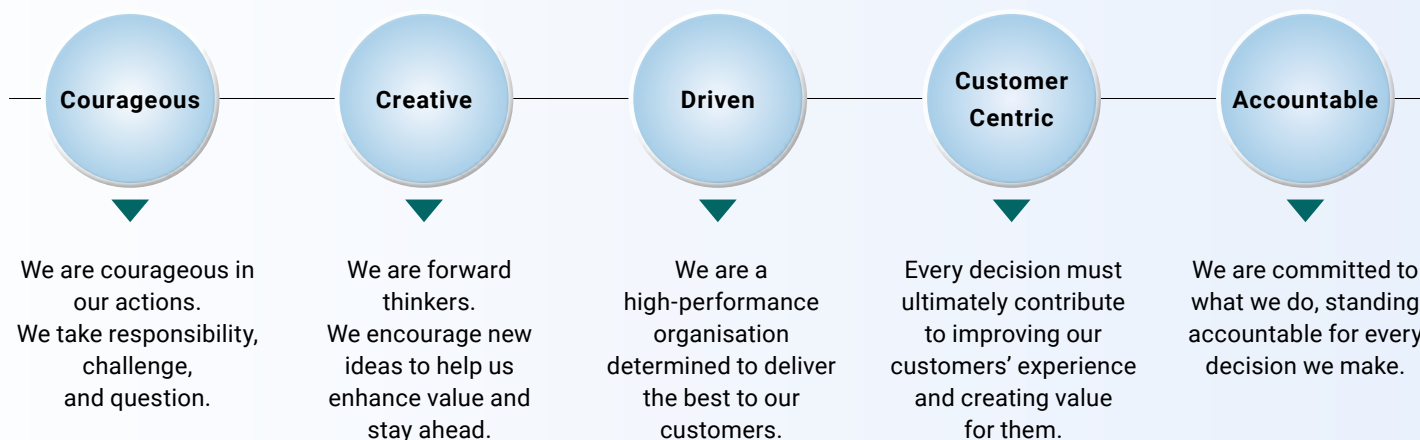
Setting the Standard

MISSION

Leading the Field Sustainably Through Innovation in Property Development, and Engineering and Construction

VALUES

We adhere to the following corporate values:



OUR COMPETITIVE STRENGTHS

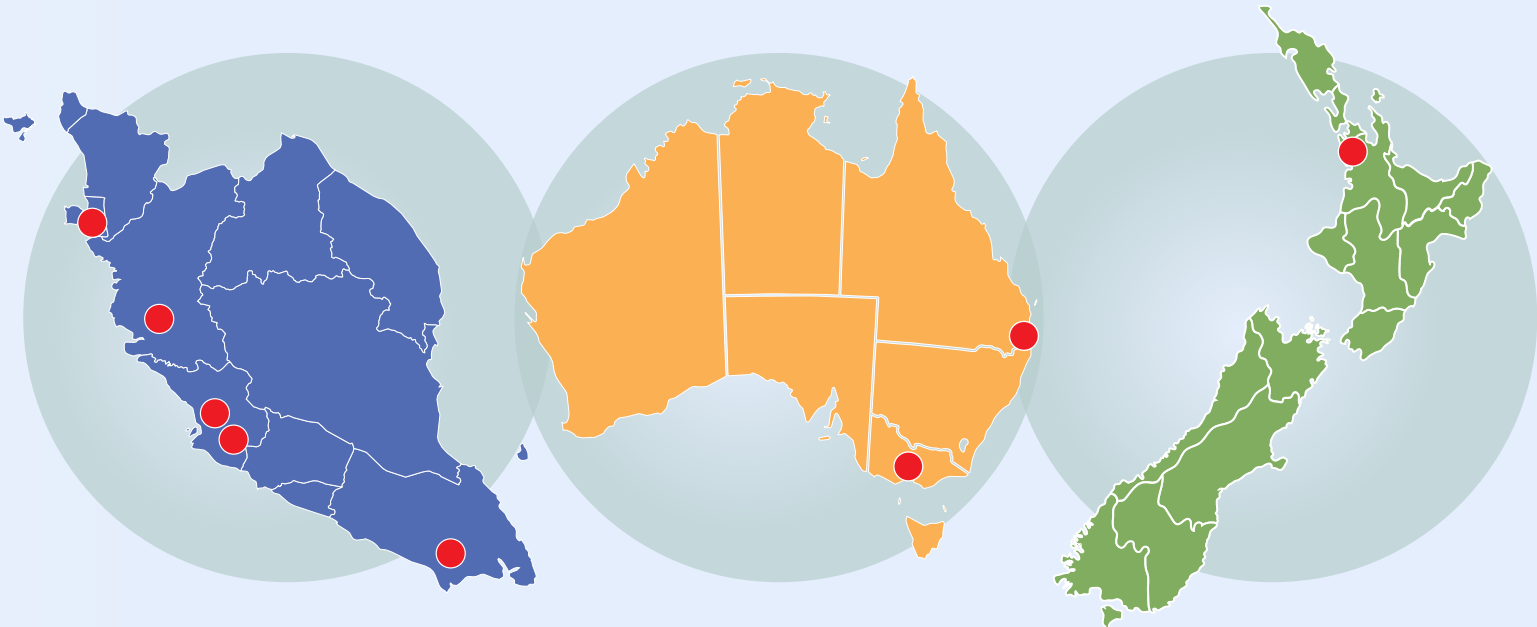
Pioneer and early developer of Malaysia's first internationally certified green buildings.

Largest listed Bumiputera construction company in Malaysia.

Strong corporate governance practices, a constituent of the FTSE4Good Index since 2014, an MSCI ESG rating of "AA", and a signatory to the Ten Principles of the United Nations Global Compact.

Innovated and developed a proprietary modular construction technology – MRCB Building System (MBS).

OUR
PRESENCE



MALAYSIA

Our property projects are predominantly in Kuala Lumpur and Selangor, with a growing presence in Penang and Perak.

AUSTRALIA

We have successfully completed two residential property development projects in Melbourne. In 2024, we began developing our third residential project in Gold Coast, Queensland, and have acquired more land in Gold Coast for our fourth development in Australia.

NEW ZEALAND

We were awarded a mixed TOD project in Auckland named “The Symphony Centre”, scheduled to begin construction in 2025, and have also acquired the redevelopment rights to a second project nearby, called Bledisloe House.

Possess an enviable track record as a large infrastructure developer, including constructing railways and highways infrastructure, stadiums, and high-voltage power transmission projects.

Specialist in climate change adaptation infrastructure projects and environmental projects, such as coastal erosion and flood mitigation projects.

Long pipeline of projects through a land bank of 1,163 acres with a GDV of RM38 billion, an unbilled construction order book of RM14.7 billion, and a strong balance sheet with a net gearing of 0.27 times.

WHAT WE DO OUR EXPERTISE



Alstonia

REVENUE
RM287 million

PROPERTY SALES
RM836 million

URBAN LAND BANK
1,163 acres
RM38 billion GDV

- Pioneer and leading developer of TODs in Malaysia
- Developing bespoke commercial buildings for corporate clients for sale or long-term lease
- Building integrated developments anchored around transportation hubs
- Building green-certified, energy-efficient buildings
- Developing high-rise residential buildings

PROPERTY DEVELOPMENT & INVESTMENT

MRCB is a leading urban property developer with a large portfolio of successful integrated commercial and residential developments anchored around transportation hubs.

MRCB was the pioneer of Transit Oriented Developments (TODs) and green buildings in Malaysia through its ongoing flagship and award-winning Kuala Lumpur Sentral Central Business District (CBD) project, which has attracted some of the world's leading corporations as tenants due to its high-quality buildings and excellent transportation connectivity. Beyond Kuala Lumpur Sentral, MRCB's other TOD project – including PJ Sentral Garden City, Penang Sentral, Kwasa Sentral, and The Symphony Centre in New Zealand – also feature excellent transportation connectivity and integration at their core. MRCB also has a presence in the industrial property and logistics market in Malaysia, as well as in residential and commercial developments in Australia and New Zealand. The Group's property investment activity is largely through its 27.94% equity stake in Sentral REIT, a commercial property real estate investment trust that owns 10 buildings valued at RM2.5 billion as of 31 December 2024.



Stadium Shah Alam Redevelopment

ENGINEERING, CONSTRUCTION & ENVIRONMENT

Constructing our own property developments allows us to have complete control over our property development projects, helping the Group ensure that the project's vision is fully realised in terms of quality, budget, and timeliness.

In addition to constructing world-class commercial and residential buildings, MRCB's Engineering, Construction & Environment Division has an enviable track record as an infrastructure developer, including constructing major rail and highway infrastructure, stadiums, and high-voltage power transmission projects comprising substations, overhead transmission lines, and underground cabling.

Additionally, our environmental division undertakes climate change adaptation projects, including flood mitigation and coastal erosion control, reinforcing our commitment to sustainability and resilient infrastructure.



REVENUE
RM1.3 billion

EXTERNAL CLIENT
CONSTRUCTION ORDER BOOK
RM26.1 billion

UNBILLED ORDER BOOK
RM14.7 billion

- Largest Bumiputera construction company in Malaysia
- Successfully won and completed key national infrastructure and construction projects
- Certified with ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, and ISO 45001:2018 Occupational Health & Safety Management Systems

FACILITIES MANAGEMENT & PARKING

MRCB's Facilities Management & Parking operations have successfully established its own brand as a leading provider of security services and car park management at integrated transportation hubs and high-profile commercial buildings.

The Division is also responsible for the facilities management of the Kuala Lumpur Sentral Station.



REVENUE
RM56 million

MANAGES OVER
17,000
CARPARK BAYS

- Operates 21 car park sites
- Value-added services include security and an Emergency Response Team

OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)

From the outset, MRCB has been clear in its goal to remain the leading TOD developer in Malaysia.

Our interests in 1,163 acres of development land with an estimated RM38 billion Gross Development Value (GDV), coupled with a strong balance sheet, have strengthened our position as a sustainable and dominant player. Our commitment towards sustainable development remains an inseparable part of our business, and we will continue to provide seamless integration between public transport and working and living areas.

Where Business and Connectivity Converge

KL SENTRAL CBD

KL Sentral CBD represents the pinnacle of integrated transit-oriented developments across the region.

Conceptualised as a “city-within-a-city”, KL Sentral CBD champions an integrated “Live, Work, and Play” concept, and has remained MRCB’s crowning jewel for over 20 years. KL Sentral CBD is an exclusive urban commercial centre built around Malaysia’s largest transit hub, KL Sentral Station, offering unparalleled connectivity with its nine different rail lines. It has become a destination of choice for large international and domestic corporations, attracted by the convenience it offers and the wide array of lifestyle amenities, including retail, food and beverage, and healthcare facilities. KL Sentral Station has also been granted the “XKL” Global Destination Code by the International Air Travel Association (IATA) with baggage check-in facilities, enabling quick access to the airport and opening up various destinations around the region and the world. More than 220,000 commuters pass through KL Sentral every day, double its intended design capacity. This strains the infrastructure, necessitating urgent redevelopment. Earmarked for redevelopment in 2025, our plan will both increase capacity and prioritise sustainability.



RM18 billion GDV



72 acres



OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)

Enhancing Urban Living in Petaling Jaya

PJ SENTRAL GARDEN CITY

This first-of-its-kind TOD project in Petaling Jaya has taken off from the concept of a transit-centric development and will serve as a CBD for Petaling Jaya.

PJ Sentral Garden City, which is geographically located in the centre of the Klang Valley, is a welcomed change from Petaling Jaya's (PJ) ageing facade and landscape. The project seeks to establish a new vision for the urban regeneration of PJ, based on the principles of modern design excellence, social and economic well-being, and environmental responsibility. The development adopts the Green Building Index (GBI) Gold standard for individual buildings and the US Leadership in Environmental & Energy Design (LEED) Neighbourhood, and Township Development Gold rating for the overall development.



RM3.3 billion GDV



12 acres



OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)

Connecting Penang to the Nation

PENANG SENTRAL

The success of KL Sentral CBD prompted MRCB's expansion into the northern region of the Peninsula, culminating in the concept of Penang Sentral.

Situated in Butterworth, it is conceptualised as a mixed development around an integrated multimodal transport hub encompassing the Keretapi Tanah Melayu Berhad's (KTMBs) rail network, the Penang ferry service, intercity buses, and taxis. On average, Penang Sentral accommodates approximately 180 express bus trips and 250 stop-and-go bus trips daily, amounting to a total of 430 daily bus trips. Penang Sentral will be an economic catalyst for the Northern Region (Penang, Kedah, Perlis, and Perak). The activation of this transportation hub, which emphasises safety, security, and convenience for all users, enhances comfort and efficiency for commuters and tourists alike. It also offers a centralised ticketing system and a multitude of retail and food and beverage outlets, providing business opportunities for small and medium enterprises, as well as renowned local and international brands.



RM2.7 billion GDV



23 acres



OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)

A Growing Township

KWASA SENTRAL

It's very close proximity to the Kwasa Sentral and Kwasa Damansara stations along the MRT Line 1 (Sungai Buloh-Kajang) makes Kwasa Damansara a prime location for integrated development projects.

MRCB has been entrusted with establishing Kwasa Damansara City Centre, one of Selangor's largest and most exciting developments. It will be the main city centre for the Kwasa Damansara township. The project aims to provide a high-quality working and living environment. Other aspects like a sizeable park, jogging-friendly paths that run around the entire project, and recreational areas, will further enhance its appeal, ensuring it becomes a liveable commercial development.



RM10.9 billion GDV



64 acres



OUR TRANSIT ORIENTED DEVELOPMENTS (TODs)

First TOD in New Zealand

THE SYMPHONY CENTRE, NEW ZEALAND

In 2021, MRCB was awarded its first TOD project overseas, in New Zealand, to develop The Symphony Centre.

Located at the intersection of Mayoral Drive and Wellesley Street in the heart of the Central Business District in Auckland, New Zealand, this development will comprise a mixture of retail, commercial, and residential space that will be built above the City Rail Link Aotea Station in Auckland after it is completed - the only mixed-use building in New Zealand to be integrated over a station. This iconic and prestigious project will benefit more than 40,000 residents and the 157,000 people who live and work in the area.



NZD0.5 billion GDV



1 acre



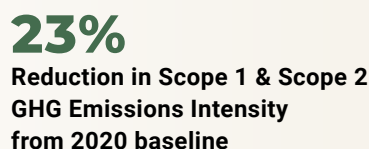
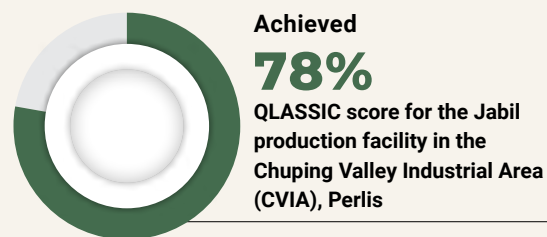
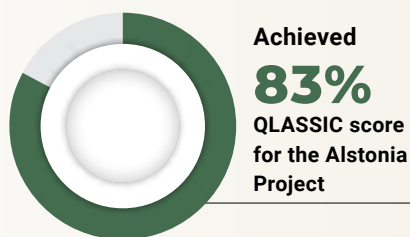
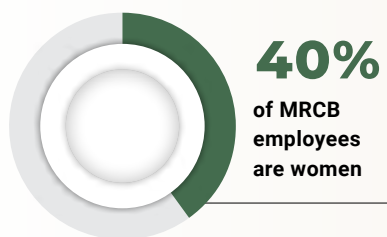


“ At MRCB, I have grown as a capable leader, ensuring safety and overcoming challenges with my team to protect more than 220,000 commuters daily. ”

Sergeant Rostamren
Auxiliary Police Sergeant
(Stesen Sentral Kuala Lumpur)

2024 KEY HIGHLIGHTS

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) HIGHLIGHTS



Total prisoners/offenders upskilled via PEKA@MRCB Programme

470



Complied with the Malaysian Code on Corporate Governance:

42 out of 43 Practices

4 out of 5 Step-Ups



Achieved a

5-STAR SHASSIC

rating for our Kwasa Utama C8 (Plot 2) development from CIDB

ZERO

Cybersecurity & Customer Data Breaches

2.7%

Gender Pay Gap between Male and Female Employees

AWARDS

National Corporate Governance & Sustainability Awards 2024

Excellence Award - Ranked 44th Out Of 854 PLCs

Railway Project Achievement Award for the Year 2023

Safety Management Commitments and Best Practices for 2023

Australasian Reporting Awards 2024

Gold Award

The Edge ESG Awards 2024

Gold for Most Consistent Performer Over Five Years

BCI Asia Awards 2024

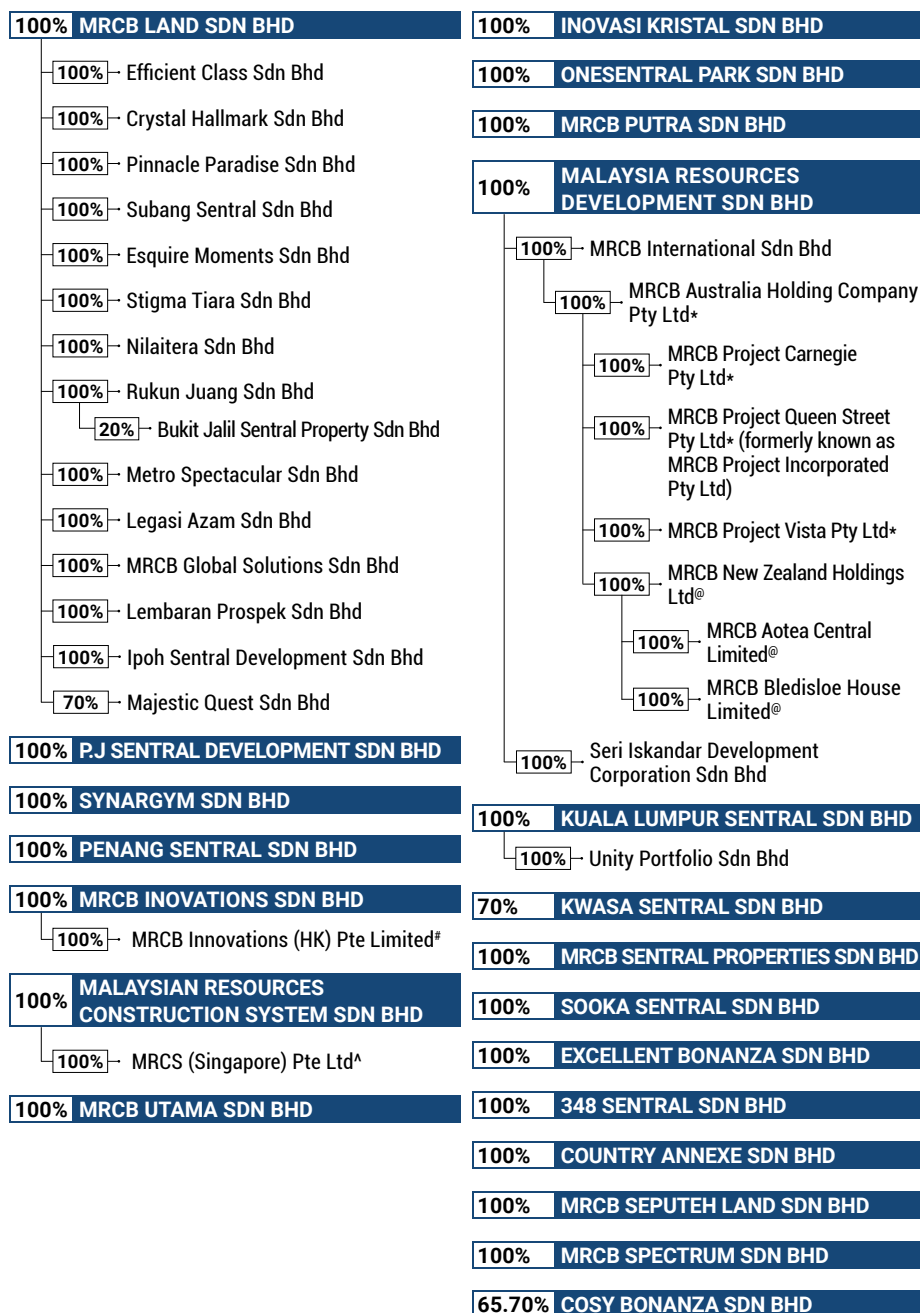
Malaysia's Top 10 Developers

National Annual Corporate Report Awards (NACRA) 2024

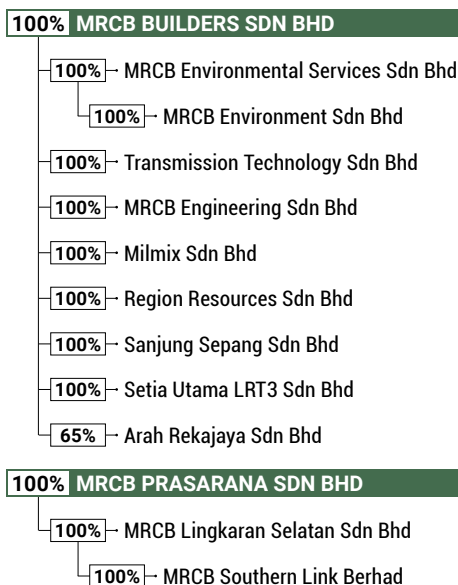
Gold Excellence Award For Companies With Less Than RM2 Billion In Market Capitalisation

HOW WE ARE STRUCTURED

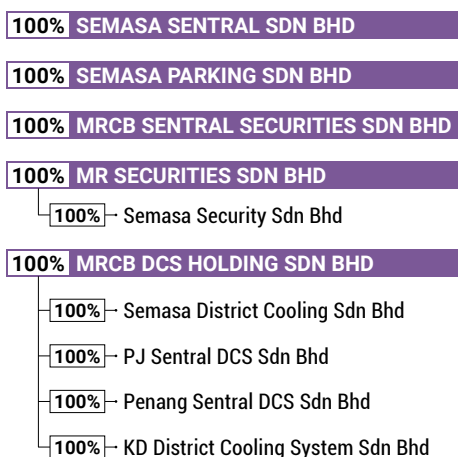
PROPERTY DEVELOPMENT & INVESTMENT



ENGINEERING, CONSTRUCTION & ENVIRONMENT



FACILITIES MANAGEMENT & PARKING



For a complete list of companies in the Group, please turn to pages 157 to 166 (Note 42) of the accompanying Financial Report.

(*) denotes that the company operates in Australia

(#) denotes that the company operates in Hong Kong

(@) denotes that the company operates in New Zealand

(^) denotes that the company operates in Singapore

All other companies operate in Malaysia.

AWARDS AND RECOGNITION



Property Development

1. BUILDING AND CONSTRUCTION INFORMATION ASIA AWARDS 2024

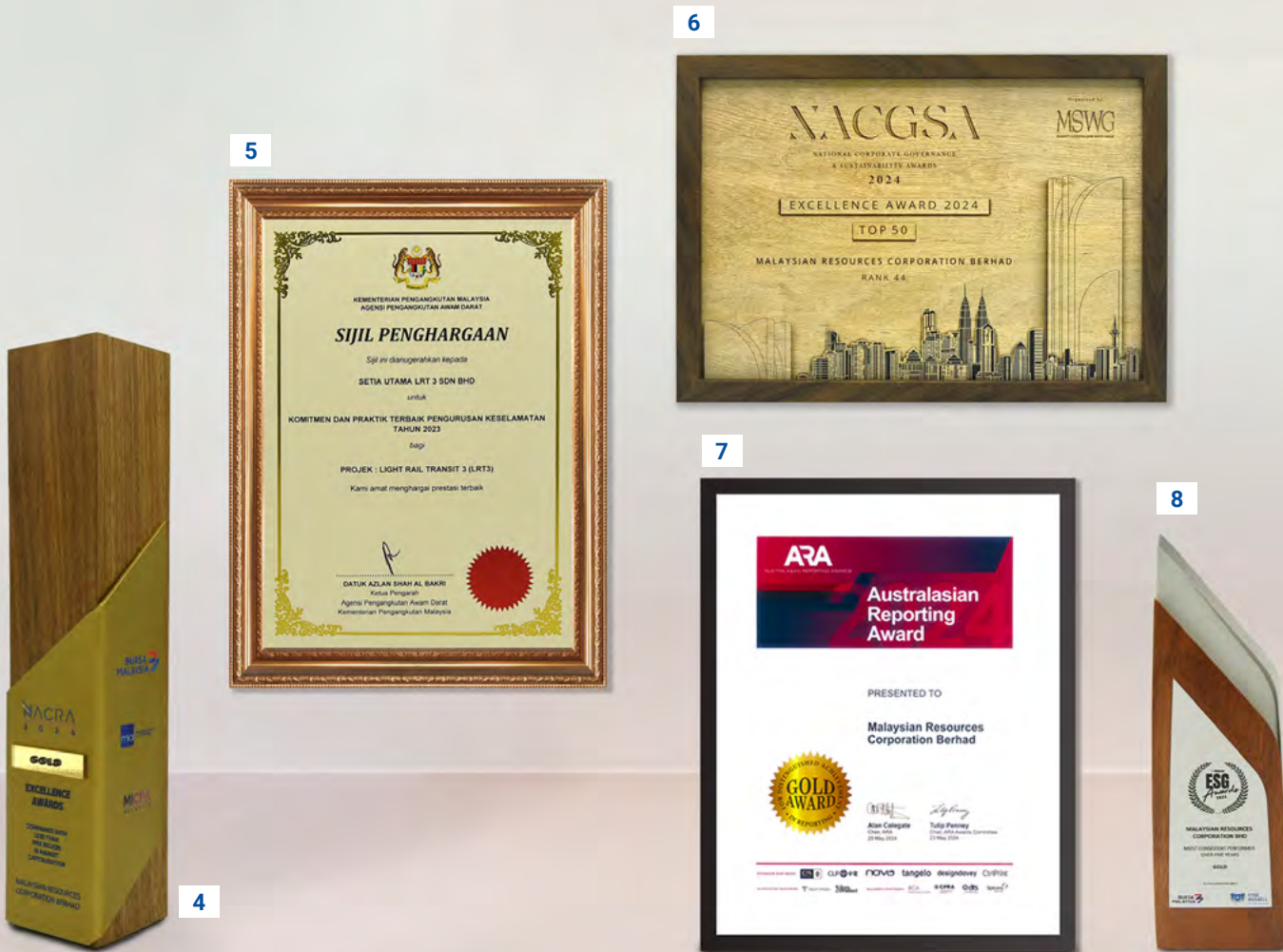
Malaysia's Top 10 Developers

2. 2024 PROPERTYGURU ASIA PROPERTY AWARDS 26 VISTA

- Best Apartment Architectural Design in the Design Award category
- Sustainable Design Award in the ESG Developer Award category

3. THE STAR MALAYSIA DEVELOPER AWARDS (MDA) 2024

- Top 10 in the Market Cap RM1 Billion and Above revenue category for the prestigious Top-of-The-Chart Award
- Special Award in the International category for the 1060 Carnegie development



Environmental, Social, and Governance (ESG)

4. MALAYSIAN INSTITUTE OF ACCOUNTANTS NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2024

Gold Excellence Award (Companies with a market capitalisation of less than RM2 billion category)

5. LAND PUBLIC TRANSPORT AGENCY'S RAILWAY PROJECT ACHIEVEMENT AWARD FOR THE YEAR 2023

Safety Management Commitments and Best Practices for LRT3 Project

6. MINORITY SHAREHOLDERS WATCH GROUP'S NATIONAL CORPORATE GOVERNANCE & SUSTAINABILITY AWARDS 2024

Excellence Award 2024 Top 50 - Ranked 44th out of 854 public-listed companies

7. AUSTRALASIAN REPORTING AWARDS 2024

Gold Award for MRCB's 2022 Integrated Annual Report

8. THE EDGE ESG AWARDS 2024

Gold for Most Consistent Performer Over Five Years



“Working at MRCB has been refreshing, enabling me to grow, adapt, listen and help clients find their dream homes with dedication and care.”

Joey Wong Voon Loong
Commercial, Sales and Marketing
(MRCB Land)

OUR STAKEHOLDERS

KEY HIGHLIGHTS OF OUR STAKEHOLDER ENGAGEMENT ACTIVITIES IN 2024

Integrated ESG Engagement Sessions

In 2024, we continued integrating ESG topics into analysts' briefings and investor meetings rather than addressing them separately. ESG matters remained a key area of interest for the finance, investment, and professional communities.

This resulted in MRCB's participation in four (4) ESG-focused conferences, with a total of 480 investors, analysts, fund managers, and professionals attending. These conferences provided valuable insights into MRCB's ESG strategy, performance, and future plans. They also served as knowledge-sharing platforms between MRCB, other corporates, and sustainability experts.

Qualitative assessments were conducted after each session, with participants unanimously expressing satisfaction with the ESG discussions.



MRCB's ESG Brief is regularly updated and available on the Investor Relations section of our website at:

<https://www.mrcb.com/investor-relations/overview.html>

Press Conferences

Several on-site press conferences were conducted to engage with the media and communicate certain initiatives to the public in 2024.

26
January
2024

No. of Media Personnel
25

Signing Ceremony for the Commencement of Demolition Work at Stadium Shah Alam

27
March
2024

No. of Media Personnel
40

Breaking of Fast Ceremony with His Royal Highness, the Sultan of Selangor, and the local community, and distribution of financial aid for Hari Raya Aidilfitri

31
March
2024

No. of Media Personnel
25

Breaking of Fast Ceremony with YB Dato' Seri Dr. Wan Azizah, Member of Parliament for Bandar Tun Razak. Event includes Public Engagement and Hari Raya Aidilfitri Donation

19
May
2024

No. of Media Personnel
30

Launching Ceremony for the National Day and Malaysia Day 2024 Logo and Theme

9
September
2024

No. of Media Personnel
25

Launching Ceremony of the "Pelan Induk Kerjasama Awam-Swasta 2030" (PIKAS 2030)

9
September
2024

No. of Media Personnel
18

Malaysian Human Rights Celebration at Stesen Sentral Kuala Lumpur

11
November
2024

No. of Media Personnel
15

Launch of ABM Wilayah Tengah Tower Crane Training Facility under the CIDB-MRCB TVET Construction Collaboration Programme

OUR STAKEHOLDERS

Responsible Procurement & Supplier Assessment

Our commitment to having a sustainable supply chain includes procuring from foreign suppliers only when it is absolutely necessary for the business. Engaging local suppliers over foreign suppliers helps reduce transportation costs and GHG emissions. In 2024, 98.1% or RM1,347 million of our total spend on suppliers and contractors was to local companies, as verified by our Internal Audit Department.

We collaborated with UNGC to enhance supply chain sustainability through ESG readiness assessments and increased our Scope 3 GHG emissions reporting.

In 2024, we expanded the measurement and reporting of Scope 3 emissions across our supply chain, covering 97% of the value procured.

UNGC Communication on Progress (CoP) 2024

In our commitment to the UNGC and its Ten Principles, MRCB completed its annual submission of the CoP report in July 2024, available on UNGC's website. The report consists of a statement on the initiatives undertaken this year with respect to human rights, labour, environmental, and anti-corruption.

MEMBERSHIPS & PARTNERSHIPS

CEO Action Network (CAN)

MRCB joined the CEO Action Network (CAN) in 2021. CAN is a closed-door peer-to-peer informal network of CEOs and Board members focused on sustainability advocacy, capacity building, action, and performance. CAN represents over 20 critical sectors with 70 members. It consists of a working group with three workstreams on (1) Waste and Circularity; (2) Policy Advocacy, and Awareness & Capacity Building; and (3) Diversity, Equity, and Inclusion; with MRCB being part of the two latter workstreams.

In September 2021, we joined CAN members to pledge and publicly announce 14 Collective Commitments to be achieved under three categories, namely environment, people, and governance. Our initiatives are aligned to CAN's and the country's goal to achieve a Net Zero energy future and achieve Malaysia's Shared Prosperity Vision by 2030. MRCB acted as Co-lead for the CEO Action Network Diversity Equity and Inclusion workstream in 2024, and supported the development of the DEI Implementation Guide for corporate Malaysia.

More information on how our strategy and initiatives align with CAN is available in Our Approach to Sustainability section on pages 142 to 161.

30% Club Malaysia

As part of MRCB's strengthening commitment towards championing Diversity, Equity, & Inclusion (DEI), in 2023, we joined the 30% Club Malaysia, a global business-led campaign founded in the United Kingdom to advocate for gender parity in boardrooms and senior leadership. The Malaysian Chapter works to catalyse real transformation in Corporate Malaysia, with a primary focus on facilitating at least 30% women representation on the boards of companies listed on Bursa Malaysia.

OUR STAKEHOLDERS

EUROCHAM Malaysia

EUROCHAM Malaysia was established as a primary link between EU businesses, the Malaysian government, and the business community. It facilitates trade and investment between Europe and Malaysia. MRCB became a member in the first quarter of 2022.

Climate Governance Malaysia (CGM)

CGM is the Malaysian chapter of the World Economic Forum's Climate Governance Initiative (CGI), with the aim to help steer companies through an effective climate transition strategy. MRCB became a member in 2023 and is committed to aligning its strategies on climate change with the broader goals set by the CGI.

British Malaysian Chamber of Commerce (BMCC)

The British Malaysian Chamber of Commerce (BMCC) helps to advance bilateral trade relations between the United Kingdom and Malaysia and aims to provide channels for businesses to reach Southeast Asian markets and the region. MRCB has been a member since 2017.

Unit Peneraju Agenda Bumiputera (TERAJU) under the Ministry of Economy

TERAJU acts as the main coordinator of the high trajectory Bumiputera Socio-Economic Agenda and plays a role in encouraging Bumiputera participation in high impact strategic industries towards creating a sustainable Bumiputera development ecosystem, with a fair, equitable, and inclusive economic distribution. During the year, MRCB participated in several discussions and focus groups to support the empowerment of local communities.

Minority Shareholders Watch Group (MSWG)

MRCB ensures equitable treatment for all shareholders, including minority shareholders, safeguarded by the Minority Shareholders Watch Group (MSWG). MSWG upholds the rights of minority shareholders in Malaysia's capital market, including the right to access information, express opinions, and seek redress. Over the years, MSWG has actively participated in MRCB's Annual General Meetings.

Malaysian Institute of Corporate Governance (MICG)

MRCB has been a member of the Malaysian Institute of Corporate Governance (MICG) since 2017. As part of its commitment to uphold best practices in corporate governance, MRCB adheres to the standards and guidelines set by the MICG. This membership aids in enhancing corporate accountability and transparency, thereby ensuring that the rights and interests of all shareholders are protected.

UNGC Network Malaysia & Brunei (UNGCMYB)

MRCB has proudly been a participant of the United Nations Global Compact Network Malaysia and Brunei (UNGCMYB) since 2020. We are committed to upholding the UNGC's Ten Principles in our business operations, focusing on human rights, labour, environment, and anti-corruption. Being part of UNGCMYB enables us to align our strategy with universally accepted principles and contribute to building a better world. Our Chief Corporate Officer is on the National Advisory Panel of UNGCMYB.

Malaysia Australia Business Council (MABC)

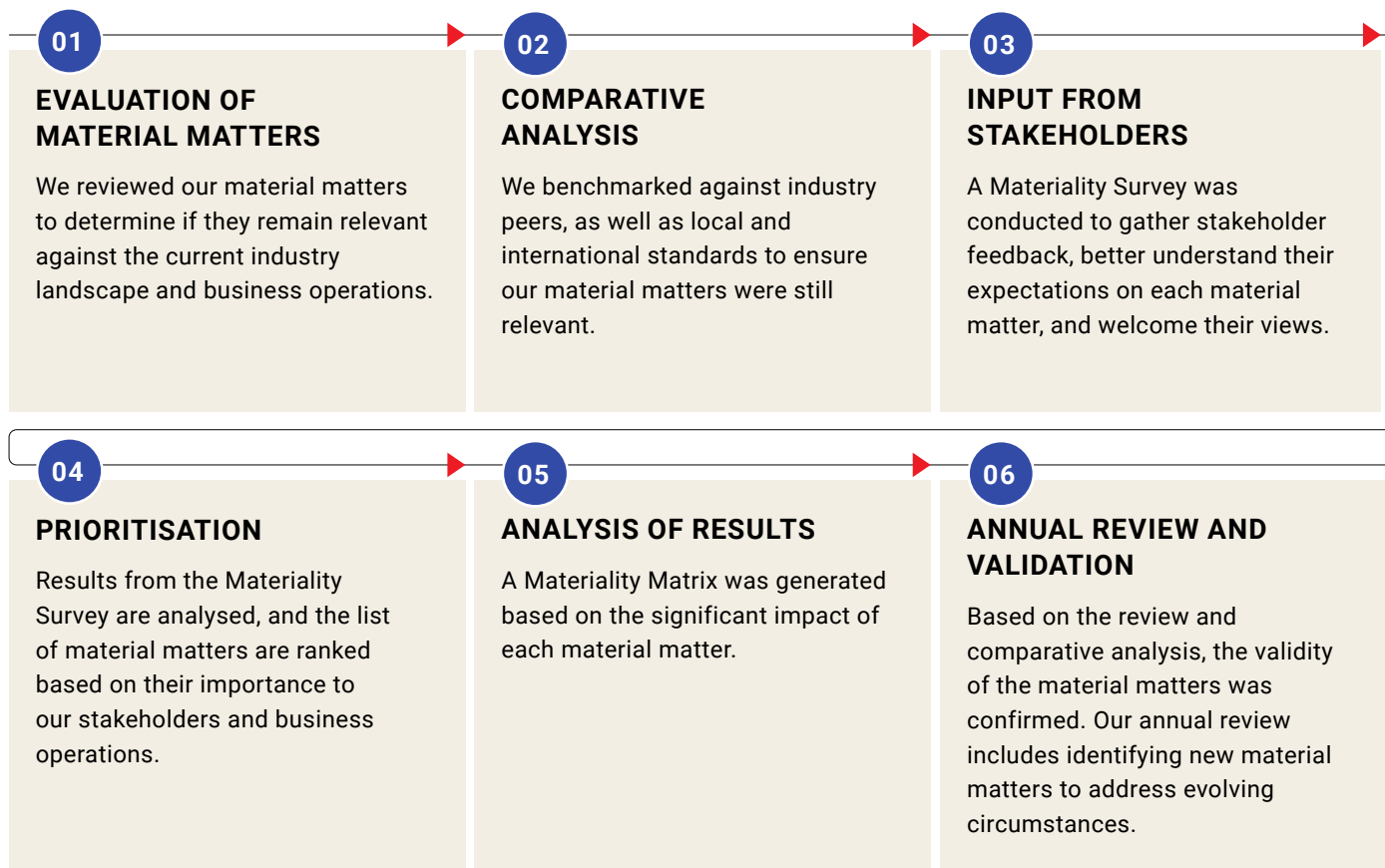
Supported by its co-patrons, the Malaysian Minister of International Trade and Industry and the Australian High Commissioner to Malaysia, the MABC plays a critical role in advancing bilateral trade and investment between Malaysia and Australia. MRCB has been a member since 2020.

DETERMINING OUR MATERIAL MATTERS

OUR MATERIAL MATTERS

Material matters are the cornerstone of our business strategy, driving our commitment to sustainable value creation for our stakeholders. We prioritise addressing material matters that have the most significant impact on our business and stakeholders, identified through a materiality assessment. This shapes our business strategy and resource allocation to ensure that our identified environmental, social, and governance (ESG) impacts, as well as climate-related risks and opportunities, remain relevant.

MATERIALITY ASSESSMENT PROCESS



Our 2024 review, which compared our performance to local and regional peers and alignment with international frameworks, confirmed the continued relevance of the 20 material matters identified in 2022. Our core business activities remained the same, and we deemed that these material matters aligned with our strategic objectives and stakeholder expectations, reflecting our business impact on the economy, environment, and society. The results of this review, including the prioritisation and mapping of these material matters, are further detailed on pages 63 and 64.

DETERMINING OUR MATERIAL MATTERS

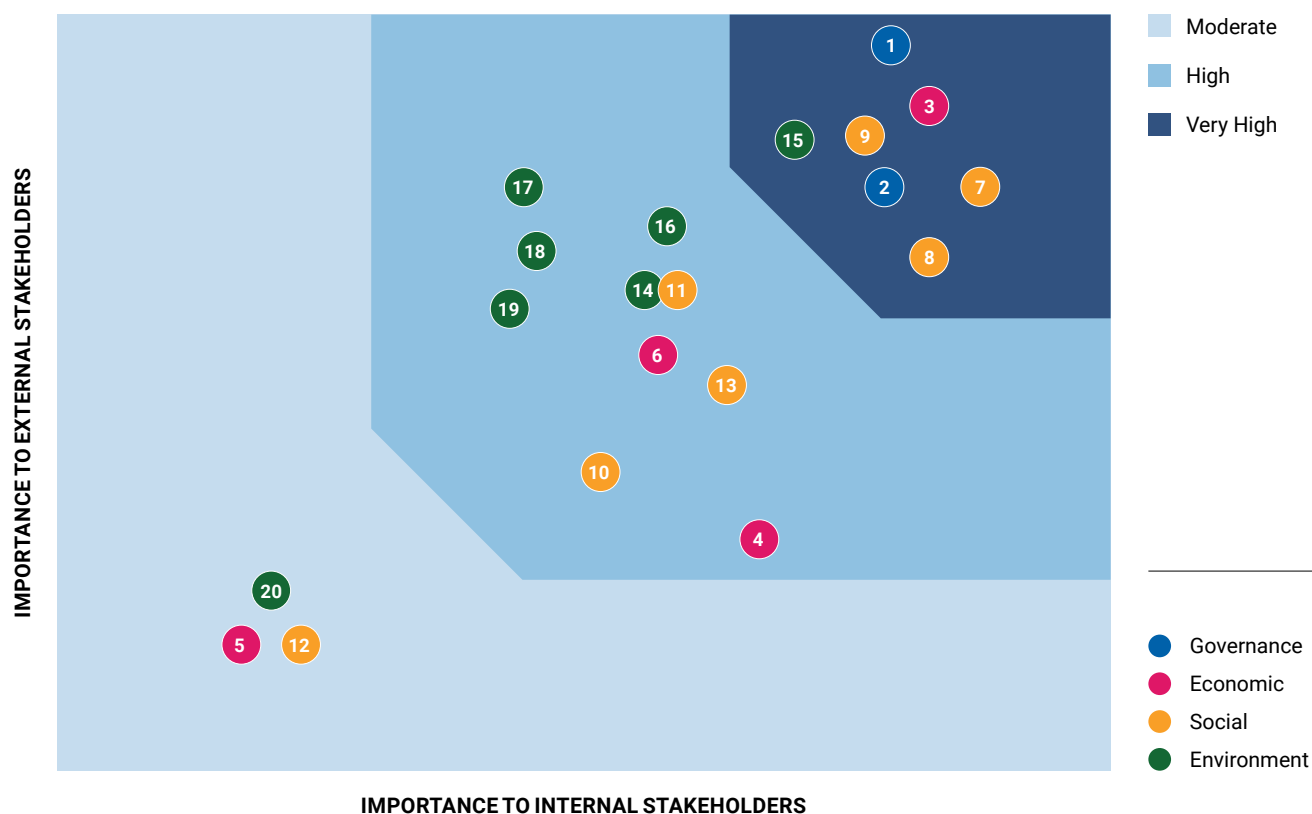
OUR MATERIAL MATTERS AND DEFINITIONS

	MATERIAL MATTERS	DEFINITIONS
 GOVERNANCE	1 Ethics & Principles	Upholding values, principles, standards, and practices to act ethically as a sustainable business. This includes anti-bribery, anti-corruption, and anti-competition practices within our operations, protection of data privacy, and professional conduct with others such as suppliers and customers.
	2 Governance and Compliance	Compliance with applicable laws and regulations relating to listing requirements and our industry, as well as other instruments concerned with environmental and socio-economic standards that allow us to obtain the licenses and approvals to operate.
 ECONOMIC	3 Product Quality & Responsibility	Quality of products and services, and actions that directly affect stakeholders, the community at large, and the environment.
	4 Economic & Business Performance	Economic value generated and distributed to stakeholders as a direct result of an organisation's performance.
	5 Indirect Economic Impacts	Our ability to contribute additionally, either monetarily or non-monetarily, that comes from any impact and spillover effect of MRCB's projects on the local communities (e.g. increased productivity through its TOD that shorten commutes and generate more employment opportunities) or deliberate initiatives through CSR activities.
	6 Responsible Procurement & Supplier Assessment	Meeting MRCB's needs for materials, goods, utilities, and services in an environmentally friendly, responsible, and ethical way.
 SOCIAL	7 Health & Safety	Integrating principles of health and safety throughout our business operations and in the lifecycle of our products.
	8 Employee Engagement & Well-Being	Engaging with our employees to ensure talent attraction and retention for a skilled workforce. This entails providing training, benefits, and a healthy work environment.
	9 Customer Engagement	Enhancing our products and services by understanding clients' and customers' preferences, and providing an overall positive customer experience to maintain our reputation.
	10 Diversity & Equal Opportunity	Providing equal opportunities to all employees as well as empowering women and minorities in the workplace. Diversity pushes innovation through the exchange of ideas and perspectives, and strengthens our organisation.

DETERMINING OUR MATERIAL MATTERS

	MATERIAL MATTERS	DEFINITIONS
 SOCIAL	11 Labour Practices	Carrying out efforts to meet labour standards and improve labour-related processes, including hiring of local and foreign labour and participating in initiatives that alleviate socio-economic issues.
	12 Local Community Engagement	Carrying out efforts to proactively engage with local communities and manage impacts on people in the communities surrounding project construction sites.
	13 Human Rights	Integrating human rights principles in our business operations, conducting due diligence to avoid infringing the rights of others, and addressing any negative human rights impacts related to the business to ensure no human rights violations.
 ENVIRONMENT	14 Materials Management	Responsibly managing consumption of raw materials and enhancing supply chain traceability and certification to mitigate negative environmental impacts.
	15 Sustainable Construction	Reducing negative environmental impact through green design in our building and infrastructure development projects. This includes adhering to relevant green building standards, managing energy and water consumption, and integrating sustainable designs and sustainable practices in the construction and operation of buildings and other developments.
	16 Waste	Implementation of a systematic approach to identify, manage, reduce, and responsibly dispose of, or recycle waste throughout our business operations.
	17 Climate Transition Risks	Importance of addressing the risks from transitioning from business-as-usual to a lower-carbon economy. This may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change (e.g. increased demand for renewable energy, increased usage of electric vehicle charging points, etc).
	18 Physical Climate Risks	Importance of addressing physical risks resulting from climate change and shifts in climate patterns (e.g. extreme weather events such as floods, chronic heat waves, and rising sea levels).
	19 GHG Emissions	Importance of monitoring and reducing GHG emissions (e.g. carbon dioxide and methane) into the atmosphere from our business operations.
	20 Biodiversity	Our efforts to minimise harm to local natural ecosystems and biologically sensitive areas from our business operation.

DETERMINING OUR MATERIAL MATTERS



Very High

- 1 Ethics & Principles
- 7 Health & Safety
- 3 Product Quality & Responsibility
- 2 Governance & Compliance
- 8 Employee Engagement & Well-Being
- 9 Customer Engagement
- 15 Sustainable Construction

High

- 16 Waste
- 11 Labour Practices
- 13 Human Rights
- 14 Materials Management
- 6 Responsible Procurement & Supplier Assessment
- 17 Climate Transition Risk
- 18 Physical Climate Risk
- 19 GHG Emissions
- 10 Diversity & Equal Opportunity
- 4 Economic & Business Performance

Moderate

- 20 Biodiversity
- 12 Local Community Engagement
- 5 Indirect Economic Impacts

DETERMINING OUR MATERIAL MATTERS

MATERIALITY ANALYSIS AND DISCUSSION

Building on our 2022 foundation, our 2024 materiality review reaffirmed the continued relevance of our 20 identified material matters to our strategic goals and stakeholder expectations. This alignment was further validated through evaluating emerging risks and trends, and benchmarking against industry peers and relevant frameworks such as the GRI Standards and Bursa Malaysia's Sustainability Reporting Guidelines.

Our review identified that the five highest-ranking material matters – Ethics & Principles, Governance & Compliance, Product Quality & Responsibility, Health & Safety, and Customer Engagement remain crucial to our operations, given our heavily regulated industry and commitment to stringent quality and safety standards. These areas align with our core values and are essential for maintaining a competitive edge through responsive customer engagement. Dedicated initiatives addressing these matters can be found on pages 160-161, 157-160, 112-113, 163-172 and 193-195, respectively.

From our materiality assessment in 2022, we observed that greater importance was placed on Employee Engagement and Well-being, and Sustainable Construction. This shift underscores the rising importance of mental well-being and employee satisfaction, as well as the increasing demand for environmentally friendly construction practices and ethical consumerism. In 2024, we increased communication on our employee medical benefits, which now include virtual consultation services and long-term medication support. We also continued to provide mental health support via confidential third-party counselling for our employees by professional counsellors and increased employee engagement via surveys, health and wellness programmes, including curated health screenings, a cancer awareness campaign, wellness talks, and organised a two-month long walking challenge.

In collaboration with MRCB's recreational club Kelab Kebajikan and Rekreasi MRCB (KKRM), sporting activities and tournaments, a trip abroad, and a fruit festival were held to bring employees together and promote team building. We also focused on employees learning and development, increasing our training hours from 6.4 in 2023 to 27.4 hours per employee in 2024. These initiatives cover a wide range of areas from Anti-bribery and Corruption, Sustainability, Leadership Development, Health and Safety, Diversity, Equity, and Inclusion, and technical upskilling.























In 2024, we enhanced our human rights policy to align with UNICEF's Children's Rights and Business Principles. In addition, we developed a Bahasa Malaysia version of the policy to communicate and create additional awareness on Human Rights throughout our supply chain. For more information on our employee engagement and well-being initiatives, please refer to pages 173 to 184 of this report. We also introduced engagement sessions by our Project Directors on our key property and infrastructure development projects, which were themed "Casual Briefings", so that employees could have a better understanding of our projects. We also continued with our Skip-Level Employee Engagement sessions with the Group Chief Financial Officer, an open and informal communication platform for our employees to quiz our top leadership on any topics they desire, and to understand the outlook and future plans for the business.

Our dedication to sustainable construction remains steadfast. Our proprietary modular construction technology, MRCB Building System (MBS), and our adherence to the green building certification standards continue to shape our practices, as they have done so since we obtained our first international green building certification in 2009. In 2024, the MRCB Sustainable Design Policy was developed. This new policy mandates compliance with our Design Book, which incorporates climate change, embodied carbon, pollution, resource management, quality standards, and sustainable materials and procurement considerations into the design and planning of all our residential and commercial property development. This new policy demonstrates our ongoing commitment to environmentally responsible development.

Our commitment to continuous improvement ensures our sustainability efforts remain relevant and impactful. By regularly assessing material issues, we align our actions with the evolving expectations of our business and stakeholders. This exercise fosters a future rooted in responsibility, positive change, reflected in our core business practices.

Our material sustainability issues are systematically incorporated into our Enterprise Risk Management framework and Key Enterprise Risks, which are also in alignment with Global Reporting Initiative (GRI) standards and mapped to the corresponding UN SDGs to demonstrate our dedication to promoting universal and shared values.


















DETERMINING OUR MATERIAL MATTERS

Materiality	Key Enterprise Risks (KER)	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
GOVERNANCE				
Ethics & Principles	KER 001 – Project Delivery Risk KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk KER 006 – Regulatory Risk	 	205: Anti-corruption 206: Anti-competitive Behaviour	 
Governance & Compliance	KER 005 – Environmental, Social, and Governance (ESG) Risk KER 006 – Regulatory Risk	 	2-27: Compliance with Laws and Regulation 307: Environmental Compliance 419: Socioeconomic Compliance	
ECONOMIC				
Product Quality & Responsibility	KER 008 – Quality Risk	 	2-25: Process to Remediate Negative Impact 201: Economic Performance	 
Economic & Business Performance	KER 001 – Project Delivery Risk KER 002 – Liquidity Risk		201: Economic Performance	 
Indirect Economic Impacts	KER 003 – Marketing Risk KER 008 – Quality Risk		203: Indirect Economic Impacts	
Responsible Procurement & Supplier Assessment	KER 001 – Project Delivery Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	 	204: Procurement Practices 308: Supplier Environmental Assessment 414: Supplier Social Assessment	 
SOCIAL				
Health & Safety	KER 005 – Environmental, Social, and Governance (ESG) Risk KER 007 – Safety, Health, and Environment Risk	 	403: Occupational Health & Safety	 

DETERMINING OUR MATERIAL MATTERS

Materiality	Key Enterprise Risks (KER)	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
SOCIAL				
Employee Engagement & Well-Being	KER 004 – Business Continuity Risk		401: Employment 404: Training and Education	  
Customer Engagement	KER 003 – Marketing Risk KER 008 – Quality Risk	 	418: Customer Privacy	
Diversity & Equal Opportunity	KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk		405: Diversity and Equal Opportunity	  
Labour Practices	KER 001 – Project Delivery Risk KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	  	402: Labour/Management Relations	 
Local Community Engagement	KER 005 – Environmental, Social, and Governance (ESG) Risk KER 008 – Quality Risk		413: Local Communities	   
Human Rights	KER 004 – Business Continuity Risk KER 005 – Environmental, Social, and Governance (ESG) Risk	   	400: Social	   
ENVIRONMENT				
Materials Management	KER 001 – Project Delivery Risk KER 005 – Environmental, Social, and Governance (ESG) Risk KER 007 – Safety, Health, and Environment Risk	   	301: Materials	 

DETERMINING OUR MATERIAL MATTERS

Materiality	Key Enterprise Risks (KER)	Relevant Stakeholders	Corresponding GRI Indicators	SDGs
ENVIRONMENT				
Sustainable Construction	KER 001 – Project Delivery Risk KER 007 – Safety, Health, and Environment Risk	 	302: Energy 303: Water and Effluents 305: Emissions	 
Waste	KER 001 – Project Delivery Risk KER 005 – Environmental, Social, and Governance (ESG) Risk KER 007 – Safety, Health, and Environment Risk	 	306: Waste	
Biodiversity	KER 005 – Environmental, Social, and Governance (ESG) Risk	 	304: Biodiversity	
Climate Transition Risks	KER 005 – Environmental, Social, and Governance (ESG) Risk	   	300: Environmental	  
Physical Climate Risks				
GHG Emissions				

OUR APPROACH TO SUSTAINABILITY

Sustainability as an Integral Business Principle

MRCB embraces a sustainability-first mindset, integrating it seamlessly into our business thinking, decision-making, processes, and project execution. By embedding sustainability into everything we do, we aim to make it an inherent part of our operations.

Our approach to sustainable urban development focuses on designing spaces that connect communities, drive commerce, and promote environmental stewardship. As Malaysia's Transit-Oriented Development (TOD) pioneer, we have set benchmarks with transformative projects such as KL Sentral, which enhance livability and economic vitality. Building on this success, we are replicating the TOD approach in key projects such as PJ Sentral Garden City and Penang Sentral, and The Symphony Centre in Auckland, New Zealand, to transform developments into innovative and sustainable urban developments.



A visual representation of
Alstonia Garden Heights

OUR APPROACH TO SUSTAINABILITY



We leverage cutting-edge technologies such as the MRCB Building System (MBS) to reduce waste, energy use, and GHG emissions. Our ongoing Residensi Tujuh will be Malaysia's first high-rise residential project to utilise our pioneering modular construction technology, MBS.

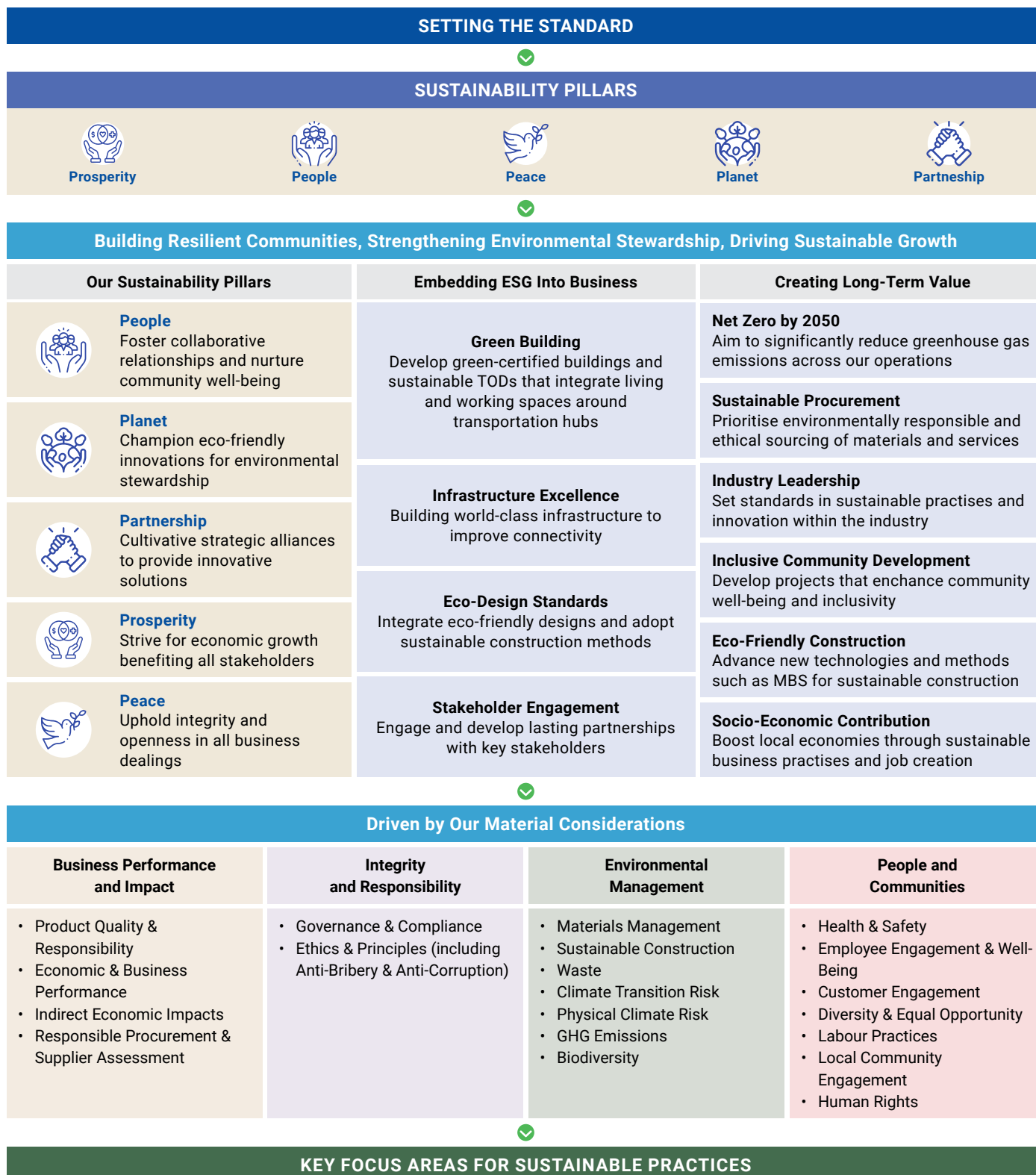
We also invest in solutions such as District Cooling Systems (DCS) to enhance energy efficiency and lower our GHG emissions. Our DCS plants centralise chilled water production for air conditioning, supplying multiple buildings within a defined area through shared infrastructure. This eliminates the need for separate cooling systems in each building within these areas, resulting in substantial reductions in energy consumption. For example, our DCS plants at KL Sentral, PJ Sentral, Penang Sentral, and Kwasa Damansara deliver reliable and efficient cooling to the buildings located in these developments, achieving energy efficiency compared to each building operating its own separate cooling towers.

We also engage closely with our stakeholders to foster a shared understanding of sustainable development and align our objectives in our quest to achieve net zero emissions. Through multi-stakeholder collaborations, we endeavour to maximise positive social impact while continuously striving for excellence in pursuing a sustainable legacy. Our commitment to creating meaningful places ensures that we are building not just for today, but for a better tomorrow.

MRCB is actively working towards aligning its sustainability reporting with the IFRS Sustainability Disclosure Standards (S1: General Sustainability-related Disclosures and S2: Climate-related Disclosures), encompassing both general and industry-specific requirements, including the Engineering & Construction Services standards and the Home Builders standards. While our current reporting already aligns with a significant portion of the standards, we have established a clear roadmap to progressively enhance our disclosures over the short-, medium- and long-term.

OUR APPROACH TO SUSTAINABILITY

MRCB'S SUSTAINABILITY FRAMEWORK



OUR APPROACH TO SUSTAINABILITY

KEY FOCUS AREAS FOR SUSTAINABLE PRACTICES

MRCB integrates sustainability across its operations through targeted focus areas that ensure positive outcomes for stakeholders and the environment.

 Operational Excellence	 Sustainable Business Practices	 Risk Management and Governance	 Corporate Responsibility and Community Impact	 Collaborative Stakeholder Engagement
<p>Implement eco-efficiency strategies to reduce energy, water, and waste impacts. This includes measuring and minimising our carbon footprint, integrating modular construction technology, and establishing policies.</p>	<p>Focus on sustainable construction, including green buildings and transit-oriented development infrastructure. We also adopt responsible procurement practices by sourcing local materials and meeting sustainability specifications.</p>	<p>Proactively manage sustainability risks through robust governance structures. By tracking and reporting progress, we ensure compliance with international standards such as FTSE4Good, TCFD, MSCI, IFRS and GRI standards.</p>	<p>Align corporate responsibility initiatives with the UN Sustainable Development Goals (SDGs). We explore ways to measure social impact to maximise the value of our initiatives.</p>	<p>Engage with diverse stakeholders, including employees, customers, regulators and NGOs. We also strengthen our partnerships with organisations such as UNGC Malaysia & Brunei, CEO Action Network (CAN), and the 30% Club to align our efforts with national and global priorities.</p>



OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY JOURNEY

2017



- Sustainability Report aligned to GRI Standards
- Alignment to two UN SDGs

2018



- Sustainability Report aligned to GRI Standards
- Alignment to six more UN SDGs, making a total of eight

2019



- Publication of inaugural Integrated Annual Report in accordance with the International Integrated Reporting Framework
- Launched our proprietary modular construction technology, MBS
- Developed our MRCB Sustainability Framework
- Aligned to eight UN SDGs

2020



- Signatory of the Ten Principles of the UNGC
- Member of the UNGC
- Alignment to four more UN SDGs, making a total of twelve
- Obtained external assurance for selected sustainability data
- Set Scope 1 and Scope 2 emissions baseline

OUR APPROACH TO SUSTAINABILITY

2021



TCFD

- Embarked on Task Force on Climate-Related Financial Disclosures
- Member of the CEO Action Network (CAN)
- Expanded measurement and reporting on Scope 3 GHG emissions
- Established Scope 1 & 2 GHG emissions reduction targets
- Alignment to two more UN SDGs, making a total of fourteen
- Obtained external assurance of selected sustainability performance data and report

2022



TCFD



- Published TCFD-aligned qualitative climate and transition risk disclosures
- Expanded reporting on Scope 3 GHG emissions to 64% of supply chain by value
- Developed a Climate Strategy Framework
- Developed a Human Rights Policy aligned with the International Labour Organisation Core Conventions and Labour Standards
- Obtained external assurance of selected sustainability performance data and report
- Achieved FTSE4Good Bursa Malaysia Index score of 3.2
- Aligned to 14 UN SDGs
- Set Net Zero 2050 target and short-, medium- and long-term emissions reductions targets

2023



MSCI

TCFD



- Published TCFD aligned quantitative Climate Physical Risk disclosures
- Conducted supply chain ESG readiness assessments through UNGC ESG START
- Member of Climate Governance Malaysia
- Signed a Memorandum of Co-operation with Bursa Malaysia and the London Stock Exchange to become an early adopter of its Centralised Sustainability Intelligence (CSI) Platform
- Inclusion of Human Rights clauses and obligations to provide sustainability data into our standard supplier contracts
- Continued expansion of the Sustainable Design Policy
- Co-lead CAN's Diversity, Equity, and Inclusion (DEI) workstream
- Expanded Scope 3 GHG emissions data collection from supply chain to 88% from 64% by value
- Obtained external assurance of selected sustainability data
- Increased overall FTSE4Good Bursa Malaysia Index score from 3.2 to 3.6
- Achieved "A" in MSCI ESG ratings
- Aligned to 14 UN SDGs

OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY JOURNEY

2024



- Conducted IFRS S1 and S2 gap analysis to enhance alignment with international sustainability reporting standards and improve climate-related disclosures, and developed a short-, medium-, and long-term implementation roadmap
- Developed a new Sustainable Design Policy that incorporates climate change, resource management, quality standards and sustainable material, and procurement considerations into the design and planning of all our projects, demonstrating our commitment to environmentally responsible development
- Aligned our English-language Human Rights Policy with UNICEF's Children's Rights and Business Principles
- Introduced a Bahasa Malaysia version of our Human Rights Policy to ensure accessibility and inclusivity
- Expanded Scope 1 and 2 GHG emissions inventory to include emissions from our international operations
- Widened and enhanced Scope 3 GHG emissions reporting to capture a broader range of indirect emissions across the value chain
- Co-lead the CEO Action Network's (CAN) Diversity, Equity, and Inclusion (DEI) workstream and supported the development of the DEI Implementation Guide for Malaysia launched in May 2024
- Increased FTSE4Good Bursa Malaysia Index score from 3.6 to 3.9 in the end-2024 assessment and improved our ranking to be the top 14% of all listed companies assessed
- Achieved an MSCI ESG Rating upgrade to "AA" from "A"

STRENGTHENING SUSTAINABILITY INTEGRATION INTERNALLY

1. Understanding Our People: Employee Sustainability Pulse Survey

We conducted a pulse survey among employees to assess their baseline understanding of sustainability. The results provided a clear view of knowledge gaps, helping us tailor training and engagement initiatives. One key insight was that language plays a crucial role in shaping sustainability awareness, highlighting the need for clearer communication in internal engagement and reporting.

2. Strengthening Transparency: IFRS Sustainability Gap Assessment

To enhance disclosure quality, we carried out an IFRS Sustainability Gap Assessment to evaluate how our reporting aligns with IFRS S1 and S2 standards. This assessment identified areas for improvement, guiding our approach to a more structured and investor-relevant sustainability and climate-related disclosures.

3. Aligning with Global Standards: IFRS-Based Reporting







For the first time, we incorporated IFRS-based reporting principles into our disclosures, marking an initial step towards full compliance with the IFRS standards. This effort reflects our move towards greater transparency and accountability in sustainability reporting.

OUR APPROACH TO SUSTAINABILITY

ALIGNMENT TO UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Recognising our responsibility as a leader in property and construction, we are committed to actively contribute towards global sustainable growth. We have strategically integrated the UN SDGs into our business, focusing on 14 goals where we can make the most significant impact. Our targeted initiatives aim to significantly advance these specific SDGs, demonstrating our dedication to corporate responsibility.









SDGs Description	Our Responses and Contributions
 <p>Contribute to poverty reduction by empowering communities through CSR initiatives, including community development, education, skill-building programmes, and targeted local interventions</p>	<ul style="list-style-type: none"> Focused on Corporate Social Responsibility (CSR) efforts aimed at providing relief and long-term support for impoverished and vulnerable communities. Contributed RM2.2 million to CSR initiatives in 2024, which impacted 158,220 beneficiaries. <p> More information on our CSR initiatives can be found at Local Community Engagement on pages 195 to 203.</p>
 <p>Recognise that supporting basic human needs to achieve zero hunger is essential for ensuring holistic human rights protection</p>	<ul style="list-style-type: none"> Through Yayasan MRCB, we provided food supplies for 550 Orang Asli individuals of Bongor Village, Royal Belum State Park. <p> More information on our community engagement initiatives can be found at Local Community Engagement on pages 195 to 203.</p>
 <p>Promote health and well-being by ensuring safe and healthy living and working environments in our development projects, reflecting our commitment to the welfare of our communities and employees</p>	<ul style="list-style-type: none"> Enforced strict safety standards and systems across all operations in line with the Quality, Environmental, Safety, and Health (QESH) Policy. Conducted continuous safety training to safeguard our workforce and the public. Organised programmes to support employees' physical and mental well-being. <p> More information on initiatives to ensure safety at the workplace can be found at Health & Safety, pages 163 to 172 and Employee Engagement & Well-being, pages 173 to 184.</p>





OUR APPROACH TO SUSTAINABILITY

SDGs Description	Our Responses and Contributions
 <p>Enhance community development and foster a more informed and sustainable society through fostering education and lifelong learning</p>	<ul style="list-style-type: none"> Collaborated with CIDB to launch a TVET Tower Crane Training Site under the CIDB-MRCB TVET programme to enhance the employability of TVET graduates in the Malaysian construction industry through improved curriculum, faculty, and infrastructure, with 10 trainees enrolled every two months since May 2024. <p> More information on our CSR initiatives can be found at Local Community Engagement on pages 195 to 203.</p>
 <p>Recognise women's contribution to the industry and commit to promoting the advancement of women, especially in fields related to property development, engineering, and construction</p>	<ul style="list-style-type: none"> Women make up 40% of our workforce, and we support working mothers through initiatives and benefits that encourage workforce participation and promote children's well-being. Committed to addressing the gender pay gap and achieving 38% female representation at the Board level. Ensured women's effective representation and equal opportunities for leadership at all levels of decision-making across business activities. Implemented policies and practices that are free from and prevent gender bias across the Group and our communities. Participated in the 30% Club's speed mentoring programme to empower women leaders and promote a culture of growth and inclusivity. <p> More information on initiatives to support women's empowerment can be found at Diversity & Equal Opportunity, pages 184 to 188.</p>
 <p>Focus on developing TODs that stimulate local economies, create job opportunities, and support economic sustainability, while strengthening inclusive employment policies that promote fair and equal treatment</p>	<ul style="list-style-type: none"> Developed TOD and infrastructure projects that drive economic growth, create employment opportunities, and contribute significantly to national development. Offered employees competitive remuneration and training programmes to support career growth and professional development. Protected stakeholder rights under MRCB's Human Rights Policy, ensuring compliance with local and international laws, maintaining a safe workplace, and opposing forced labour, modern slavery, and child labour. <p> More information on initiatives to support our human capital can be found at Employee Engagement & Well-being, pages 173 to 184 and Diversity & Equal Opportunity, pages 184 to 188.</p>
 <p>Develop and construct green buildings, and where possible, make efforts to incorporate sustainable construction features in our infrastructure projects</p>	<ul style="list-style-type: none"> Developed a new Sustainable Design Policy to integrate sustainable practices into all projects. Applied MBS modular construction technology, with Residensi Tujuh becoming Malaysia's first residential property development to use this technology. Licensed MBS technology to companies in Hong Kong and Singapore and patented it in 49 countries to drive global innovation in construction. <p> More information on initiatives using MBS can be found at Our Performance: Engineering, Construction & Environment, pages 118 to 125.</p>



OUR APPROACH TO SUSTAINABILITY

SDGs Description	Our Responses and Contributions
 <p>Promote workforce diversity, community inclusivity, and equitable urban environments to bridge social and economic disparities</p>	<ul style="list-style-type: none"> • Co-led the Diversity, Equity, and Inclusion Workstream in the CEO Action Network (CAN) and collaborated on the development of the DEI Implementation Guide for Malaysia. • Ensured a safe and supportive work environment for female employees, including facilities such as Mother's Room for nursing mothers. • Committed to addressing the gender pay gap and achieved 38% female representation at the Board level. <p> More information on initiatives to support workforce diversity can be found at Employee Engagement & Well-being, pages 173 to 184 and Diversity & Equal Opportunity, pages 184 to 188.</p>
 <p>Contribute to sustainable urban living by connecting communities and businesses, integrating developments with mass public transport systems to encourage walking and public transport use, thereby reducing GHG emissions and vehicular traffic in cities</p>	<ul style="list-style-type: none"> • Constructed rail and road infrastructure, green buildings, and housing that reduce GHG emissions, connect communities, and provide affordable, comfortable living in vibrant cities. • Delivered climate change adaptation projects, including coastal erosion control and flood mitigation, to enhance urban and rural resilience against natural challenges. • Contributed to creating sustainable, inclusive, and thriving cities that align with global goals for sustainable development. <p> More information on our operational activities can be found at Our Performance: Property Development & Investment, pages 106 to 117 and Engineering, Construction & Environment on pages 118 to 125.</p>
 <p>Implement sustainable resource management and consumption practices, and promote sustainable construction in our development projects, emphasising recycling, energy efficiency, and the use of environmentally friendly materials</p>	<ul style="list-style-type: none"> • Developed a new Sustainable Design Policy that incorporates resource management and sustainable materials and procurement considerations into the design and planning of our projects. • Enforced our QESH Policy at project sites, incorporating the 3Rs (Reduce, Reuse, Recycle) to minimise environmental impact. • Monitored water and energy usage and waste generation at project sites and implemented strategies for continuous improvement. • Provided regular training courses and toolbox talks to ensure construction site safety for workers and employees. • Utilised MBS modular construction technology and sustainable materials to enhance efficiency and reduce environmental impact. <p> More information on environmental efforts can be found at Our Performance: Environmental on pages 208 to 256.</p>

OUR APPROACH TO SUSTAINABILITY

SDGs Description	Our Responses and Contributions
 <p>Actively engage in climate action initiatives aimed at reducing greenhouse gas emissions and promoting resilience in urban planning</p>	<ul style="list-style-type: none"> • Measured and disclosed GHG emissions for Scope 1, Scope 2, and Scope 3. • Expanded our Scope 1 and 2 GHG emissions inventory in 2024 and broadened Scope 3 reporting to capture a wider range of indirect emissions across our value chain, including employee commute and supply chain activities. • Monitored energy and water consumption, as well as waste generation, and developed strategies to increase energy efficiency and reduce waste across all operations. • Aligned climate risk reporting with IFRS S1 and IFRS S2 standards, and completed a gap analysis in preparation for adopting the full suite of IFRS sustainability standards. • Strengthened climate risk management by quantifying transition risks and implementing strategies to ensure resilience and transparency in preparing for a low-carbon future. <p> More information on environmental efforts can be found at Our Performance: Environmental on pages 208 to 256.</p>
 <p>Prioritise biodiversity conservation in our development projects, actively integrating green spaces and ecological considerations into urban planning</p>	<ul style="list-style-type: none"> • Committed to the Ramsar Convention and aligned our operations with the five principles of Malaysia's National Policy on Biological Diversity where applicable. <p> More information on environmental efforts can be found at Our Performance: Environmental on pages 208 to 256.</p>
 <p>Foster transparent and responsible business practices, uphold good corporate governance, ensure ethical conduct, and promote peaceful and inclusive societies through responsible urban development</p>	<ul style="list-style-type: none"> • Complied with 42 of the 43 Practices and 4 of the 5 Step-Up Practices prescribed in the MCCG 2021. • Enhanced our human rights policies by aligning with UNICEF's Children's Rights and Business Principles and developing a Bahasa Malaysia version to ensure inclusivity and understanding across the workforce. • Maintained active participation in the CEO Action Network (CAN), co-leading the Diversity, Equity, and Inclusion (DEI) workstream, and contributed to the development and launch of the DEI Implementation Guide for Malaysia in 2024. • Operated an ISO 37001:2016 internationally certified Anti-Bribery Management System, providing robust channels for whistleblowing and grievance reporting. • Upheld a zero-tolerance policy towards bribery and corruption, as articulated in our Anti-Bribery and Anti-Corruption Policy, and ensured alignment with international governance standards. <p> More information on governance efforts can be found at the Governance and Compliance on pages 157 to 159, Ethics and Principles on pages 160 to 161 and Corporate Governance Overview Statement on pages 276 to 316.</p>

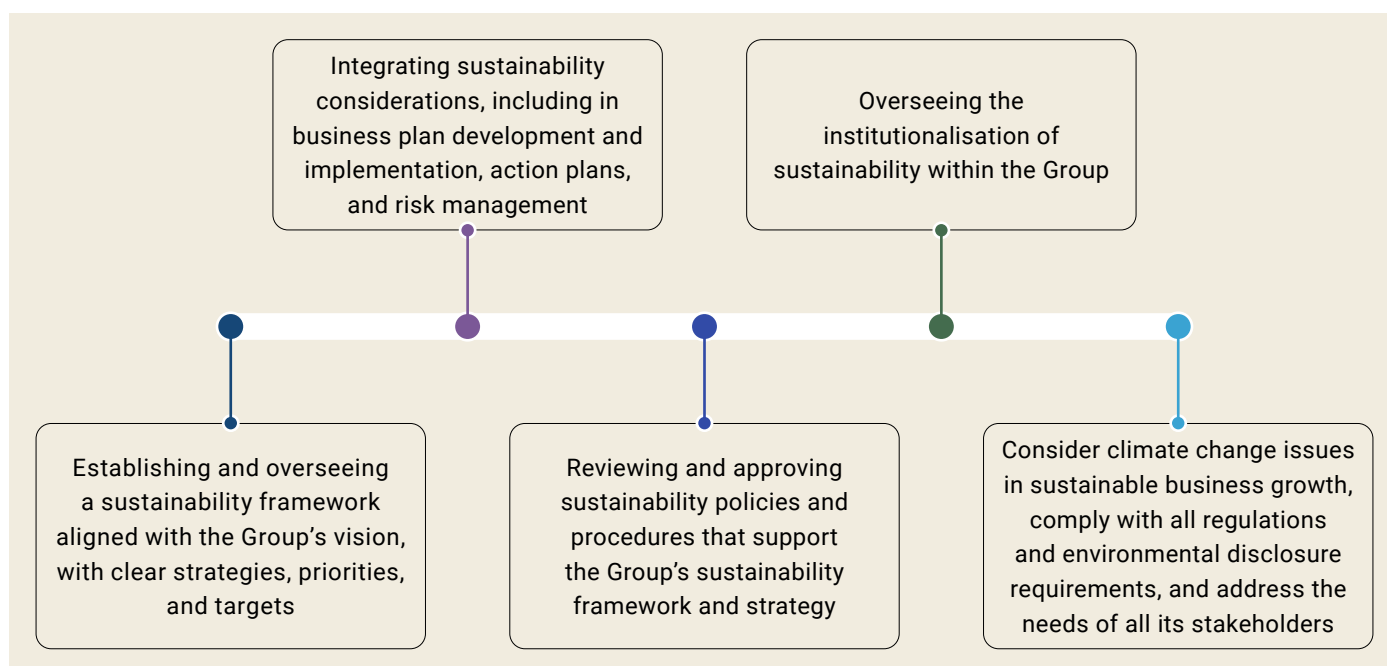
OUR APPROACH TO SUSTAINABILITY

SDGs Description	Our Responses and Contributions
<p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>Engage in collaborative partnerships with various stakeholders, including government, industry peers and community organisations, to achieve sustainable development goals through innovative and responsible urban projects</p>	<ul style="list-style-type: none"> • Adopted the universal Ten Principles, as a signatory of the United Nations Global Compact (UNGC) and a member of the United Nations Global Compact Network Malaysia & Brunei (UNGCMYB). • An active member of the CEO Action Network's (CAN) and its Diversity, Equity, and Inclusion (DEI) workstream, and co-lead its DEI workstream. • Member of 30% Club Malaysia, Climate Governance Malaysia, Malaysian Institute of Corporate Governance, and Minority Shareholders Watch Group. <p> More information on our commitment to sustainability can be found at Our Performance: Approach to Sustainability, pages 142 to 161 and Corporate Governance Overview Statement on pages 276 to 316.</p>

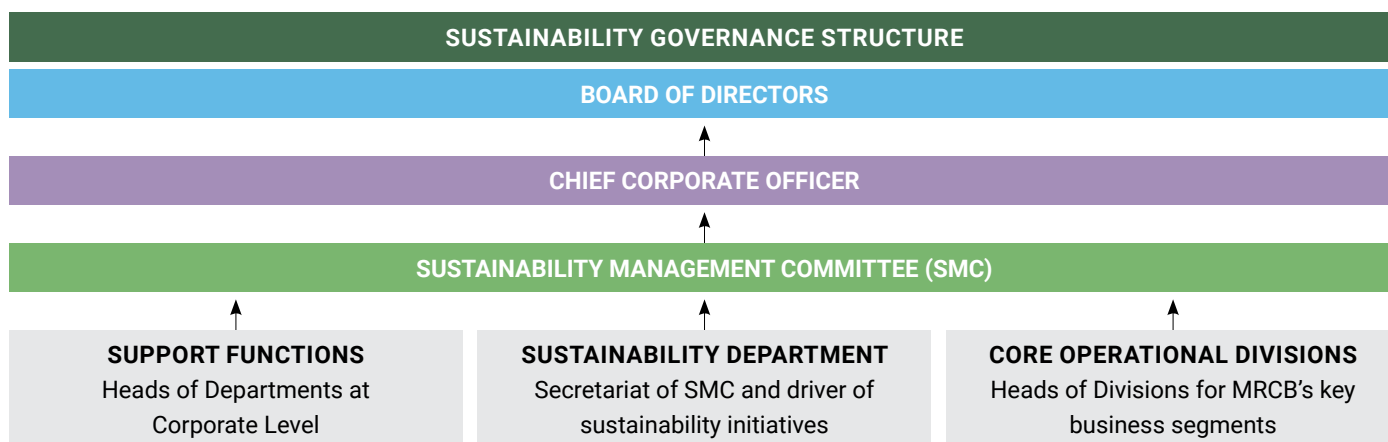
SUSTAINABILITY GOVERNANCE

Board Oversight

To ensure effective oversight, the Board of Directors is responsible for establishing MRCB's overarching strategy, which includes a sustainability strategy to guide its sustainability efforts. The Board ensures that sustainability-related and climate-related risks, opportunities, and trade-offs are systematically embedded into strategy, major transactions, and risk management processes. Our Board Charter outlines the Board's responsibility with respect to sustainability, which includes:



OUR APPROACH TO SUSTAINABILITY



MRCB's sustainability governance aligns with IFRS Sustainability Disclosure Standards (IFRS S1 and S2).



More information on our Corporate Governance Framework can be found in our Corporate Governance Overview Statement on pages 276 to 316.

Strategic decisions, major asset acquisitions, and development proposals undergo a comprehensive risk assessment conducted by Business Units, which is thereafter presented to the Board, assessing financial, climate, environmental, and social risks, and how these will be managed and mitigated. The Board reviews these trade-off assessments to balance financial, sustainability, and climate objectives, ensuring that short-term gains do not compromise long-term resilience.

The Board maintains active oversight through updates on sustainability and climate risks and opportunities as a permanent agenda item at its quarterly board meetings. These updates provide critical insights that shape the Board's strategic decisions, guiding the integration of sustainability and climate considerations into the Group's operations and long-term planning. Once these decisions are made, Management is responsible for executing them across relevant functions.

Board Effectiveness – Skills and Expertise

The Nomination & Remuneration Committee (NRC) is responsible for identifying suitable candidates who possess the necessary skills and competencies to fulfil the roles of the Board, as outlined in the Board Charter, which includes sustainability and climate-related responsibilities.

In line with its Terms of Reference, the NRC ensures that the Board of Directors participates in relevant programmes and training courses to enhance their understanding of sustainability and climate-related risks and opportunities. All Directors are also required by Bursa Malaysia to complete the Mandatory Accreditation Programmes II, which delves deeply into key focus areas to help directors navigate through existing and emerging sustainability issues.

In 2024, dedicated sessions were held for the Board of Directors to further strengthen their understanding of key sustainability matters, in particular TCFD aligned assessments for quantifying the group's climate-related physical risks and opportunities. This continuous development process equips the Board with the necessary expertise to effectively steer the organisation on its sustainability journey.

Management Execution and Operationalisation

The board's strategic direction is driven and implemented by the Group Managing Director and Senior Management. MRCB continuously assesses, monitors, and benchmarks against industry-specific trends and developments, both local and international, to identify sustainability-related risks and opportunities. Senior Management and Business Units monitor the competitive landscapes and present potential opportunities.

To translate these strategic priorities into measurable progress, Key Performance Indicators (KPIs) are then established to ensure alignment with sustainability objectives.

OUR APPROACH TO SUSTAINABILITY

Sustainability Performance Linked to Remuneration

Sustainability performance is integrated into the Group Managing Director and Senior Management's KPIs and directly linked to their remuneration. These KPIs include managing sustainability, climate change, and addressing climate-related risks and opportunities.

PERFORMANCE-LINKED REMUNERATION

GHG Emissions Reduction Targets contribute:

- 15% of the Group Managing Director's (GMD) KPIs
- 10% of the Group Chief Operating Officer's KPIs
- 10% of the Chief Corporate Officer's (CCO) KPIs

- Renewable Energy Expansion is weighted at 20% of both the GMD's and Group Chief Financial Officer's total KPIs

Corporate Governance & Sustainability Performance:

- 10% of the CCO's KPI is tied to the MSWG Asean Corporate Governance and Sustainability Scorecards
- 15% of the CCO's KPI is linked to the Group's Bursa Malaysia FTSE4Good Score

- Health & Safety KPIs are included in the Engineering, Construction & Environment Division's Chief Executive Officer's remuneration KPIs and cascaded down to Project Directors and relevant site-based staff

Sustainability KPIs are cascaded down and integrated into the roles of middle management and employees, fostering a cohesive company-wide culture of sustainability. Departments work closely to drive impactful progress towards our sustainability goals. We have implemented the following initiatives to achieve these objectives:

Competency building

- Conducted skills gap analyses to identify capability needs.
- Implemented targeted talent development initiatives to build the organisation's sustainability competencies.

Enterprise Risk Management

- Monitor sustainability and climate-related risks at multiple levels to ensure a comprehensive risk management approach.
- Systematically integrating sustainability-related risks in our Enterprise Risk Management (ERM) and documenting them within a risk register incorporating likelihood and magnitude criteria for comprehensive risk assessments.
- Physical climate-related risk assessments are integrated into departmental operational and project risk registers.



More information on our ERM can be found in our Risks and Mitigations on pages 78 to 87.

Scenario Analysis

- Climate scenario analysis covering the locations of the Group's assets has been conducted to assess potential future climate risks and enhance resilience, allowing for proactive decision making.
- Safety and Health Department conduct scenario analysis as part of its Emergency Response Plan and Hazard Identification, Risk Assessment, and Determining Control (HIRADC) processes. These analyses cover a broad range of risks, including natural disasters, disasters caused by human activities, and everyday workplace hazards.

Moving forward, we intend to broaden our scenario analysis to cover other material sustainability-related areas for risk identification beyond the climate and safety & health topics.

OUR APPROACH TO SUSTAINABILITY

The Chief Corporate Officer (CCO), as chair of the SMC, is delegated by the Board to lead the strategic management of sustainability and climate-related risks and opportunities.

The CCO is responsible for:

Overseeing sustainability and climate-related policies, risk management, and internal controls and procedures	Aligning sustainability governance with key functions such as risk, procurement, and human resources
Driving capability-building initiatives to strengthen sustainability and climate-related competencies	Chair of the Sustainability Management Committee

Sustainability Management Committee

The Sustainability Management Committee (SMC) sets operational sustainability targets, monitors performance, and integrates sustainability considerations into decision-making.

The SMC comprises Heads of Divisions and Departments of our core operations and corporate functions. Outcomes from the SMC meetings, along with other pertinent sustainability updates, are presented to the Board for discussion and deliberation.

Key Matters Discussed at the 2024 SMC Meetings

Topics of Discussion	Initiatives and Outcomes
Decarbonisation Strategies	<ul style="list-style-type: none"> Deliberated on Divisional decarbonisation strategies to reduce MRCB's carbon footprint and enhance energy efficiency. Business divisions provided updated emissions reduction data to ensure progress tracking.
Policies	<ul style="list-style-type: none"> Enhanced human rights policies by aligning with UNICEF's Children's Rights and Business Principles and developed a Bahasa Malaysia version to ensure accessibility and understanding across the workforce.
Other Sustainability Matters	<ul style="list-style-type: none"> Reviewed ongoing sustainability initiatives. Discussed IFRS Sustainability Disclosure Standards (IFRS S1 and S2) gap assessment and early adoption.

OUR APPROACH TO SUSTAINABILITY

MATERIAL MATTERS: BUSINESS ETHICS AND INTEGRITY	
<div>Principled Governance</div> <div>Page 157</div> <div>GC</div>	<div>Upholding Integrity</div> <div>Page 160</div> <div>EP</div>

GC GOVERNANCE & COMPLIANCE	
WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">Ensuring compliance with all applicable laws, regulations and listing requirements is critical to maintaining our license to operate.Strong governance structures ensure regulatory adherence, enhance investor and stakeholder confidence, and safeguard MRCB against legal and reputational risks.Effective compliance strengthens business resilience and operational stability.	<ul style="list-style-type: none">We are guided by applicable laws, regulations, and Bursa Malaysia’s Main Market Listing Requirements.Our well-established policy framework ensures compliance, accountability and good governance.We regularly evaluate and enhance policies to align with evolving regulations and best practices.
OUR AIMS	
<ul style="list-style-type: none">Ensure zero regulatory breaches, fines or penalties.Improve ESG governance and compliance ratings (FTSE4Good and MSCI).Enhance quality and transparency of disclosure in our annual integrated report.	
OUR INITIATIVES AND PROGRESS	

MRCB is committed to upholding the highest standards of governance and regulatory compliance to ensure transparency, accountability, and business resilience. Compliance with applicable laws and regulations, including Bursa Malaysia’s Main Market Listing Requirements (MMLR) and industry-specific regulations, is a fundamental priority that enables us to maintain our license to operate and sustain investor and stakeholder confidence. We also ensure that we align our practices with environmental and socio-economic standards to support sustainable business growth.

OUR APPROACH TO SUSTAINABILITY

Improved ESG Ratings

- FTSE4Good Bursa Malaysia Index score increased from 3.6 to 3.9 in the end-2024 assessment and improved our ranking to be the top 14% of all listed companies assessed.
- MSCI ESG rating upgraded from “A” to “AA”.

Enhanced Alignment with the Malaysian Code on Corporate Governance (MCCG) 2021

- Achieved compliance with 42 out of 43 Practices and 4 out of 5 Step-Up Practices.

Expanded Board Diversity

- Achieved 38% female board representation, surpassing our 30% target as part of our commitment to fostering a more inclusive and representative leadership team.

Strengthening Human Rights Policies

- Aligned English-language Human Rights Policy with UNICEF’s Children’s Rights and Business Principles.
- Developed a Bahasa Malaysia version to improve accessibility and understanding among employees.

Board Oversight and Governance Enhancements

The Board ensures that key regulatory developments, risk assessments, and compliance priorities are proactively addressed. Regular reporting to the Board on governance matters enhances transparency, supports informed decision-making, and drives the implementation of governance improvements across the Group.

Policies and Frameworks Supporting Compliance

MRCB operates under a comprehensive policy framework that guides governance and compliance practices. Key policies include:

- Code of Business Ethics
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy

We conduct periodic reviews and enhancement of governance policies to ensure that MRCB remains at the forefront of corporate governance excellence. In 2024, we established 10 new policies and procedures and enhanced 28 of our existing policies.

Aligning with IFRS S1 & S2

MRCB initiated a gap analysis to assess alignment with IFRS S1 (General Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures). This analysis evaluates our existing governance, risk management, and reporting frameworks against the disclosure requirements set by the International Sustainability Standards Board.

This initiative will enable MRCB to enhance sustainability governance, improve disclosure quality, and strengthen investor confidence, positioning the Group for compliance with international reporting expectations. Moving forward, we will develop an action plan to address identified gaps and progressively integrate IFRS-aligned disclosures into our reporting framework.

OUR APPROACH TO SUSTAINABILITY

Ongoing Improvements and Future Focus

Building on our governance progress, we will continue to:

- Conduct regular training and capacity-building initiatives to enhance compliance awareness at all levels.
- Strengthen compliance reporting mechanisms to ensure timely identification and resolution of regulatory risks.
- Align governance practices with international ESG and sustainability frameworks to further integrate sustainability considerations into decision-making.

 For more information on our governance please refer to our Corporate Governance Overview Statement on pages 276 to 316.

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none">• Keeping up with evolving regulations to ensure compliance with new laws, listing requirements, and sustainability standards.• Embedding a strong governance culture across all levels of the organisation to reinforce accountability and ethical decision-making.• Integrating ESG into governance to align decision-making with sustainability and climate-related financial disclosures.	<ul style="list-style-type: none">• Strengthening governance frameworks to enhance transparency, risk management and regulatory compliance.• Reinforcing tone from the top by ensuring leadership drives a culture of integrity and compliance.• Leveraging governance in ESG leadership to improve investor confidence and sustainability performance.
OUTLOOK	
<p>We will continue to strengthen our governance culture by enhancing compliance frameworks, improving regulatory alignment, and reinforcing oversight from the Board and leadership. As laws and listing requirements evolve, we will ensure proactive adaptation to new governance and sustainability standards.</p>	

OUR APPROACH TO SUSTAINABILITY

EP

ETHICS & PRINCIPLES

WHY IS THIS IMPORTANT

- Embedding ethical values and integrity into our corporate culture helps ensure consistently sound and responsible decision-making.
- Upholding principles of fairness, honesty, and responsibility ensures trust and credibility among internal and external stakeholders.
- Ethical business practices safeguard stakeholder interests and corporate reputation.

OUR APPROACH

- We comply with ISO 37001:2016 Anti-Bribery Management System (ABMS) to strengthen ethical governance.
- We conduct regular training and awareness programmes to embed anti-bribery, anti-corruption culture across the organisation.
- Our ABMS ensures strict compliance with anti-corruption laws and reinforces accountability.
- We continuously enhance internal controls and monitoring mechanisms to uphold ethical business practices.
- Regular training and awareness programmes embed anti-bribery, anti-corruption, and across the organisation.

OUR AIMS

- 100% of operations assessed for corruption-related risks.
- Zero incidents of corruption, bribery or unethical business conduct.
- 100% of employees complete mandatory training on anti-corruption.

OUR INITIATIVES AND PROGRESS

MRCB upholds strong ethical values and integrity, embedding them into our business practices to foster transparency, accountability, and responsible decision-making across all operations.

We have zero tolerance for all forms of bribery and corruption and are committed to conducting business ethically and in compliance with all applicable laws and regulations in the countries where we operate.

We also implemented an ISO 37001:2016 Anti-Bribery Management System (ABMS) certified, to prevent, detect, and respond to bribery risks and demonstrate a culture of integrity, transparency, openness, and compliance.

OUR APPROACH TO SUSTAINABILITY

2024 INITIATIVES

Programme	Outcome
Strengthening Anti-Bribery and Corruption Compliance	<ul style="list-style-type: none"> Ensured continued compliance with ISO 37001:2016 certification for the Anti-Bribery Management System through regular audits and compliance reviews. 100% of operations are assessed for corruption-related risks through audits and compliance reviews. Zero incidents of corruption, bribery, or unethical business conduct were reported across all operations in 2024.
Upholding Conflict of Interest & Ethical Business Conduct	<ul style="list-style-type: none"> Conducted comprehensive conflict of interest assessments across key business units to ensure transparency in decision-making. Held two cycles of Bribery Risk Facilitations to support each department to identify and mitigate potential risks.
Building a Responsible Supply Chain: Due Diligence and Ethical Standards	<ul style="list-style-type: none"> Ensure 100% of suppliers and business partners comply with MRCB's Code of Business Ethics and Anti-Bribery Policies. Conduct supplier due diligence assessments to identify and mitigate potential ethical risks in the supply chain. Organised anti-bribery and anti-corruption training for our vendors, attended by 111 individuals from 85 companies. Delivered policy, regulatory and relevant anti-bribery guidelines to 3,000 suppliers in our database via electronic digital mail (EDM).
Internal Training and Capacity Building	<ul style="list-style-type: none"> Conduct mandatory anti-bribery, anti-corruption, and anti-competition training for all employees, including targeted sessions for high-risk roles. 98.7% of employees completed mandatory anti-corruption and ethics trainings annually and achieved a score of 80% and above in the assessment. Held six Anti-Bribery Management System ISO 37001:2016 standard training for 133 employees.



For more information on our Anti-Bribery Management System (ABMS) ISO 37001:2016 and how we manage and communicate our anti-bribery and corruption policy and initiatives, please refer to page 326 (Statement on Risk Management and Internal Control).

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none"> Maintaining vigilance against corruption risks. Managing third-party compliance risk by ensuring suppliers, contractors, and business partners uphold the same ethical standards. 	<ul style="list-style-type: none"> Building stakeholder trust by demonstrating a firm stance on ethical business practices and responsible corporate behaviour.
OUTLOOK	
We will continue to reinforce ethical business practices, ensuring integrity, transparency, and accountability remain central to our operations and decision-making.	

OUR PERFORMANCE

SOCIAL

MRCB is committed to fostering a future where individuals, communities, and societies can thrive together. Social sustainability is a key priority for us. Our approach focuses on building inclusive, resilient, and harmonious communities while empowering individuals to reach their full potential. By aligning our social goals with economic and environmental sustainability, we aim to build a foundation for equitable and progressive communities.



October 2022

MRCB joined the CEO Action Network's Diversity, Equity & Inclusion (DEI) workstream to collaborate with leading companies to elevate DEI awareness, enhance relevant policies, and implement strategic interventions to foster positive change in Malaysia's workforce.



July 2023

MRCB joined the 30% Club Malaysia, a global business-led campaign advocating gender parity in boardrooms and senior leadership. We are committed to gender equality and working with other leading companies to foster meaningful progress in corporate Malaysia.



August 2023

MRCB was appointed Co-Lead of the CEO Action Network's DEI workstream to lead members in developing DEI guidelines tailored to the varying readiness and capabilities of member organisations and other Malaysian companies.



May 2024

As co-lead of the CEO Action Network's DEI workstream, MRCB supported the development of the DEI Implementation Guide, a key initiative to advance workplace inclusivity across Malaysia.



MRCB MATERIAL MATTERS: EMPOWERING PEOPLE AND COMMUNITIES

Workplace

Pages 163-192

HS

EEW

DEO

LP

HR

Customers

Pages 193-194

CE

Community

Pages 195-203

LCE

OUR PERFORMANCE
SOCIAL

Building Social Sustainability and Inclusion

HEALTH & SAFETY

Achived
5 STAR
CIDB SHASSIC rating
/ 97.1% score

EMPLOYEE ENGAGEMENT AND WELLBEING

Average training hours per employee
27.4 HOURS
compared to 6.4 hours in 2023

LABOUR PRACTICES

ZERO VIOLATIONS
of labour rights have been reported in our value chain

HUMAN RIGHTS

Developed Human Rights Policy in Bahasa Malaysia

CUSTOMER ENGAGEMENT

Achieved
95%
average overall customer service excellence score

ZERO
substantiated complaints of customer privacy or data loss

LOCAL COMMUNITY ENGAGEMENT

RM2.20 MILLION
was contributed to communities

HS

HEALTH AND SAFETY

WHY IS THIS IMPORTANT

- We recognise safety as a fundamental right and priority for all employees and workers across our offices, facilities, and construction sites, and are committed to providing them a safe work environment.
- Effective health and safety practices minimise the risk of workplace accidents, injuries, and illnesses to protect lives and maintain operational efficiency.

OUR APPROACH

- We comply with local and international health and safety regulations, guided by the Department of Occupational Safety and Health (DOSH), Construction Industry Development Board (CIDB), Quality, Environmental, Safety and Health (QESH) policies, and ISO standards.
- We promote a safety-first culture through continuous training, regular toolbox talks at our construction sites, and employee engagement initiatives to ensure safety is prioritised in daily tasks.

OUR AIMS

QESH Objective	Annual Target
1. ESH Rating/SHASSIC CIDB Score	More than 80%
2. Non-Conformance Report (NCR)	85% closed in less than 7 days
3. Incident Rate	Less than 2.5
4. Stop Work Orders (by clients or relevant authorities)	0
5. Fatality	0

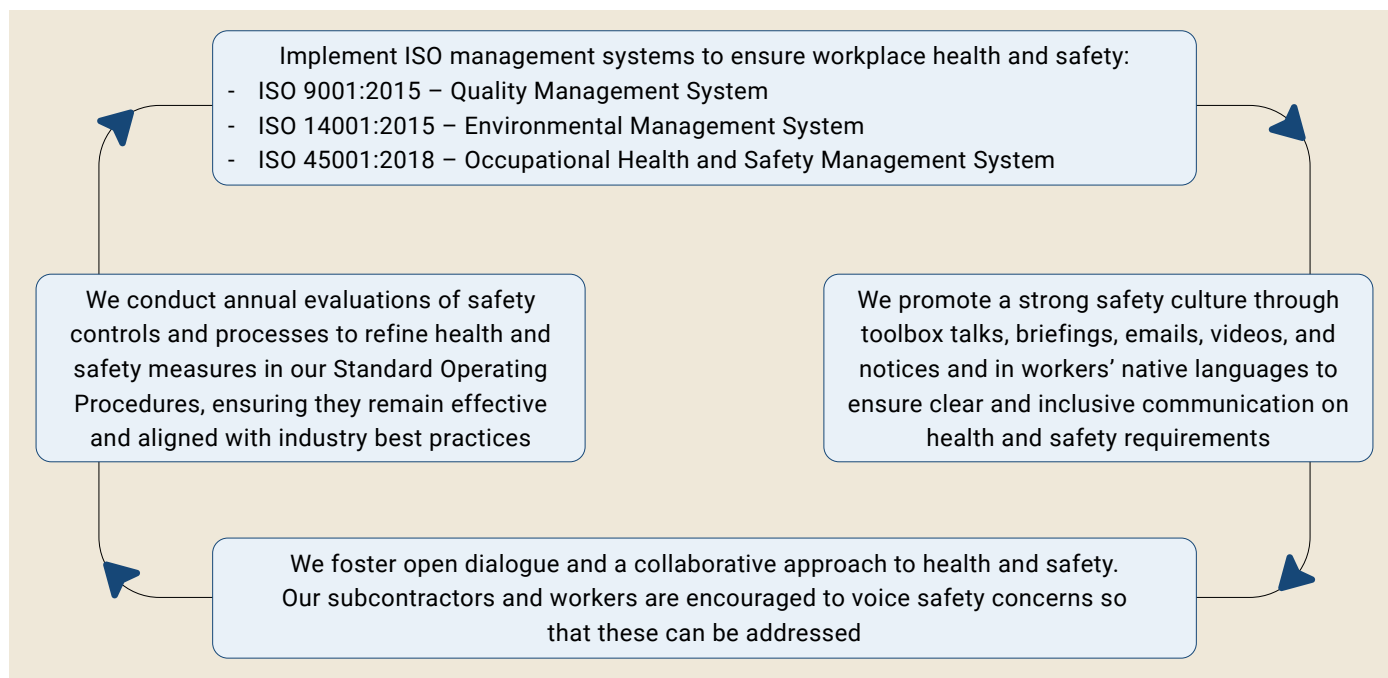
OUR PERFORMANCE

SOCIAL

OUR INITIATIVES AND PROGRESS

STRENGTHENING HEALTH AND SAFETY ON CONSTRUCTION SITES

The inherently high-risk nature of engineering and construction activities, such as working at height, exposure to falling objects, noise from construction activities, risk of electrocution from electrical works, and the operation of machinery and equipment requires robust safety measures. Our leadership-driven safety culture is aimed at protecting the well-being of everyone at our sites, with safety remaining a top priority in every aspect of our operations. Potential risks or safety concerns may be reported immediately through the scanning of a readily accessible QR code at our sites.



Quality, Environmental, Safety and Health (QESH) Policies

We have established Quality, Environmental, Safety and Health (QESH) policies that reflects our commitment to minimising environmental impacts and ensuring the safety and health of employees, contractors, and the public. Recognising occupational health and safety as a legal requirement, we prioritise compliance to mitigate risks of legal, financial, and reputational damage.

Our QESH strategies are regularly reviewed and strengthened to uphold our objectives of reducing environmental impacts and maintaining robust safety and health standards. These strategies set performance benchmarks aligned with industry best practices to ensure accountability and continuous improvement.

Our QESH policies are aligned with:

- Occupational Safety and Health Act (Amendment) 2022
- Factories and Machinery Act (Repeal) 2022
- Construction Industry Development Board Act 1994
- MRCB's Construction Safety Requirements for Contractors

Under our wholly-owned construction subsidiary, MRCB Builders Sdn. Bhd., 100% of the operations achieved ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications in 2024.

OUR PERFORMANCE

SOCIAL

QESH Objective Target and Performance in 2024

QESH Objective Target	Annual Target	2024 Performance
ESH Rating/SHASSIC CIDB Score	More than 80%	97.1%
Non-Conformance Report (NCR)*	85% closed in less than 7 days	100%
Incident Rate	Less than 2.5	1.78
Stop Work Order (by clients or relevant authorities)	0	0
Fatality	0	0

* i.e. from ESH Inspection and ESH Internal Audit

Safety and Health Assessment System in Construction (SHASSIC)

MRCB employs SHASSIC, an independent safety and health assessment system developed by Malaysia's Construction Industry Development Board (CIDB), to evaluate and enhance safety practices at construction sites. The system evaluates safety through a comprehensive approach, including document checks (20%), physical site inspections (60%), and employee interviews (20%).

SHASSIC scores reflect the strength of an organisation's occupational safety and health management system. Scores between 90% and 100% indicate excellence, with a proactive commitment from top management, while scores from 80% to 89.9% reflect exceptionally good practices and strong leadership commitment.

In 2024, our Kwasa Utama C8 (Plot 2) project underwent the SHASSIC assessment and achieved a 97.1% score, earning a prestigious 5-star rating, demonstrating our commitment to top-tier OSH standards.

SHASSIC Score	2022	2022	2023	2024
ESH Rating/SHASSIC CIDB Score	72%	87%	93%	97.1%
Project Sites	Sentral Suites	Alstonia	PR1MA	Kwasa Utama C8 (Plot 2)

Environmental, Safety, and Health Governance

The Group Managing Director, Group Chief Operating Officer, and the Executive Vice President of Security are responsible for overseeing safety and health. The Board provides oversight by reviewing and deliberating the Environmental, Safety, and Health Report, which contains comprehensive data and information on all safety related incidences across all our construction activities and is a standard agenda item at all quarterly Board Meetings. Health and Safety Key Performance Indicators (KPIs) are embedded in the Engineering Construction and Environment Division CEO's remuneration KPIs and cascaded down to Project Directors and relevant site-based staff, ensuring accountability in safety performance.

In addition, an annual Environmental, Safety and Health Management Review meeting is held and attended by representatives from all relevant business units. This meeting provides updates on the QESH Management System, reviews Environmental, Safety and Health (ESH) objectives, targets, and performance, and highlights the latest ESH communication efforts. It also serves as a platform to identify improvement opportunities to ensure the continuous enhancement of ESH practices across MRCB.

OUR PERFORMANCE

SOCIAL

Environmental, Safety, and Health Committee

We have established an Environmental, Safety, and Health (ESH) Committee at MRCB's headquarters, comprising an advisor, chairperson, secretary, and management representatives from each department.

In compliance with the Occupational Safety and Health (Safety and Health Committee) Regulations 1996, we have also formed ESH Committees at our construction sites, including key development locations such as Kwasa Utama C8 (Plot 2), Residensi Tujuh, Stadium Shah Alam, LRT3, and Muara Sungai Pahang. These committees, chaired by the Heads of Projects and including representatives from subcontractors, hold monthly meetings to address ESH matters and ensure site-specific safety practices.

Priority Areas

The Board reviews detailed data across the following areas to improve our overall occupational health and safety performance:

- Accidents/incidents that have occurred in the year
- Notice of Improvement/Prohibition (NOI/NOP)
- Number of Stop Work Orders (SWO) issued, ESH Audits, ESH inspections and inductions, and ESH Trainings

The ESH committee meets at least once every quarter. The objectives of the ESH Committee are to:

- Foster cooperation and consultation between Management and workers
- Establish a two-way communication channel
- Encourage discussion and raise awareness on issues pertaining to Safety and Health

MANAGING SAFETY AT THE WORKPLACE

Hazard Identification, Risk and Opportunity Assessment, and Determining Control (HIRADC)

MRCB has implemented a comprehensive HIRADC Standard Operating Procedure (SOP) for its headquarters, buildings, and infrastructure projects. This SOP applies to all activities and personnel, including sub-contractors and visitors. HIRADC analysis is reviewed annually at the headquarters and biannually at project construction sites. Additional reviews are conducted whenever there are changes to the condition of activities, introduction of new materials or any new activities, and modification works.

Emergency Response Plans

Our Emergency Response Plans outline procedures for rapid and effective responses to emergencies, including any fall from height, fires, explosions, landslides, chemical spills, and floods. These plans also detail immediate actions, such as issuing Stop Work Orders (SWO) for serious incidents involving fatalities, structural collapses, or transmission line accidents, to prevent escalation and additional injuries, and ensure overall safety.

Emergency responses involve coordination with authorities, including the Royal Malaysian Police (PDRM), Fire & Rescue Department (BOMBA), and ambulance services. Clear and effective communication is critical, guided by an Emergency Communication Flowchart that starts with the individual who reports the event and extends to all relevant internal and external stakeholders for prompt action.

OUR PERFORMANCE SOCIAL

Health and Safety Culture

NINE

Induction programmes conducted by ESH representatives attended by

139 employees

Engineers and main contractor representatives conducted

2,417 PRE-TASK

talk briefings before commencement of work

36

of our workforce participated in the

"You See You Act" campaign

886

Toolbox Session Briefings conducted

43 of our workforce and

218

foreign labourers participated in training on specific work-related hazards such as Working at Height and Waste Management

MRCB's Auxiliary Police Personnel Ensuring Public Safety

MRCB's Auxiliary Police personnel play a critical role in ensuring public safety at KL Sentral and surrounding areas. Trained in emergency response, surveillance, and crisis management, they have swiftly responded to 351 incidents since 2016. Their expertise spans a wide range of medical emergencies, from assisting 71 disabled and elderly individuals to handling 29 road accident injuries and 21 escalator-related falls. Through continuous training with the Malaysian Fire & Rescue Department and hospitals, they remain equipped to handle a diverse range of emergencies, from heart attacks to trauma injuries, ensuring a secure environment for millions of commuters daily.

In 2024, their dedication was formally recognised when the team received a Letter of Appreciation from the Inspector General of Police at the 35th Annual Malaysian Auxiliary Police Association Conference. Their proactive patrols and surveillance across KTM, LRT, and ERL lines reinforce public confidence, while their swift medical response capabilities continue to safeguard lives.



MRCB Auxiliary Police Personnel at KL Sentral

OUR PERFORMANCE

SOCIAL

Occupational and Non-Occupational Health Service

In our efforts to support employee health and well-being, MRCB provides occupational and non-occupational health and medical services, including support for non-work-related health concerns and mental well-being. We communicate these initiatives to employees through email, physical talks and events, and the Human Resources portal. Further details are available in the Employee Engagement and Well-being section of this report on pages 173-184.

Environmental, Safety & Health (ESH) Training

We provide relevant training to ensure our employees are well aware of and equipped to deal with safety and health matters. In 2024, 100% of our site employees and contractors completed mandatory ESH trainings. This comprised a total of 1,653 employees, site workers, and contractors who participated in 77 training sessions across various safety-focused modules, reinforcing our high safety and health standards.

	2022	2023	2024
Number of employees, site workers, and contractors trained on health and safety standards and other ESH-related matters	507	873	1,653

Training Modules

- Crane & Machinery Safety Awareness
- Working at Height Training
- Lifting Awareness (Slings, Rigging & Signalman training)
- Occupational Noise Exposure
- Safe Excavation Training
- Scheduled Waste Awareness
- Incident & Accident Investigation & NADOPD training
- ESH training - risk management and HIRADC
- Site Machinery Inspection Training (excavator, dump truck)
- You See You Act Campaign - Unsafe Act Unsafe Condition
- OSHA (Amendment) 2022

Organisation Safety and Health Week

In July 2024, we held an Organisation Safety and Health (OSH) Week to foster a strong health and safety culture among our employees and stakeholders. The event aimed to raise awareness about workplace safety and promote best practices. As part of the OSH week, we collaborated with Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP) Kuala Lumpur and Putrajaya, who conducted a session for our employees and management on the Occupational Safety and Health (OSHA) (Amendment) Act 2022.

In addition to the OSH week, we held seven roadshows to engage our employees on the new OSHA (Amendment) 2022.



MRCB OSH Week in collaboration with JKKP

OUR PERFORMANCE

SOCIAL

Safety Incidents

In 2024, there were zero incidents of non-compliance related to safety and health at all of our work sites and offices. We recorded two near-miss incidents, two lost-time injuries and six property damages as detailed in the table below. Total man-hours decreased by 23% compared to the previous year due to completion of projects.

Notably, we met all five QESH objectives in 2024, as reported in page 165.

Man hours	2022	2023	2024
Engineering, Construction and Environment (ECE)	20,588,460	15,857,101	12,099,556

Type of Incidents	2022		2023		2024	
	MRCB	Others	MRCB	Others	MRCB	Others
Ill Health	0	0	0	0	0	0
Near Miss	0	3	0	4	0	2
First-aid Cases	0	4	0	1	0	0
Medical Treatment	0	0	0	0	0	0
Fatality	0	0	0	0	0	0
Lost Time Injury (LTI)	0	2	0	0	0	2
Environmental Incident	0	0	0	0	0	0
Property Damage	0	11	0	7	0	6
Dangerous Occurrences	0	0	0	0	0	0
Others (Theft, fire)	0	0	0	0	0	0
Stop Work Order (SWO) Received from Authorities	0	1	0	0	0	0
Notice of Prohibition (NOP) Received from Authorities	0	0	0	0	0	0

Notes:

1. Others represent workers who are not MRCB employees.
2. Safety incidents have been restated to include LRT3 project.

OUR PERFORMANCE

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Incidents (2024)

Incident	Project	Remarks
Near Miss	Kuala Pahang	A lorry transporting rock material to the site accidentally dropped some of its load onto a public road. No injuries occurred in this incident. A root cause investigation was conducted and corrective measures were communicated to the transporter to prevent recurrence.
Near Miss	Kwasa Utama C8 (Plot 2)	An unexpected slope failure occurred during trenching excavation. No injuries occurred in this incident. A thorough assessment was conducted, and mitigation measures were implemented to prevent recurrence.
LTI	Saujana Putra Casting Yard	A lifting hook point on an inner mould failed during installation, and fell on a worker's leg. The worker was attended to, and necessary corrective actions were implemented to prevent recurrence.
LTI	FINAS	During excavation work, a part of a slope gave way. Workers who were on site inspecting the depth levels were brought to safety and sent to hospital for evaluation. An investigation was conducted to determine the cause, and necessary measures were implemented to prevent recurrence.

Incident	Project	Remarks
Property Damage	LRT3	The rear section of a lorry had bumped into a water pipe valve causing overflow of water from the pipe.
Property Damage	LRT3	During an excavation, an excavator's bucket had accidentally made contact with an existing water pipe and damaged it.
Property Damage	LRT3	During micro piling, some cement grout splashed onto four vehicles that were parked in a nearby parking lot.
Property Damage	LRT3	A train derailment of three cars occurred at a rail track turnout during testing and commissioning exercise.
Property Damage	LRT3	A train's front section had made contact with a buffer stop during a test run.
Property Damage	LRT3	A short circuit occurred during a pre-PICO test at the uninterruptable power supply room resulting in a spark to an electrical cable.

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Safety Matrix

Safety matrices are integral to enhancing our safety protocols by assessing and prioritising risks at project sites. This tool enables us to evaluate the potential impact and likelihood of risks and helps us to minimise accidents and incidents effectively. Our internal safety audit and inspection teams conduct regular checks to ensure adherence to safety standards and identify areas for improvement at construction sites.

To prevent the recurrence of incidents, we implement corrective actions such as refresher training on safe lifting practices, thorough inspections of lifting gear before work begins, and ensuring supervisors provide full oversight of lifting plans.

We also foster a culture of transparency and accountability by encouraging workers and employees to report incidents without fear of repercussions, prioritising the safety and well-being of everyone on our project sites. To make reporting more convenient, a QR code is available for workers and employees to easily access the reporting platform and submit incident reports.

Safety performance at our project sites

Safety Matrix	2022	2023	2024
Incident Rate (Incidents per thousand workers)	1.63	0	1.78
Rate of Recordable Work-Related Injuries (Injury Rate) (Injuries per million man-hours worked)	0.12	0.34	0.17
Lost Time Incident Rate (LTIR) (Incident per million man-hours worked)	0.12	0	0.17
Fatality Rate	0	0	0

Note: Safety Matrix data includes employees and contractors at project sites

Source: The rates above were calculated using the formulae provided by DOSH and GRI Standards

Key definitions

Type of Incidents	Health and Safety Definition
Ill Health	Identifiable, adverse physical, or mental condition arising from and/or made worse by a work activity and/or work-related situation.
Near Miss	Any accident at place of work which has potential to cause injury to any person or damage to any property.
First-aid Cases	Cases in which first aid is delivered at the workplace, and where no further medical treatment is required by medical practitioners.
Medical Treatment	Cases where medical treatment by medical practitioners is given but no medical leave and/or admission to a hospital is required.
Lost Time Injury	Injuries causing incapacity for more than 4 days and/or any injury that requires hospitalisation.
Fatality	Injury leading to immediate death or death within 1 year of the accident.

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Key definitions (Continued)

Type of Incidents	Health and Safety Definition
Environmental Incident	<ul style="list-style-type: none"> • Minor: Simple contamination with localised effects for short duration. • Major: Simple contamination with widespread effects to heavy contamination with localised effects for extended durations. • Catastrophic: Very heavy contamination with widespread effects for extended durations.
Property Damage	<ul style="list-style-type: none"> • Minor: Incident with damage to properties with an estimated cost below RM150,000. • Major: Incident with damage to properties with an estimated cost from RM150,000 to RM500,000. • Fatal/Catastrophic: Incident with damage to properties with an estimated cost of above RM500,000.
Dangerous Occurrences	An occurrence arising out of, or in connection with work, and is of a class specified in Schedule 2 of the Notification of Accident, Dangerous Occurrence, Occupational Poisoning, and Occupational Disease (NADOPD).

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none"> • The need to ensure consistent safety practices across a diverse workforce, including subcontractors and temporary workers, who may have varying levels of training and experience and communication abilities. • To continuously address inherent safety risks in construction activities, such as working at height, machinery operation, and hazardous materials, while maintaining readiness for emergencies such as natural disasters or large-scale accidents. • To comply with evolving local and international health and safety regulations, including new laws, to meet stakeholder expectations and ensure transparent reporting. 	<ul style="list-style-type: none"> • Demonstrate strong health and safety commitments to strengthen stakeholder trust, attract staff and investors, and foster new partnerships. • Providing ongoing training and retraining opportunities fosters a resilient workforce, ensuring employees are well-equipped to handle evolving safety challenges and industry demands.
OUTLOOK	
<ul style="list-style-type: none"> • We will maintain our focus on continuous improvement of our safety standards to ensure the well-being of our employees, contractors, and stakeholders. We remain committed to enhancing our safety culture through rigorous training, adopting advanced safety technologies, and aligning with global best practices. 	

OUR PERFORMANCE
SOCIAL

EEW **EMPLOYEE ENGAGEMENT AND WELL-BEING**

WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">• Employees are the key stakeholders and critical drivers of MRCB’s success.• Prioritising employee engagement and well-being enhances morale, reduces turnover, and creates a resilient, motivated workforce essential for achieving business objectives.• Supporting personal and professional growth strengthens employee loyalty and helps attract and retain top talent in a competitive labour market that is well equipped to help us deliver our strategic goals.	<ul style="list-style-type: none">• Build a thriving and sustainable workplace that supports long-term growth and employee well-being.• Create a positive and dynamic work environment that inspires collaboration and innovation.• Foster a sense of purpose and dedication by aligning employees’ roles with organisational values and goals.
OUR AIMS	
<ul style="list-style-type: none">• Achieve an employee satisfaction score of at least 80%.	
OUR INITIATIVES AND PROGRESS	
OUR WORKFORCE	

Our workplace management strategy prioritises building a stable and skilled workforce, which is integral to our value-creation process and achieving strategic objectives. In 2024, MRCB employed an average of 1,483 employees across various business operations and regions covering Malaysia and Australia, with eight of those employees based in Australia. The reduction in employee count from 2023 to 2024 was driven by the completion of some of our construction projects.

In 2024, we successfully converted a significant number of our contract workers to permanent roles, strengthening workforce stability. Given the project-based nature of our business in the construction industry, we recognise the need for contract workers to support project demands and specialised requirements. By balancing a core team of experienced permanent employees with a flexible contract workforce, MRCB ensures continuity and the ability to scale resources effectively.

	2022*	2023	2024
Average number of employees for the year	1,401	1,669	1,483

* Does not include SULRT3 employees

OUR PERFORMANCE

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Employees by Age Group

	2022	%	2023	%	2024	%
<30	275	20%	253	15%	191	13%
30-50	965	69%	1178	71%	1,061	72%
>50	161	11%	238	14%	232	15%

Employees by Gender

	2022	%	2023	%	2024	%
Male	786	56%	1039	62%	897	60%
Female	615	44%	630	38%	586	40%

Employees by Employment Type

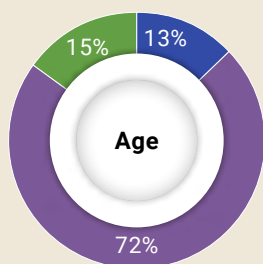
	2022	%	2023	%	2024*	%
Contract	939	67%	1268	76%	588	43%
Permanent	462	33%	401	24%	791	57%

* Data as at 31 December 2024

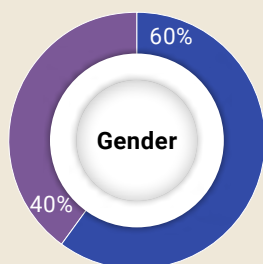
Employees by Grade

	2022	%	2023	%	2024	%
Non-Executive	490	35%	451	27%	358	24%
Executive	609	44%	751	45%	682	46%
Middle Management	240	17%	384	23%	365	25%
Senior Management	62	4%	83	5%	78	5%

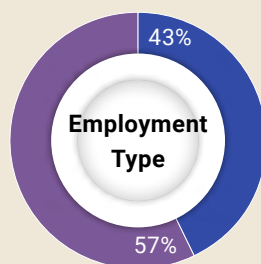
Employees Percentage Breakdown in 2024



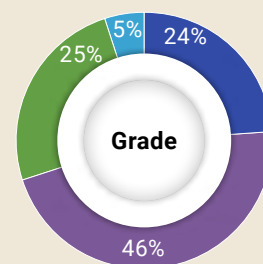
- <30
- 30-50
- >50



- Male
- Female



- Contract
- Permanent



- Non-Executive
- Executive
- Middle Management
- Senior Management

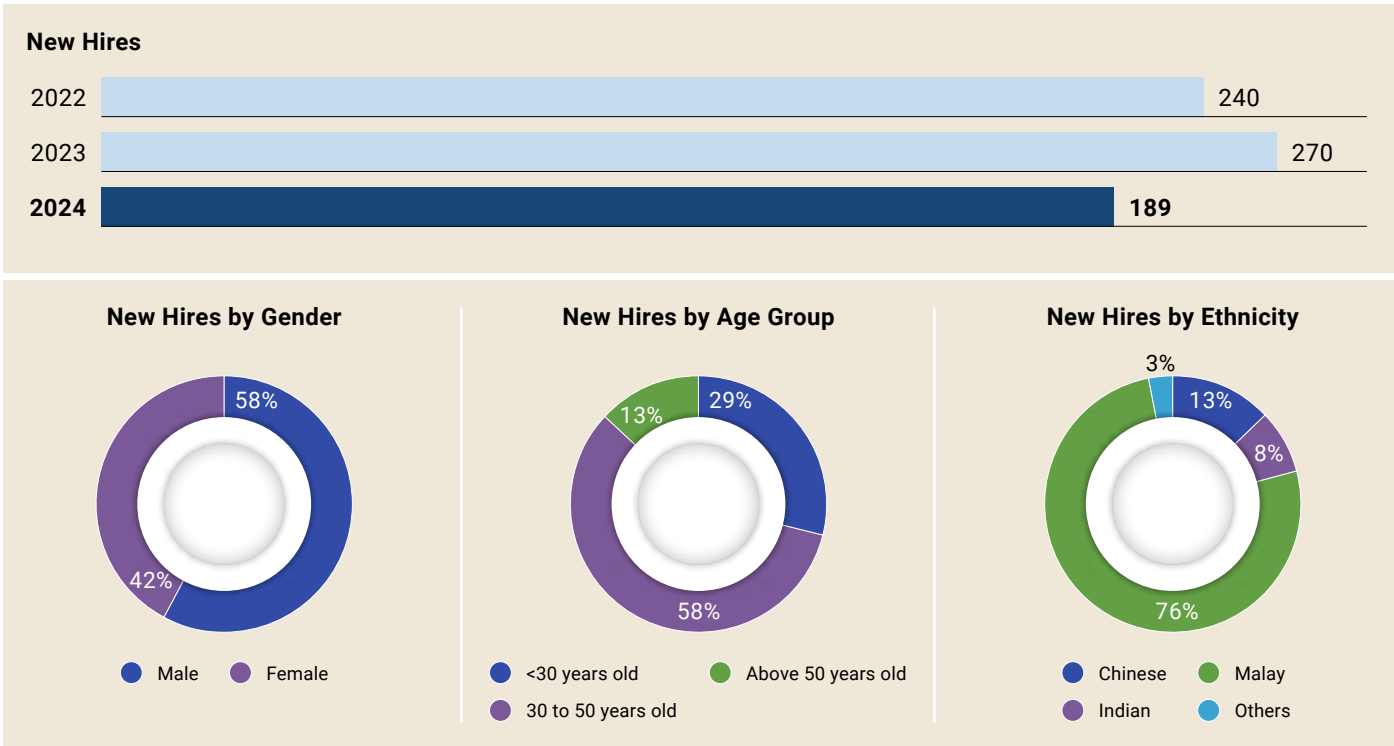
OUR PERFORMANCE
SOCIAL

Quality Hires and Employee Turnover

MRCB aligns its talent acquisition with strategic growth objectives and operational needs by clearly defining job roles and requirements. This approach streamlines the hiring process and ensures we attract qualified candidates efficiently while minimising downtime.

In 2024, we hired 189 new employees, decreasing our hiring by 30% compared to the previous year. This downward hiring trend reflects our project-based business structure, where employees are employed on a contract basis for specific functions on specific projects and transition out once their work on these projects is completed.

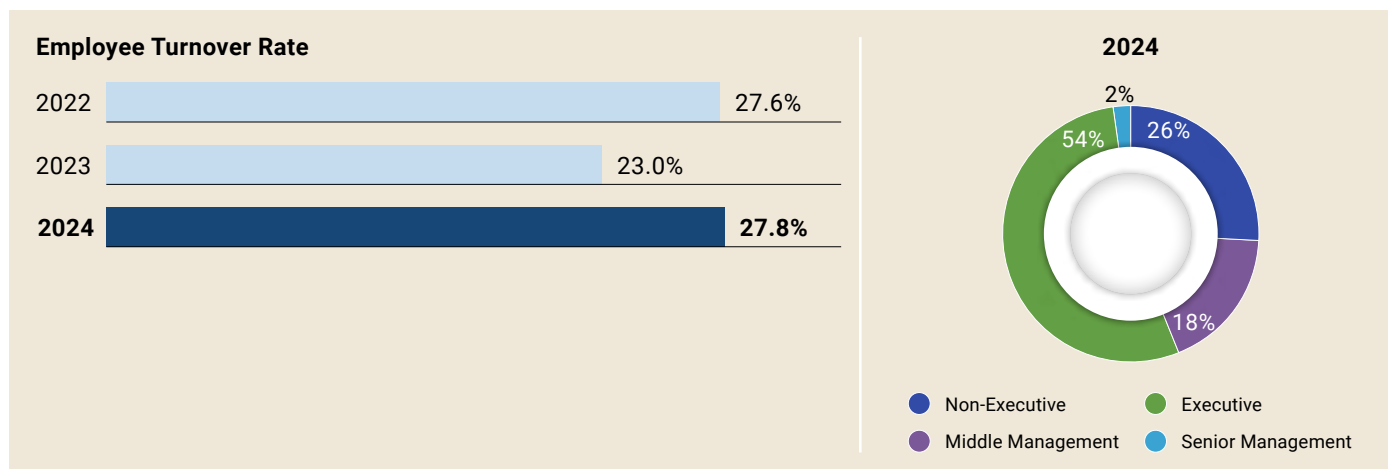
We prioritise equal opportunities for growth and advancement, evaluating employees based on contributions, skills, and abilities. By focusing on merit, we ensure fairness and inclusivity while rewarding good performance.



OUR PERFORMANCE

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In 2024, MRCB's staff turnover rate increased from 23.0% in 2023 to 27.8% in 2024.



Graduate Employability Programme

MRCB is committed to developing Malaysia's talent pipeline by creating opportunities for fresh graduates to build meaningful careers in the property development and construction industry. Through our Graduate Employability Programme (GEP), we provide practical training, managerial skills development, and industry-specific knowledge to equip graduates for long-term success in this sector.

The GEP is aligned with the Ministry of Entrepreneur Development and Cooperatives' Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) Development Programme. The programme enhances graduate employability while also enabling us to identify and develop talent for our workforce.

In 2024, we onboarded 64 fresh graduates from local and international universities into the GEP. Over a paid training period of eight months to one year, participants gained hands-on work experience and attended a comprehensive 10-day soft-skills training programme. This training covered topics such as communication, networking, organisational adaptability, sustainability, entrepreneurship, critical and creative thinking, and professional etiquette. By the end of 2024, we hired 10 graduates from the GEP into full-time positions at MRCB.

OUR PERFORMANCE

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Employee Benefits and Welfare

MRCB adopts leading industry practices in employee benefits and wellness. These include annual leave, medical insurance, and role-specific allowances. To ensure our offerings remain relevant and competitive, we regularly review and enhance our benefit packages, aligning them with industry standards and employee expectations.

Leave	Medical	Others
<ul style="list-style-type: none"> • Annual Leave • Medical Leave • Emergency Leave • Exam Leave • Marriage Leave • Paternity Leave • Pilgrimage Leave • Replacement Leave • Family Care Leave 	<ul style="list-style-type: none"> • Outpatient treatment • Hospitalisation Benefit • Maternity Benefit • Executive Health Screening • Dental Benefit 	<ul style="list-style-type: none"> • Mileage Claims • Air Travel and Accommodation • Transfer Allowance • Staggered Working Hours • Mobile Phone Bill • Car Allowance and Petrol Card • Professional Membership Fee • Educational Assistance

For full-time eligible employees based on job grade

Pro-family Benefits

We provide pro-family benefits to foster a supportive work environment that helps employees balance their professional responsibilities with family commitments. In compliance with Malaysia's Employment Act (Amendment) 2022, we offer both paternity and maternity leave.

In 2024, 100% of both male and female employees returned to work after completion of their parental leave. 92% of male employees and 74% of female employees remained employed 12 months after their parental leave concluded.

Parental Leave	2022	2023	2024
Average number of employees entitled to parental leave, by gender			
Male	574	811	690
Female	330	401	382
Total number of employees that took parental leave, by gender			
Male	31	42	38
Female	24	27	27

Family Care Leave

We provide Family Care Leave to support employees serving as primary caregivers for terminally ill family members. The benefit, available as paid or unpaid leave, reflects our commitment to supporting staff during critical family situations. In 2024, 11 employees utilised this benefit.

OUR PERFORMANCE

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Enhanced Targeted Financial Access for Selected Employees

In 2024, we reviewed our employee segments and provided a one-off targeted financial support through an ex-gratia payment to our lowest salary earners to address inflation and rising costs of living. This initiative aligns with the government's efforts to enhance the socioeconomic well-being of the nation and supports our employees during challenging economic conditions.

We also continued offering the Mid-Month Payout and Earned Wage Access, following their successful implementation in 2023. These initiatives help employees manage monthly expenses, emergencies, and unplanned expenditures between paydays. The programmes received positive feedback for their effectiveness in improving financial flexibility.

Employee Engagement Programme

Clear and effective communication is essential for fostering a positive workplace culture and enhancing employee satisfaction.

We prioritise keeping our workforce engaged and well-informed through a variety of communication tools, including staff newsletters, emails, digital and print signages, video displays in office areas, the HR portal, WhatsApp, and Microsoft Teams.

To further engage employees and promote connection, we organise regular initiatives such as talks, health and sports events, and social gatherings. These activities not only strengthen team bonds but also encourage a healthy balance between work and leisure.

Casual Briefings by Project and Development Directors

The Casual Briefings are organised to give employees an in-depth understanding of MRCB's projects, including those in the pipeline, ongoing, or recently completed. These sessions are led by Project Directors or Development Directors, and aim to provide insights into project concepts, designs, sustainable features, and other key aspects. These sessions aim to enhance employees' understanding of projects undertaken by MRCB.

Casual Briefings held in 2024

Topics	Description
Briefing on Setia Utama LRT3 (SULRT3)	Provided a comprehensive overview of the LRT3 project, covering its progress, challenges, and key infrastructure, sustainability and system features, with participation from employees across various the organisation.
Briefing on Sentral Suites and other projects	Offered insights into projects such as Sentral Suites, 9 Seputeh, PJ Sentral, and Seri Iskandar Development (SIDEK), focusing on their key features, design principles, and MRCB's innovative approaches. Employees from various departments participated, gaining a deeper understanding of the company's commitment to quality development.
Briefing on MRCB Building System (MBS)	Gave employees an overview of modular construction and its application in the ongoing Residensi Tujuh project at Kwasa Damansara. It highlighted the innovative techniques used and the benefits in terms of efficiency and sustainability, offering employees valuable insights into this innovative approach.


Impact and Benefits

- These briefings foster a culture of continuous learning and engagement among employees.
- They provide a platform for direct interaction with project leaders, allowing employees to gain firsthand knowledge and insights.
- The sessions help in building a sense of community and shared purpose within the organisation, as employees from various departments come together to learn.
- Future plans:
 - To continue these briefings regularly, covering a diverse range of projects and topics.
 - Feedback from participants will be used to improve the format and content of future sessions to ensure they remain relevant, engaging and valuable to employees.

OUR PERFORMANCE
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Wellness Programmes

We promote employee well-being through a range of wellness programmes designed to support physical, mental, and emotional health. These initiatives reflect our commitment to creating a balanced and supportive work environment, fostering a healthier and more productive workforce.

Initiatives	Description						
Professional Counselling Services for Employees	<p>MRCB recognises the importance of supporting employees whom might be going through challenging and overwhelming moments, both at work and at home. Career setbacks, financial difficulties, strained relationships, or marital issues can significantly impact an employee’s performance and well-being. To address this, MRCB provides confidential counselling services by experienced independent counsellors to support our employees. This programme was introduced in 2023.</p> <p>In 2024, MRCB continued to provide mental health support by engaging two professional counsellors to provide confidential counselling for personal and career-related challenges.</p>						
“From Survivor to Thriver” by Dr. Aiesha Asmadi	<p>In conjunction with International Women’s Day, a special session was held featuring Dr. Aiesha Asmadi, a two-time cancer survivor and bodybuilding champion. Dr. Aiesha shared her personal journey of overcoming cancer and achieving international success in bodybuilding, inspiring all attendees. She provided valuable tips on maintaining a healthy lifestyle, including movement, nutrition, and stress management.</p>						
MRCB Walking Challenge	<p>The MRCB Walking Challenge was a 54-day event held from 26 August to 18 October 2024. It was a collaboration with Kelab Kebajikan & Rekreasi MRCB, aimed to promote health and wellness among employees through physical activity, in conjunction with the National Day and Malaysia Day celebrations. A total of 585 MRCB employees participated in the challenge, showcasing their commitment to maintaining an active lifestyle.</p> <table><tr><td>Total Steps Taken</td></tr><tr><td>344,074,635 steps taken by all teams over the two months</td></tr><tr><td>Distance Covered</td></tr><tr><td>Approximately 268,378 kilometres</td></tr><tr><td>Daily Average</td></tr><tr><td>Employees walked an average of 10,982 steps per day, which is approximately 8.57 kilometres</td></tr></table> <div></div>	Total Steps Taken	344,074,635 steps taken by all teams over the two months	Distance Covered	Approximately 268,378 kilometres	Daily Average	Employees walked an average of 10,982 steps per day, which is approximately 8.57 kilometres
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OUR PERFORMANCE

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Training and Development

Learning and Development Framework

MRCB is committed to fostering a culture of continuous learning and professional growth. To cultivate this, we developed a comprehensive Learning and Development framework in 2024, designed to empower employees at every stage of their career. This framework is built upon several key pillars, ensuring a structured, flexible, and impactful learning and development process aligned with the organisation's strategic goals. These pillars include:

Structured Learning Framework	Provides a structured approach to employee development, focusing on Skills, Talent, Enterprise, Position, and Self-initiated learning. This ensures that employees have a clear pathway for continuous improvement, aligned with their current roles and future career aspirations.
Focus on Core Competencies	Emphasises the development of core competencies such as communication, collaboration, critical and analytical thinking, and decision-making. These competencies are essential across all levels and roles, ensuring employees are well-rounded and capable of contributing to the organisation's goals.
Career-Stage Specific Development	Development programmes are tailored to different career stages, from non-executive level to senior leaders and other talents identified as future successors. Each stage has specific training programs to ensure employees develop the necessary skills as they progress in their careers, as well as individual bespoke training programmes.
Blended Learning Approach	The approach combines online and physical training, workshops, seminars, and certifications.

Training and Development Progress



40,661

Total training hours

2023: 8,884 hours



27.4

Average employee training hours

2023: 6.4 hours

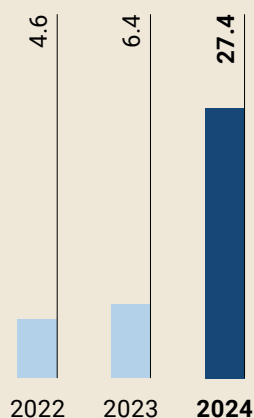
MRCB significantly increased its investment in training, rising from RM568,516 in 2023 to RM1,189,274 in 2024, reinforcing our commitment to upskilling our workforce and future-proofing our operations. This commitment is reflected in the sharp increase in average employee training hours, which grew to 27.4 hours (equivalent to three working days) in 2024 from 6.4 hours per employee.

This substantial growth is driven by the expansion of training opportunities and the consolidation of all training programmes across the organisation. Key departments, including Integrity and Discipline, Health and Safety, Security, and Sustainability, are leading this effort by delivering targeted training to enhance employee capabilities. These combined initiatives equip employees with the necessary skills and knowledge to adapt to the evolving demands of the industry and contribute to the company's ongoing success.

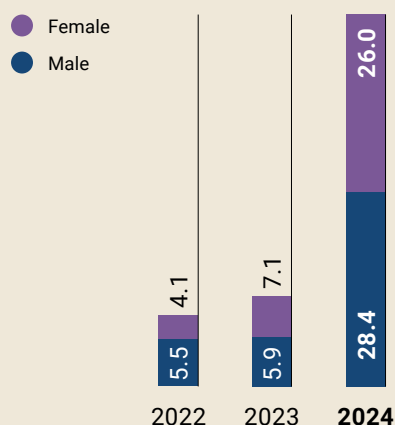
OUR PERFORMANCE

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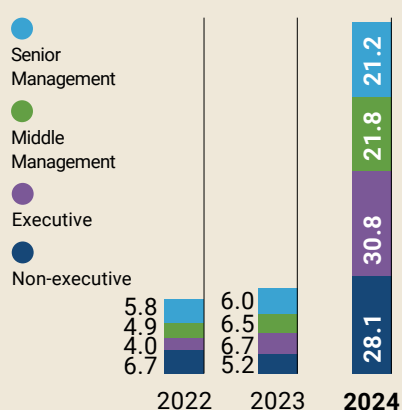
Average training hours per employee



3-year average training hours by gender



3-year average training hours by grade



		2022	2023	2024
Total training hours by employee category (hours)	Non-executive	2,736	628	10,055
	Executive	8,644	4,876	20,985
	Middle Management	3,041	2,498	7,966
	Senior Management	917	882	1,655
Total training hours, including for interns, GEP (hours)		15,338	8,884	40,661
Total training development cost (RM)		905,651	568,516	1,189,274
Average training and development expenditure per full-time employee (RM/employee)		272.21	411.67	801.94

Sustainability Programme

We are committed to ensuring our workforce is aligned with our goal of embedding sustainability across our operations. To support this aim, we provide them with opportunities such as targeted training, capacity-building initiatives, and access to global sustainability resources, to strengthen their knowledge to integrate sustainability into their daily work.

Sustainability Engagement

We conducted sustainability awareness and capacity-building sessions to equip our employees with the knowledge and skills needed to drive sustainable practices across the organisation.

SUSTAINABILITY ENGAGEMENT SURVEY

Some findings include:

- 65% of our employees are interested in how their work relates to sustainability
- 35% of our employees are interested in how their personal lifestyle relates to sustainability
- Some employees requested for training to be conducted in Bahasa Malaysia

SUSTAINABILITY ENGAGEMENT TRAININGS

Trainings conducted on:

- Fundamentals in Sustainability (ESG 101)
- Diversity, Equity, and Inclusion



For more information on our Diversity, Equity and Inclusion trainings refer to page 186.

OUR PERFORMANCE

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Fundamentals in Sustainability (ESG 101)

In 2024, we expanded our training on the fundamentals of environmental, social, and governance (ESG) issues to reach a broader group of employees. To ensure inclusivity and better understanding, we also introduced a training session conducted in Bahasa Melayu.

ESG 101 in English

292

employees

ESG 101 in Bahasa Melayu

455

employees

UNGC Academy Portal

Provided employees access to a broad range of sustainability-focused courses on the United Nations Global Compact's Academy Portal. Topics include climate change and environment, Sustainable Development Goals, gender equality, human rights, and decent work.

Succession Planning Programme

MRCB's talent-building initiative, aims to develop a robust pool of highly skilled employees ready to step into key roles. Having a stable succession planning pipeline of talents ensures organisational stability and continuity. Our succession planning training and development plans are tailored to individual employees while aligning with the organisation's needs, values, culture, and succession plans.

The company has identified 27 key positions under its Succession Planning framework, with 31 key talents earmarked as successors. In 2024, MRCB organised several targeted activities for these talents, including:

Programmes	Description
Business Strategy Simulation Assessments	Talents undertook a Business Strategy simulation assessment to evaluate their problem-solving, creative solutions, scenario planning and strategic management skills. The results highlighted areas for improvement and identified future development programmes.
Competencies Behavioural Interview	Talents undertook a Competencies Behavioural Interview, which is a structured behavioural and situational interview session that assesses individual competencies against benchmarked succession positions.
One-on-One Assessment Sessions	Each talent received personalised feedback on their assessment results, including a summary of development areas and guidance for career growth.
Leadership Development Programme	Designed, customised and structured approaches were adopted to strengthen leadership capabilities in the Leadership Development Programme.
Outward Mindset Workshop	In November 2024, a two-day workshop, "Developing and Implementing an Outward Mindset" was conducted by the Arbinger Institute Singapore. The workshop helped talents make shifts in leadership development, team effectiveness, customer satisfaction, collaboration, and conflict resolution.
Engagement sessions with the C-Suites	Informal sharing sessions were held to encourage and foster closer interaction between talents and Senior Management, encouraging exchange of ideas and strengthening rapport.
Pilot Executive Coaching Programme	Selected key talents participated in an executive coaching pilot programme to further enhance their leadership and strategic capabilities.

OUR PERFORMANCE SOCIAL

Performance and Career Development Reviews

MRCB conducts annual performance reviews for all employees, assessing their achievements against their Key Performance Indicators (KPIs) set at the beginning of the year.

In 2024, 100% of employees underwent performance evaluations. For Senior Management, these reviews are closely aligned with financial objectives and MRCB's material matters to ensure that organisational goals are seamlessly integrated with our sustainability aspirations. These priorities are cascaded to all levels of the organisation and are tracked to ensure a cohesive and accountable performance.

Performance Management System

In 2024, a comprehensive training on Managing the Performance Management System (PMS) Process was organised for 394 middle and senior management. The targeted programme was designed to address the low rating of PMS as part of our 2023 Employee Engagement Survey. The programme was aimed to strengthen the connection between the organisation, its leaders, employees and fostering improved performance across the board.

Equip leaders with essential skills to manage performance discussions effectively

Develop a culture of transparency through regular two-way communication between supervisors and employees

Motivate employees towards continuous growth and excellence



Performance Management System Training sessions for middle and senior management

We continue to invest in talent development, employee well-being, and engagement to build a resilient, future-ready workforce. While we have made significant progress, we recognise both the challenges we face and the opportunities ahead. Moving forward, we remain committed to strengthening our capabilities and adapting to the evolving needs of our employees and the organisation.

OUR PERFORMANCE

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CHALLENGES

- Building a strong talent pool while fostering a high-performance culture and equipping employees with the necessary skills for professional growth.
- Retaining top talent amid increasing competition and evolving employee expectations for career development and well-being.
- Balancing work demands with employee well-being by addressing mental health needs and promoting a healthy work-life balance.

OPPORTUNITIES

- Implement the newly finalised Learning and Development framework to drive employee growth and align with the goal of becoming a high-performance organisation.
- Leverage digitalisation to streamline processes, enhance employee well-being initiatives, and improve overall workplace efficiency.
- Strengthen employee engagement and retention by offering targeted development opportunities and fostering a supportive, innovative work environment.

OUTLOOK

We are focused on enhancing initiatives that foster collaboration, growth, and a supportive work environment. Following the positive reception of our project briefings introduced in 2024, we will continue these sessions in 2025 to strengthen inter-department understanding and collaboration. By building on successful programmes and aligning with employee needs, we aim to create a more engaged and resilient workforce that drives organisational success. The new Learning and Development Framework, which will be rolled out in 2025, will be pivotal in ensuring we have a skilled workforce aligned with our strategic objectives.

DEO

DIVERSITY AND EQUAL OPPORTUNITY

WHY IS THIS IMPORTANT

- Promoting Diversity, Equity, and Inclusion (DEI) ensures a fair and supportive workplace where all employees feel valued, fostering innovation, collaboration, and a stronger organisational culture.
- A diverse workforce reflects the communities we serve, enhancing our ability to understand and meet the needs of stakeholders while driving sustainable growth.
- Prioritising equity and inclusion helps attract and retain top talent, ensuring a competitive and resilient workforce aligned with our long-term goals.

OUR APPROACH

- We leverage the strength of our diverse workforce, encompassing different genders, age groups, skill sets, cultures, and ethnicities, to foster innovation and drive organisational success.
- We actively promote DEI through targeted initiatives, including leadership development, awareness training, and inclusive hiring practices, to build a workplace that reflects the diversity of the communities we serve.

OUR AIMS

- 30% women representation on the Board and Senior Management.

OUR PERFORMANCE

SOCIAL

OUR INITIATIVES AND PROGRESS

Building a Diverse Workforce

MRCB values Diversity, Equity, and Inclusion (DEI) as essential principles in fostering a supportive and respectful workplace, as outlined in our Employee Handbook. Our workforce reflects the rich diversity of Malaysia, comprising individuals from various ethnic backgrounds, including Malays, Chinese, Indians, and others. While we currently have no employees classified as disabled, we remain committed to creating an inclusive environment that welcomes and supports individuals from all walks of life.

	2022*	2023	2024
Employees by Gender			
Male	56%	62%	60%
Female	44%	38%	40%
Employees by Ethnicity			
Malay	78%	78%	78%
Chinese	11%	12%	12%
Indian	7%	7%	7%
Others	3%	3%	3%
Employees by Age Group			
<30	20%	15%	13%
30-50	69%	71%	72%
>50	11%	14%	15%

* excluding SULRT3 employees

Launched DEI Implementation Guide

In May 2024, the CEO Action Network (CAN) unveiled the Diversity, Equity, and Inclusion (DEI) Implementation Guide for Malaysia, which is a significant advancement in promoting DEI across Corporate Malaysia.

MRCB played a key role as co-lead of CAN's DEI Workstream, and steering the development of this comprehensive guide. The guide was collaboratively developed by workstream members and benefited from the expertise of subject matter experts, including Architects of Diversity, LeadWomen, and the Malaysian Coalition on Ageing and Social Economic Research Initiative (SERI). These experts provided valuable input and reviewed the final drafts to ensure the guide's relevance and effectiveness.

A key feature of the guide is the inclusion of self-assessment tools that enable companies to evaluate their current DEI status, identify gaps, and progress towards adopting best practices tailored to their organisational needs.

OUR PERFORMANCE

SOCIAL

Speed by Mentoring Programme by 30% Club

In May 2024, MRCB participated in the 30% Club Speed Mentoring Programme, an initiative aimed at empowering and fostering the growth of women leaders. The programme provided participants with valuable insights, including the importance of leveraging their unique strengths to build successful careers. By supporting and empowering women leaders through such initiatives, MRCB reinforces its commitment to cultivating a workplace culture that enables women to reach their fullest potential.

The 30% Club is a global campaign advocating for gender balance in corporate leadership, aiming for at least 30% representation of women on boards and in senior management positions. Its mentoring initiatives are designed to develop leadership skills, enhance career growth, and promote inclusivity within organisations.

DEI Internal Capacity Building

MRCB continued to strengthen its DEI internal capacity building in 2024. Building on the success of its DEI programmes in 2023, we organised two workshop training sessions focused on fostering a deeper understanding of a multigenerational workforce and promoting accessibility through Universal Design in alignment with MS 1184:2014 standards. These sessions aimed to enhance awareness and equip employees with the knowledge and tools to create an inclusive workplace that accommodates diverse needs and perspectives.

2023 Initiatives

Unconscious Bias

Gender Equality and Equity

Male allyship

2024 Initiatives

Multigenerational Workforce Workshop	MS1184:2014 Accessibility & Universal Design Training
<ul style="list-style-type: none"> 11% of our employees are above 50 years old, while 20% are under 30, reflecting the diversity of age groups within our workforce. As Malaysia transitions into an ageing nation with increasing generational diversity, this programme was designed to prepare senior leaders to effectively manage and lead across generational gaps. Senior leaders selected for this training gained insights into the nuances of managing a multigenerational workforce, equipping them with the skills to lead diverse age groups effectively. 	<ul style="list-style-type: none"> Explored how MRCB's projects can meaningfully promote DEI through thoughtful project designs and community-focused solutions. Participants gained insights into the needs of individuals with varying abilities and learned about design considerations and best practices from regional and international perspectives. Dr Naziaty was recommended to MRCB by the Persatuan Arkitek Malaysia (PAM) to conduct this session.

Our upcoming redevelopment of Stadium Shah Alam and Kuala Lumpur Sentral Station will feature accessibility improvements, creating inclusive spaces that benefit all visitors and users, including those with disabilities.

OUR PERFORMANCE

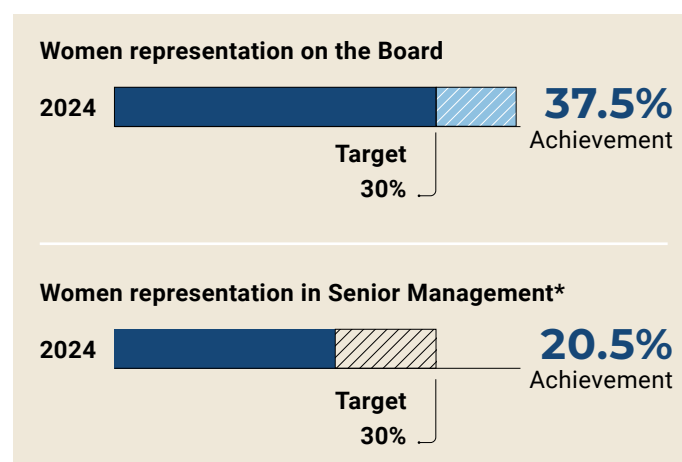
SOCIAL

Women In Leadership

We are committed to increasing female representation on the Board and in Senior Management, in line with our support of SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth.

Women's representation on the board increased to 37.5%, strengthening diversity at the highest level of leadership. We recognise that diverse leadership teams bring broader perspectives and experiences, leading to better decision-making and stronger organisational performance.

Through our Succession Planning Programme, we identify and support female talent, equipping them for leadership roles and fostering inclusivity across our organisation.



* By job grade - categorised as women in leadership positions

Empowering Working Mothers

Women make up 40% of our workforce, and we understand the dual responsibilities many women shoulder at work and home. MRCB supports working mothers in balancing their professional and caregiving roles, aligning with the principles of the Convention on the Rights of the Child, which emphasises every child's right to life, survival, and development.

As a responsible employer, we are committed to creating a workplace that supports working parents and promotes family well-being. Our initiatives and benefits are designed to empower working mothers by providing the resources and support they need to nurture their families while thriving in their careers.

Benefits to Support Women at Work

Three months of paid maternity leave

- Female employees are entitled to up to 98 days of paid maternity leave.

Financial support for labour delivery

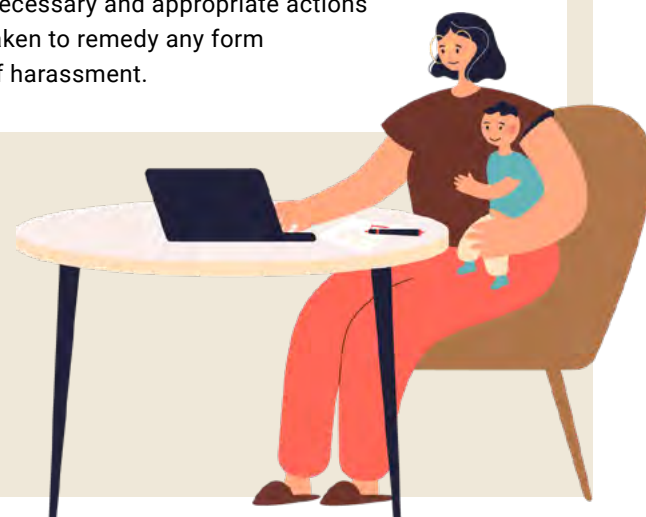
- Employees who have just given birth may claim up to RM3,000 to assist with their delivery bills.
- Newborns receive cash gifts.

Staggered and shortened work hours

- Employees are entitled to opt for flexible work hours to fit their needs better.
- Expecting mothers are entitled to opt for shortened work hours that allow them to attend to their health and well-being.

Safe and Respectful Workplace Conduct

- Sexual Harassment Policy in place.
- Formal complaint process that promptly investigates in a strictly confidential and fair manner.
- Necessary and appropriate actions taken to remedy any form of harassment.



OUR PERFORMANCE

SOCIAL

Driving Gender Pay Equality

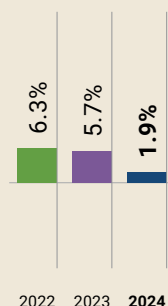
As part of our commitment to SDG 8: Decent Work and Economic Growth, we track the gender pay gap as a key metric to gauge our efforts in achieving pay equity and gender inclusion. Gender is not a factor in pay decisions at MRCB, which are typically based on a combination of qualifications, experience, skills, performance, job size and market benchmarks, amongst other factors. To provide a broad perspective, our approach involves merely measuring the average pay differences between female and male employees, without taking these factors into account.

In 2024, the salary and benefits paid to women compared to men in MRCB improved to 0.97:1, up from 0.88:1 the previous year. This positive trend demonstrates a significant step towards closing the gender pay gap within the company towards full pay equity.

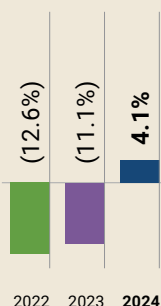
Three year gender pay gap by employee category

Positive percentages indicate women on average are paid more than men, while negative percentages show men on average earn more than women.

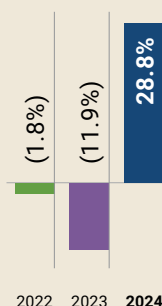
Non-Executive



Executive



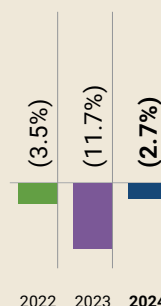
Middle Management



Senior Management



Group Level



* Excluding bonus payouts

CHALLENGES

- Women are less likely to apply for roles in the engineering and construction industry due to the perception of it being a 3D industry - dirty, difficult and dangerous and physically demanding.
- Limited awareness and understanding of the various dimensions of Diversity, Equity, and Inclusion hinder the effective implementation of comprehensive DEI initiatives.

OPPORTUNITIES

- Build internal capacity to increase awareness, understanding, and implementation of best DEI practices within the workplace and across projects.
- Create targeted programmes to attract and retain women and underrepresented groups in traditionally male-dominated roles, such as those in the engineering and construction sectors.
- Leverage diverse perspectives and experiences within the workforce to drive innovation, improve decision-making, and enhance organisational performance.

OUTLOOK

We will continue to strive to create a more inclusive and equitable workplace while addressing barriers in traditionally male-dominated industries such as ours, particularly construction. Investments in modular construction technology through the MRCB Building System (MBS) can play a role in transforming the perception of the construction industry. By enabling work to be carried out in safer, controlled environments, MBS creates opportunities for individuals, including women, who may not have previously considered careers in construction. Moving forward, we will continue leveraging insights from industry experts and peers to strengthen our DEI practices to build a workforce that reflects the diversity of the communities we serve.

LP LABOUR PRACTICES

WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">• We are committed to respecting labour rights and upholding ethical employment practices to ensure fair treatment, proper compensation, and a safe working environment for all our employees.• Adhering to ethical labour practices fosters employee trust and loyalty, which are essential for retaining talent and maintaining a productive workforce.• Ensuring compliance with local and international labour laws safeguards the company's reputation and reinforces its position as a responsible and transparent employer.	<ul style="list-style-type: none">• We uphold labour practices that prioritise the health, safety, and well-being of our employees, as outlined in our Code of Conduct and Human Rights Policy. These commitments are reinforced through policies such as the Quality, Environmental, Health, and Safety (QESH) Policy, ensuring alignment with our social performance responsibilities to customers, vendors, and suppliers.• We continuously monitor and review our labour practices to ensure compliance with evolving laws and regulations. We visit and audit the centralised living quarters provided to foreign workers by our subcontractors, to ensure they comply with all legal requirements and the standards we demand.
OUR AIMS	
<ul style="list-style-type: none">• Zero violations of labour rights.• Uphold fair treatment, proper compensation, and compliance with labour laws.• Zero tolerance for discrimination or harassment.	
OUR INITIATIVES AND PROGRESS	

Compliance with Laws, Rules, and Regulations

MRCB strictly abides by the Malaysian Employment Act 1955, and the Children and Young Persons (Employment) Act 1966. This commitment extends to our external stakeholders including customers and suppliers/contractors, especially when entering into new commercial agreements with us, and we are committed to maintaining ethical labour practices across all aspects of our operations and partnerships.

There was no discrimination against any individual or group because of their race, religion, gender, or disability reported in 2024.

MRCB is also pleased to report that there were no incidents related to non-compliance of human rights principles and labour standards in 2024. This indicator has been verified by MRCB Group's Internal Audit.

Fair and Lawful Employment Practices

Aligned with SDG 8: Decent Work and Economic Growth, MRCB upholds a zero-tolerance policy against discrimination, harassment, and bullying in the workplace. We ensure all employees are treated fairly, regardless of race, gender, age, religion, or nationality. Incidents of bullying or harassment can be reported through our Whistleblowing Policy and e-form, which are accessible via our website or reported directly to our Human Resources Department.

We are committed to providing equal opportunities and protecting our employees from any form of discrimination, harassment, or exploitation, including intimidation, wage garnishment, debt bondage, or abusive working and living conditions. Our practices adhere to national wage and working hour regulations and meet the standards of the International Labour Organisation (ILO) for child labour and minimum working age.

We respect employees' rights to freedom of association and collective bargaining, ensuring fair and lawful employment practices throughout our operations and supply chain.

OUR PERFORMANCE

SOCIAL

Foreign Labour Living and Working Conditions

MRCB is committed to ensuring the well-being of foreign workers and providing them with adequate living and working conditions. As of December 2024, we directly employed 22 foreign workers, compared to 31 in 2023. To support their welfare, we provide Centralised Labour Quarters (CLQs) equipped with essential amenities. All CLQs comply with local authorities’ standards for water supply and fire safety regulations.

Sexual Harassment Awareness Campaign

MRCB strictly opposes all forms of workplace harassment, including sexual harassment, and adheres to Section 81H of the Employment Act (Amendment) 2022, which mandates employers to raise awareness through prominently displayed notices. In alignment with this, we run an ongoing campaign to educate employees on recognising harassment and understanding the proper channels for reporting and addressing it.

Awareness is promoted through training sessions and posters displayed across all facilities. In 2024, we further strengthened this initiative by conducting sexual harassment trainings Auxiliary Police workforce. We also conducted internal training in Bahasa Melayu, ensuring inclusivity and a broader reach among our workforce.

External training 168 attendees	Internal training in Bahasa Melayu 156 attendees
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CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none">• Staying updated and ensuring full compliance with evolving labour laws, regulations, and industry standards across all operations.• Cascading ethical labour practices throughout our value chain and ensuring our subcontractors and vendors adhere to the same high standards.• Addressing labour shortages and competition for skilled talent while maintaining fair and lawful employment practices.	<ul style="list-style-type: none">• Build internal and external capacities to increase awareness, understanding, and implementation of best labour practices across our workforce, subcontractors, and vendors.• Enhance employee engagement and retention through targeted initiatives that align with fair labour practices and promote a supportive work environment.

OUTLOOK
MRCB remains committed to upholding best labour practices across all levels of our organisation and value chain. Moving forward, we will continue to align with evolving labour laws and industry standards to ensure compliance and ethical practices. Our focus will include strengthening partnerships with regulatory bodies, as well as enhancing awareness and capacity-building initiatives for our workforce and subcontractors.

HR HUMAN RIGHTS

WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">• Respecting and upholding human rights fosters a positive workplace culture, enhances employee trust, and supports our reputation as a responsible and ethical employer.• Protecting human rights across our operations and value chain minimises risks of exploitation, forced labour, and other unethical practices, ensuring compliance with global standards and reducing risks of reputational damage.	<ul style="list-style-type: none">• We uphold fundamental human rights, including freedom of association, collective bargaining, and non-discrimination, guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and reinforced by our Code of Conduct and Human Rights Policy.• Policies such as the Quality, Environmental, Health, and Safety (QESH) Policy support our social performance responsibilities, ensuring the protection of employees’ health, safety, and well-being while extending human rights practices to customers, vendors, and suppliers.• We conduct regular risk assessments and provide training to employees and subcontractors to ensure human rights are respected across our operations and value chain, fostering a culture of ethical and responsible practices.
OUR AIMS	
<ul style="list-style-type: none">• Zero violations of human rights.	
OUR INITIATIVES AND PROGRESS	

Enhancing Human Rights Practices Across Operations and Supply Chain

In 2024, we strengthened our Human Rights Policy by aligning it with UNICEF’s Children’s Rights and Business Principles. To further promote awareness and inclusivity, we developed a Bahasa Malaysia version of the policy to ensure clear communication and understanding of human rights principles across our supply chain and workforce.

Fostering a Respectful and Inclusive Workplace

Our Code of Business Ethics (Code) ensures a workplace culture that values inclusivity, mutual respect, and individual contributions. We uphold a zero-tolerance policy for discrimination and harassment in any form, covering race, gender, age, religion, disability, or nationality.

To address workplace concerns, employees and the public can report issues, including misconduct, through clear and established channels. Our commitment to transparency and ethical practices is reflected in making the Code publicly accessible on our corporate website.

OUR PERFORMANCE

SOCIAL

Investigation and Action

MRCB enforces a strict stance against non-compliance, including breaches of anti-bribery regulations, company policies, human rights standards, and our Code of Business Ethics (Code). For external parties, violations may lead to contract termination, and legal action may be pursued if MRCB's interests are harmed.

A dedicated team thoroughly investigates all reported grievances and concerns, ensuring the complainant or whistleblower is kept informed of progress and outcomes. For employee-related cases, disciplinary action, ranging from warnings to termination, is carried out in accordance with the Limits of Authority and relevant policies. For incidents involving suspected corruption, legal breaches, or criminal activities, MRCB has a policy of reporting the matter to the relevant authorities and cooperates fully with investigations.

Supplier-related violations are addressed through MRCB's Human Rights Policy and supplier performance management processes. Business partners are encouraged to utilise their grievance mechanisms for remediation. Confirmed violations may result in actions such as contract termination or dismissal, depending on the severity of the breach.

Transparency is integral to MRCB's corporate governance. The Audit and Risk Management Committee and the Board are promptly informed of disclosures, investigation findings, and actions taken, ensuring accountability and reinforcing ethical practices across all operations.

Grievance Mechanism

MRCB maintains a range of grievance mechanisms and reporting channels at both operational and company-wide levels. These mechanisms help identify and address potential and actual human rights impacts quickly and effectively.

At the operational level, management oversees grievance mechanisms tailored to workplace concerns, ensuring swift resolution. Employees submit grievances through an internal complaint system, and we ensure confidentiality and protection against reprisal for all reports.

At the company-wide level, broader reporting channels are available for all employees and third parties dealing with MRCB. Employees can access the grievance framework via the Group's intranet, while third parties can raise concerns through external channels. Reports of improper conduct, including human rights violations, can be submitted using the whistleblowing e-form available on our website or emailed directly to whistleblowing@mrcb.com, in line with our Whistleblowing Policy.

CHALLENGES

- Ensuring human rights issues are well understood and consistently applied across our organisation and throughout our value chain, including subcontractors and suppliers.
- Monitoring and addressing potential human rights risks across complex supply chains.
- Building awareness and capacity among employees and external stakeholders to recognise and uphold human rights in daily practices and decision-making.

OPPORTUNITIES

- Lead by example to positively influence stakeholders, subcontractors, and vendors to adopt and adhere to best human rights practices.
- Enhance internal capacity through training and awareness programmes, equipping employees to identify and address human rights issues effectively.

OUTLOOK

We will prioritise ongoing communication with employees and stakeholders to reinforce the importance of human rights practices. This includes expanding training programmes, enhancing monitoring mechanisms, and fostering partnerships with industry and regulatory bodies to stay aligned with global standards.

OUR PERFORMANCE
SOCIAL

CE CUSTOMER ENGAGEMENT

WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">Delivering quality demonstrates our commitment to excellence, safety, and customer satisfaction across all construction projects.Effective customer engagement builds trust and fosters long-term relationships, enhancing our reputation and competitiveness in the industry.Understanding customer needs and expectations allows us to tailor our projects and services, ensuring relevance and value while driving continuous improvement.	<ul style="list-style-type: none">We adhere to CIDB's Quality Assessment System in Construction (QLASSIC), a standardised system that evaluates the workmanship quality of building construction projects.Our commitment to quality is reinforced through regular assessments, training, and improvements to align with industry standards and meet customer expectations effectively.We integrate customer feedback into our quality management processes, ensuring continuous improvement and alignment with the evolving needs of our stakeholders.
OUR AIMS	
<ul style="list-style-type: none">Achieve a QLASSIC score of 70% for industrial projects and 80% for residential projects, demonstrating adherence to high construction quality standards and exceeding minimum expectations.Zero complaints related to breaches of customer privacy.	
OUR INITIATIVES AND PROGRESS	

Producing Quality Products to Ensure Customer Satisfaction

Quality is fundamental to our commitment to excellence and client satisfaction. The quality of our output directly impacts the safety, longevity, and ultimate value of the properties and infrastructure we create for our clients.

We adhere to the Construction Industry Development Board's (CIDB) Quality Assessment System in Construction (QLASSIC) standards to objectively measure and evaluate the workmanship quality of building construction projects. Based on the Construction Industry Standard (CIS 7:2014), QLASSIC assesses various construction elements, including structural, architectural, mechanical and electrical, and external works, assigning scores that reflect the overall quality of a project.

In 2024, MRCB achieved commendable QLASSIC scores for its projects:

Project Sites	2024
Alstonia, Bukit Rahman Putra	83%
Jabil's Production Facility at the Chuping Valley Industrial Area (CVIA), Perlis	78%

Apart from the QLASSIC assessment, MRCB adopts a rigorous Pre-Delivery Inspection process. This involves internal teams conducting thorough inspections of properties before handing them over to purchasers, clients, and customers. The process ensures adherence to industry best practices, with at least two months allocated for any necessary rectification work prior to handover. By analysing defects from past projects, MRCB proactively addresses potential issues in future designs.

OUR PERFORMANCE

SOCIAL

Customer Relationships

We view customer engagement as a vital component of delivering value and driving satisfaction. We focus on meaningful interactions to understand customer needs and provide solutions that align with their expectations. Prompt responsiveness is central to our approach, with policies in place to address feedback or complaints within three working days.

We make communication seamless through multiple channels, including WhatsApp, telephone, email, and social media. In 2024, we recorded zero substantiated complaints regarding breaches of customer privacy or data loss.

Customer Experience

We leverage data and customer feedback to identify opportunities for improvement and implement impactful changes. Regular interactions with customers allow us to monitor progress, refine strategies, and create tailored action plans based on their feedback.

To better understand customer needs and expectations, we conduct targeted surveys. These surveys collect insights on various aspects, including the facilities in the malls we manage and the performance of solicitors, agents, and in-house sales staff. The feedback serves as a foundation for refining our offerings and ensuring we consistently exceed expectations.

In 2024, we conducted a customer satisfaction survey for three of our completed residential projects - Sentral Suites, TRIA and Alstonia as part of our Customer Service Excellence Initiatives. These interactions help us better address concerns, deliver on expectations, and strengthen our relationships with customers.


Customer Satisfaction Survey Scores

	2022	2023	2024
Overall Purchasers	Achieved 85% for 1060 Carnegie in Melbourne, Australia	Achieved an average of 80% for the Sentral Suites, VIVO, TRIA, Kalista, and Alstonia projects	Achieved an average of 95% for Sentral Suites, TRIA and Alstonia projects
Call Centre	100% Satisfied	100% Satisfied	100% Satisfied

Increasing Brand Awareness

Building strong brand awareness is essential for driving marketability, influencing customer behaviour, and achieving long-term business success. Brands with strong presence are seen as more valuable and reliable, which enhances pricing power and profitability.

We strive to showcase best practices and consistently deliver on quality. These efforts have been recognised through awards received for our property development projects in 2024.

 Further details on these achievements can be found on pages 16 and 17 of this report.

OUR PERFORMANCE
SOCIAL

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none">• Competing with industry peers to deliver unique and compelling customer propositions that differentiate MRCB in a competitive market.• Meeting the evolving expectations of customers, particularly as preferences shift towards sustainability, technology integration, and personalised services.	<ul style="list-style-type: none">• Leveraging digital platforms and tools to improve customer interaction, streamline communication, and provide seamless service delivery.• Expanding customer feedback mechanisms to gather actionable insights for continuous improvement and innovation in service offerings.• Building long-term relationships with customers through tailored engagement strategies that address specific needs and preferences.• Showcasing sustainability initiatives and practices in projects to attract environmentally conscious customers and align with evolving market expectations.
OUTLOOK	
<p>We will continue our focus on enhancing customer satisfaction by aligning with customer expectations and leveraging innovation. Through the MRCB Building System (MBS) and our latest innovative developments, we aim to deliver high-quality solutions that reflect the evolving preferences of our customers, including the types of homes they desire.</p> <p>We are also committed to addressing the niche needs of select clients seeking climate change adaptation projects. By incorporating customer insights, adopting cutting-edge technologies, and showcasing sustainable practices, we strive to differentiate ourselves in the market.</p>	

LCE LOCAL COMMUNITY ENGAGEMENT	
LOCAL COMMUNITY ENGAGEMENT	
WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">• Engaging with local communities helps build trust, foster goodwill, and create positive social impacts, which are essential for long-term project success and sustainability.• Supporting community development through education, employment opportunities, and infrastructure improvements enhances the quality of life and strengthens the connection between MRCB and the communities it serves.	<ul style="list-style-type: none">• We support communities through stakeholder engagement strategies, initiatives, and partnerships with NGOs to ensure our efforts are collaborative and impactful.• We contribute to Yayasan MRCB which operates independently, governed by its Board of Trustees.• Our approach aligns with our pillars to support sustainable and inclusive environments, foster education and skills development, and promote health and well-being.
OUR AIMS	
<ul style="list-style-type: none">• Positively impact approximately 100,000 beneficiaries each year through targeted programmes and initiatives.• Contribute RM1 million annually to Yayasan MRCB and Corporate Social Responsibility (CSR) initiatives to drive meaningful community impact.	

OUR PERFORMANCE

SOCIAL

OUR INITIATIVES AND PROGRESS

MRCB is committed to uplifting local communities through impactful engagement initiatives, carried out both directly and via Yayasan MRCB, its charitable foundation. These efforts focus on education and social well-being, supporting underprivileged groups and fostering long-term positive change.

MRCB'S SOCIAL IMPACT INITIATIVES

Upskilling Workforce to Drive Innovation, Industry and Economic Growth

Building Skilled Construction Workforce through TVET

MRCB is strengthening Malaysia's skilled workforce by investing in Technical and Vocational Education and Training (TVET) initiatives that enhance employability and reduce reliance on foreign labour. In 2024, MRCB, in collaboration with CIDB Malaysia, established the Central Region Malaysian Construction Academy (ABM) Tower Crane Training Site in Jenjarom, Selangor, a dedicated Tower Crane Training Site. This on-site practice area, equipped with a fully installed tower crane, provides hands-on learning opportunities for trainees, ensuring they gain practical experience aligned with industry demands.

The CIDB-MRCB TVET programme strengthens the industry by improving curriculum, faculty expertise, and training infrastructure. It places a strong emphasis on Modular Construction, promoting sustainability, minimising waste, and reducing dependency on foreign labour. These are key factors that contribute to long-term community resilience and self-reliance.

Since May 2024, the programme has welcomed 10 trainees every two months, creating a steady pipeline of skilled professionals. This structured approach ensures that local communities gain access to sustainable employment opportunities while contributing to the industry's transformation toward a more sustainable and inclusive future.

Beyond infrastructure, MRCB supports workforce reintegration through the Peluang Kedua Anda (PEKA) programme, which has trained 470 individuals through CIDB-accredited courses, equipping them with the skills needed to re-enter the job market as qualified professionals. By embedding TVET in its sustainability agenda, MRCB is actively closing the skills gap, fostering economic mobility, and strengthening national development. These efforts not only empower individuals with career stability but also contribute to the resilience and sustainability of Malaysia's construction sector.



Tower crane training site launch

TVET Crane Initiative



Read more about how our TVET Crane Initiative is empowering the next generation of technical talent, on page 204.

OUR PERFORMANCE

SOCIAL

Supporting Industry Innovation and Economic Growth through Industrial Collaboration Programme

MRCB's Industrial Collaboration Programme (ICP) supports Malaysia's economic growth by aligning business initiatives with national development goals. Introduced in 2014 by the Ministry of Finance (MoF), the ICP connects macroeconomic policies such as Malaysia's Five-Year National Development Plans and the Malaysian Industrial Masterplan to industry advancements. Since 2019, MRCB has played a key role in the ICP, particularly in the LRT3 project, by providing RM20 million in grants and offering advisory and consultation support to ICP Project Providers (IPPs). To qualify, IPPs must introduce a unique, first-in-Malaysia product or service and undergo a stringent approval process involving MoF, Prasarana Malaysia Berhad, and the Technology Depository Agency (TDA).

The programme fosters economic expansion, job creation, and knowledge-based industries. MRCB has awarded 64 contracts, each valued between RM250,000 and RM500,000, to innovative projects such as eco-friendly mosquito control kits developed with MAHSA University to combat dengue, and AI-powered medical augmentation software in Penawar Hospital, Johor. All 64 ICP projects are set for completion by June 2025, reinforcing MRCB's commitment to advancing Malaysia's industrial and technological capabilities.

Renewable Energy for Sustainable Infrastructure

MRCB is strengthening Malaysia's expertise in sustainable urban development by integrating renewable energy into transport infrastructure. The WindTree pilot project at the LRT3 Depot in Johan Setia creates opportunities for technology adoption and workforce upskilling in clean energy solutions while lowering operational costs and improving energy security for public facilities.

The WindTree system generates 4.2kW of power by combining Aeroleaf® vertical-axis wind turbines with solar energy. Designed to operate at wind speeds as low as 2.5 m/s, it powers guardhouse lighting and reduces reliance on conventional electricity. The initiative aligns with Malaysia's Green Technology Master Plan and National Energy Transition Roadmap (NETR), demonstrating a practical approach to decentralised renewable energy.

Enhancing Flood Preparedness Through Real-Time Monitoring

MRCB is safeguarding urban mobility and infrastructure resilience by developing a Flood Monitoring, Prediction, and Mitigation Performance System to reduce flood risks in vulnerable areas. The Proof of Concept project includes five Flood Monitoring Poles, with the main pole installed at the Shah Alam Rapid Bus Depot and four others within a 5 km radius. This IoT-based system provides real-time early warnings and data-driven insights, enabling authorities to take proactive measures before floods occur.

The system collects rainfall intensity, ground surface water levels, wind direction, and wind speed, supporting accurate prediction and analysis. Publishing early warning alerts improves response times and helps mitigate flood damage. This scalable and automated solution enhances flood preparedness, ensuring safer transport operations and better protection for communities.

2024 Flood Relief Emergency and Fund

In response to the devastating floods that affected nine states in Malaysia during November and December 2024, MRCB launched a community relief initiative to support families and individuals in need. The company contributed RM1 million and 350 food baskets to the flood relief efforts, aiding 150,000 individuals displaced by the disaster.

The funds were used to provide immediate assistance, including essential supplies, temporary shelters, and other necessities to alleviate the hardships faced by affected communities. This initiative reflects MRCB's ongoing commitment to supporting vulnerable groups during times of crisis, reinforcing the importance of corporate responsibility in disaster response and recovery.

OUR PERFORMANCE

SOCIAL

Yayasan MRCB Uplifting Communities

Yayasan MRCB Outreach Programmes

Yayasan continued its mission to enhance the quality of life for underprivileged communities through targeted outreach initiatives for the year under review. Established in 2015 as MRCB's foundation, Yayasan MRCB has consistently delivered impactful programmes focused on education, financial assistance, healthcare, skills empowerment, and community well-being. Special emphasis has been placed on supporting individuals with physical challenges and uplifting the Orang Asli community.

2024 Orang Asli Outreach Programme

Yayasan MRCB in collaboration with the Malaysian Relief Agency (MRA) Perak, organised a three-day, two-night Community Engagement Programme from 20 to 22 December 2024, benefiting 550 Orang Asli individuals in Kampung Bongor, Sungai Kejar, Royal Belum, Gerik, Perak. Supported by 55 MRCB volunteers, the programme provided essential food supplies, community games and engagement activities to enhance community well-being. Yayasan MRCB contributed RM23,530 towards this initiative, reinforcing its commitment to improving the lives of marginalised communities.

The engagement extended beyond aid distribution, fostering meaningful interactions between volunteers and the Orang Asli families. Volunteers shared meals, conducted sports activities for children, and engaged in community bonding sessions, strengthening social connections and trust. The village head, Batin Bain, expressed gratitude for the initiative, highlighting the impact of sustained engagement on the community's well-being. This is the seventh year Yayasan MRCB has run this programme with the Orang Asli community at Royal Belum State Park, demonstrating our long-term dedication to supporting underserved indigenous communities through both direct assistance and capacity-building efforts.



OUR PERFORMANCE

SOCIAL

Strengthening Community Bonds Through Ramadan Iftar

Yayasan MRCB continued to support underprivileged communities by hosting its annual Iftar Ramadan Programme, benefiting marginalised individuals. The initiative provided financial aid and 'duit raya' to orphans, single mothers, people in need, and Tahfiz school students to ease their burden in preparing for Hari Raya Aidilfitri. The first event, held at Masjid Tengku Kelana Jaya Petra, Petaling Jaya, was graced by His Royal Highness the Sultan of Selangor, Sultan Sharafuddin Idris Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj, and Her Royal Highness Tengku Permaisuri Norashikin. The second event, held at Thoriq Bin Ziyad Mosque, Army Base, Sungai Besi Camp, was attended by YB Dato' Seri Dr. Wan Azizah, alongside the local community.

These gatherings strengthened social ties by fostering a sense of togetherness and solidarity while reinforcing MRCB's commitment to community well-being. The programme also brought together local leaders, and MRCB's board and management, demonstrating the company's role in addressing social needs beyond business.






OUR PERFORMANCE

SOCIAL

CONTRIBUTION AND IMPACT TO COMMUNITIES

MRCB Group

In 2024, MRCB Group contributed RM2,203,500 through various community initiatives, directly benefiting 158,220 individuals. These efforts were carefully aligned with key United Nations Sustainable Development Goals (SDGs), particularly those focused on poverty and hunger, good health and well-being, promoting quality education, and fostering sustainable economic development. This data has been verified by MRCB Group's Internal Audit.

No	Targeted Communities/ Organisations	Programme	Programme Impact
<div>    </div> Community Development and Well-Being			
1	Yayasan MRCB	Supported Yayasan MRCB in advancing community development efforts.	A contribution of RM1 million was made to Yayasan MRCB to support impactful community development initiatives across Malaysia.
2	Flood victims	2024 Flood Relief Assistance.	A contribution of RM1 million and 350 food baskets were made to support up to 150,000 flood victims .
		Karyawan's Charity Golf Tournament - Fund Raising.	A donation of RM5,000 was made to Karyawan's Charity Golf Tournament, benefiting 120 flood victims .
3	Persatuan Golf Negeri Melaka	Melaka Chief Minister's Cup Golf Tournament.	A contribution of RM50,000 was made to the Melaka State Golf Association to promote <i>Tahun Melawat Melaka 2024</i> , benefiting 500 individuals .
4	Bagan Dalam communities	The Bagan Dalam Unity Fun Walk 2024 Programme.	A donation of RM20,000 was made for the Bagan Dalam Unity Fun Walk 2024, benefiting 1,500 local community members .
5	Kuala Lumpur Police Contingent	Contributed to The Kuala Lumpur Police Contingent, as organiser to host The Royal Malaysia Police National Sports Day Celebration 2024 (HSN 2024).	A contribution of RM15,000 was made for the Royal Malaysia Police National Sports Day Celebration 2024 (HSN 2024), which benefited 2,500 local community members .
6	State Economic Planning Unit employees	Donation to Kelab Kebajikan dan Rekreasi Seksyen Makro dan Penswastaan, Unit Perancang Ekonomi Negeri.	A donation of RM1,500 was made to the Welfare and Recreation Club of the Macro and Privatisation Section, State Economic Planning Unit benefiting up to 300 individuals .

OUR PERFORMANCE

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No	Targeted Communities/ Organisations	Programme	Programme Impact
<div> <div>4</div> <div>QUALITY EDUCATION</div> <div></div> </div> Quality Education			
7	St. John's Students	Partnership Contribution to St. John's Institution Cadet Band for three years (2024 - 2026).	A RM40,000 yearly partnership contribution over three years to St. John's Institution Cadet Band, benefiting 200 students (2024 - 2026).
8	Students	Program Jejak Budaya Madani, Bahasa Melayu DiJulang 2.0.	A contribution of RM2,000 was made for the 'Jejak Budaya Madani, Bahasa Melayu DiJulang 2.0' Programme, supporting 100 students .
<div> <div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div></div> </div> Sustainable Economic Growth			
9	Malaysian artists	Perbadanan Kemajuan Filem Nasional Malaysia.	A contribution of RM50,000 was made to the National Film Development Corporation Malaysia (FINAS), benefiting 1,500 Malaysian artists .
10	Public and Selangor Government Officials	Donation to Selangor State Government to support the Selangor State Hari Raya Aidilfitri Open House - Program Majlis Rih Raya Kita Selangor 2024.	A donation of RM20,000 was made to support the Selangor State Hari Raya Aidilfitri Open House, benefiting up to 1,500 individuals .
Total Amount Contributed by MRCB Group			RM2,203,500
Total Beneficiaries by MRCB Group			158,220

OUR PERFORMANCE

SOCIAL


Yayasan MRCB

In 2024, Yayasan MRCB independently conducted various community engagement initiatives that benefited local communities.

No	Targeted Communities/ Organisations	Programme	Programme Impact
<div>    </div> Community Development and Well-Being			
1	B40 families and local community members	<p><i>Majlis Berbuka Puasa (Ihya Ramadhan) Di Parlimen Bandar Tun Razak Bersama Penduduk Setempat dan Penyampaian Sumbangan Hari Raya Aidilfitri 2024M / 1445H at Masjid Thoriq Bin Ziyad, Kem Tentera Darat, Sungai Besi, Kuala Lumpur.</i></p> <p><i>Majlis Berbuka Puasa (Ihya Ramadhan) DYMM Sultan Selangor Bersama Rakyat dan Penyampaian Sumbangan Hari Raya Raya Aidilfitri 2024M / 1445H at Masjid Tengku Kelana Jaya Petra, Petaling Jaya, Selangor Darul Ehsan.</i></p>	<p>4,500 individuals, including asnaf and local communities, benefited from the Iftar event at Masjid Thoriq Bin Ziyad, Kuala Lumpur.</p> <p>6,500 individuals, including asnaf and representatives from local organisations benefited from the Iftar event at Masjid Tengku Kelana Jaya Petra, Selangor.</p> <p>Communities:</p> <ol style="list-style-type: none"> 1) Asnaf (B40 Category) 2) Masjid Tengku Kelana Jaya Petra attendees 3) Pertubuhan Pusat Jagaan Limpahan Kasih 4) Pertubuhan Kebajikan Anak Kesayanganku
2	Persatuan Dialisis Touch Patients	Donation to Persatuan Dialisis Touch of one unit of Dialysis Machine.	Purchased of dialysis machine for Persatuan Dialisis Touch, benefiting 60 patients .
3	Bongor Village Families	A collaboration with MRA Perak to Organise Community Engagement Programme with Orang Asli at Kampung Bongor, Sungai Kejar, Royal Belum, Gerik, Perak Darul Ridzuan on 20 - 22 December 2024.	Community engagement programme for 550 Orang Asli families in Bongor Village, organised with MRA Perak and supported by 55 MRCB volunteers.
4	Pusat Aduan Rakyat Malaysia	Appeal for Charity Donation Assistance for B40 Community & Orphans in Conjunction with the Deepavali 2024 Musical & Arts Fiesta Organised by Pusat Aduan Rakyat Malaysia.	Supported 650 individuals from the B40 community and orphans during the Deepavali 2024 Musical & Arts Fiesta.
5	Pertubuhan Urus Peduli Asnaf	Contribution of Food Basket at the Zakat & Duit Raya Distribution to Asnaf from Pertubuhan Urus Peduli Asnaf Ceremony.	Food baskets were distributed to 132 asnaf during the Zakat & Duit Raya Distribution Ceremony.
6	Persatuan Karyawan Malaysia	Donation to Persatuan Karyawan Malaysia to organise "Makan Malam Amal Legend" to help artists from B40 families who have financial and health problems.	A donation was made for the Legends Charity Dinner, supporting 50 artists from B40 families facing financial and health challenges.

OUR PERFORMANCE

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No	Targeted Communities/ Organisations	Programme	Programme Impact
7	Persatuan Kebajikan Amal Jian An Malaysia	Appeal for Persatuan Kebajikan Amal Jian An Malaysia for Little Shao Heng living and medical expenses.	Made a contribution to support Little Shao Heng's living and medical expenses.
8	Indian Community in Setiawangsa	Donation Application Programme for the Organisation of Indian Community Arts & Culture Carnival in Setiawangsa Parliament Area Organised By 'Pusak Khidmat Rakyat Parliament Setiawangsa' And 'Majlis Perwakilan Penduduk Sub Zon 1 Setiawangsa'.	500 individuals benefited from donations to the Indian Community Arts & Culture Carnival.
9	Pejabat Agama Daerah Seberang Perai Utara (Butterworth)	Sponsorship of Food Baskets during the visit of Tuan Yang Terutama Tun Dato' Seri Utama Ahmad Fuzi Bin Haji Abdul Razak Yang Dipertua Negeri Pulau Pinang At Masjid Jamek Lahar Looi, Daerah Seberang Perai Utara (Butterworth).	Food baskets for 50 beneficiaries during the visit of Governor of Penang to Masjid Jamek Lahar Looi, Butterworth.
 Quality Education			
10	Children of Melawati Police Station Staff	Contribution Application for Community Programme School Assistance.	50 children of Melawati Police Station staff through the Community Programme School Assistance.
11	Sekolah Sultan Alam Shah	Appeal for Financial Contribution for the Propose of Purchasing of Gamelan Traditional Music Instruments for Sekolah Sultan Alam Shah.	Purchased of Gamelan traditional music instruments, benefiting 100 students .

CHALLENGES

- Ensuring equitable support for communities with diverse needs and priorities.
- Delivering high-impact initiatives and effectively reaching out to communities in need.

OPPORTUNITIES

- Strengthening relationships with local communities and other stakeholders through targeted programmes that address their specific needs, fostering trust and goodwill.
- Creating opportunities for partnerships with local stakeholders to enhance the reach and impact of community development initiatives.
- Creating long-term positive impacts to uplift livelihoods and contribute to an equitable future for all through sustained and inclusive community engagement.

OUTLOOK

We are committed to investing in communities and creating sustainable, long-term positive impacts. By enhancing livelihoods, supporting education, and building resilience, we aim to address socioeconomic challenges effectively. We will continue to prioritise community engagement within our business strategy while exploring collaborations and partnerships to expand the reach and impact of our efforts to contribute to a more inclusive and equitable future.

ELEVATING WORKFORCE DEVELOPMENT:

MRCB **AND CIDB'S** **TVET CRANE** **INITIATIVE**

To enhance the construction industry's workforce, MRCB partnered with the Construction Industry Development Board (CIDB) to launch a Technical and Vocational Education and Training (TVET) programme focused on crane operations. This collaboration aimed to address the pressing need for skilled labour in Malaysia's construction sector, particularly in Modular Construction, which emphasises sustainability and efficiency.



The Need for Skilled Labour in Construction

The construction industry in Malaysia faces challenges related to a shortage of skilled workers. Recognising this gap, MRCB and CIDB initiated a programme designed to elevate the employability of TVET graduates by enhancing their competencies through a robust curriculum, an improved training facility, and an upgraded infrastructure. This initiative not only aims to provide employment opportunities but also seeks to create a sustainable workforce that can adapt to the evolving demands of the construction landscape.

THE CIDB-MRCB TVET PARTNERSHIP

Signed on 7 June 2023, the Memorandum of Understanding (MoU) between CIDB and MRCB set the foundation for a three-year collaboration aimed at increasing the employability of TVET graduates. This initiative emphasises competency-based training and hands-on experience to equip trainees with the skills necessary to meet industry demands. A flagship component of this partnership is the Tower Crane Training Programme, inaugurated at a dedicated training facility built by MRCB in Bandar Saujana Putra, Selangor.

The training facility is a testament to MRCB's commitment to bridging the gap between theoretical knowledge and practical application. Accredited by both CIDB and the Department of Occupational Safety and Health, the site offers participants hands-on training with an actual 30-metre tower crane. This approach departs from traditional simulator-based instruction, providing trainees with invaluable "real life" experience and confidence in operating complex machinery.



TVET trainees attending a theory session as part of their structured skills development programme

Focus on Modular Construction

An important aspect of this collaboration is its emphasis on Modular Construction, a more sustainable construction method that not only reduces waste and GHG emissions but also improves build quality and reduces the industry's reliance on foreign labour. By investing in TVET programmes tailored to this innovative approach, MRCB is positioning itself at the forefront of sustainable construction practices. The training encompasses various disciplines critical to modular construction, including:

- Concrete Technology
- Formwork Technology
- Crane and Heavy Machineries
- Safety, Health, and Environment Programmes

These areas are crucial for developing a skilled workforce capable of meeting the industry's future demands.

Training Structure and Opportunities

The TVET programme includes specialised training modules such as:

- Tower Crane Operation & Rigging: A three-month course focusing on practical rigging and crane operations.
- On-the-Job Training: Participants gain hands-on experience through placements at MRCB's construction sites or partner locations.

The training site located at Bandar Saujana Putra serves as both a crane training facility and a casting yard for MRCB's modular systems. This multi-purpose facility ensures that trainees receive quality instruction aligned with industry standards.

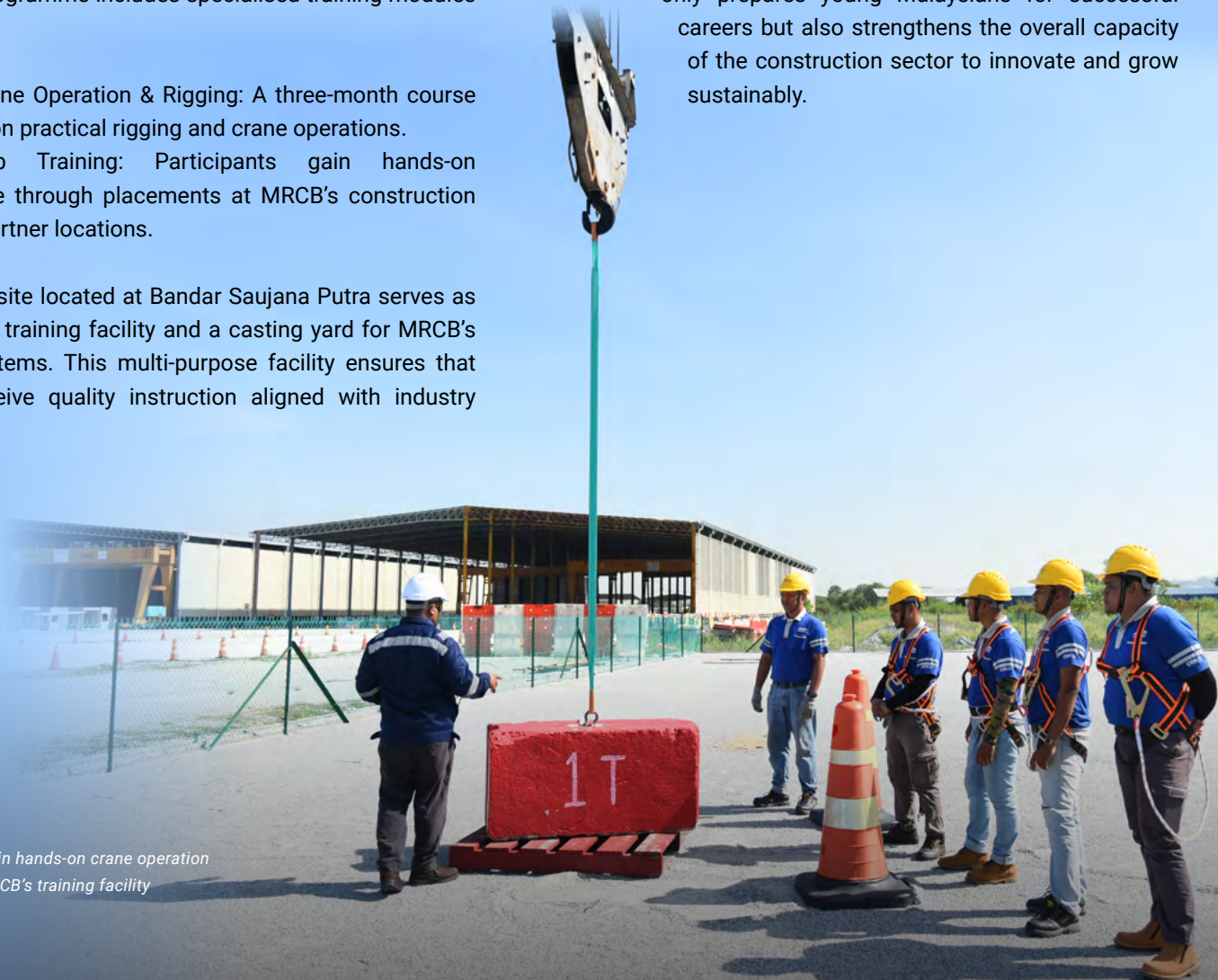
By prioritising local talent development, MRCB and CIDB aim to reduce the construction sector's dependency on foreign labour. The programme is designed to cultivate a sustainable workforce equipped with essential skills that can contribute significantly to the industry's growth.

Career Prospects for Trainees

Graduates from the crane operation training programme will find themselves well-positioned in the job market. Skilled crane operators are highly sought after, offering lucrative career paths within the construction sector. With this specialised training, these individuals will not only enhance their employability but also gain access to stable income opportunities that contribute positively to their communities.

The collaboration between MRCB and CIDB represents a forward-thinking approach to addressing the skills gap in Malaysia's construction industry. By investing in TVET programmes focused on crane operations and Modular Construction, both organisations are setting new standards for competency, sustainability, and self-reliance in the workforce. This initiative not only prepares young Malaysians for successful careers but also strengthens the overall capacity of the construction sector to innovate and grow sustainably.

TVET trainees gain hands-on crane operation experience at MRCB's training facility





“MRCB’s support has enhanced my professional growth, enabling me to prioritise safety and achieve impactful milestones that truly make a difference.”

Visvanathan Jeyagobi
Safety & Health Officer
(MRCB Builders)

OUR PERFORMANCE

ENVIRONMENTAL

A Commitment to Environmental Stewardship

MRCB is committed to advancing environmental sustainability, which is an integral part of our business operations. We are working towards achieving net zero greenhouse gas (GHG) emissions by 2050, in line with the Paris Agreement and Malaysia's national target for net zero across Scope 1, 2, and 3 by the same year. Our strategy takes a practical and comprehensive approach, aiming to optimise resource efficiency, reduce GHG emissions, improve energy conservation, and support a transition to cleaner, more sustainable practices. By integrating these efforts, we strive to contribute to the creation of resilient, meaningful spaces that align with our purpose of building a better tomorrow.

In pursuit of greater transparency, we are proactively strengthening our climate-related reporting. We are aligning our disclosures with the International Financial Reporting Standards (IFRS) S1: General Sustainability-related Disclosures and S2: Climate-related Disclosures, alongside the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). By taking these steps ahead of the required implementation date we aim to provide our stakeholders with clear and insightful information on our climate-related risks, opportunities, and the strategies we are adopting to manage them. While we are committed to this enhanced approach, we recognise that this is an evolving process and may require refinement as we continue to improve our reporting practices.

MRCB complies with all applicable laws and guidelines, such as the Environmental Quality Act 1974. In 2024, we received zero environmental fines or penalties and recorded zero incidents of non-compliance related to environmental laws and regulations.



A visual representation of the aerial view of Kwasa Damansara City Centre

MRCB MATERIAL MATTERS: ENVIRONMENTAL MANAGEMENT

Climate Change and Emissions

Page 210

PCR

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GHGE

Resource Management

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OUR PERFORMANCE
ENVIRONMENTAL

OUR 2024 ENVIRONMENTAL
PERFORMANCE

GHG EMISSIONS
INTENSITY
REDUCTION
AGAINST 2020
BASELINE

GHG EMISSIONS
ABSOLUTE
INCREASE
AGAINST 2020
BASELINE

▼
22.7%

▲
5.7%

OUR PERFORMANCE

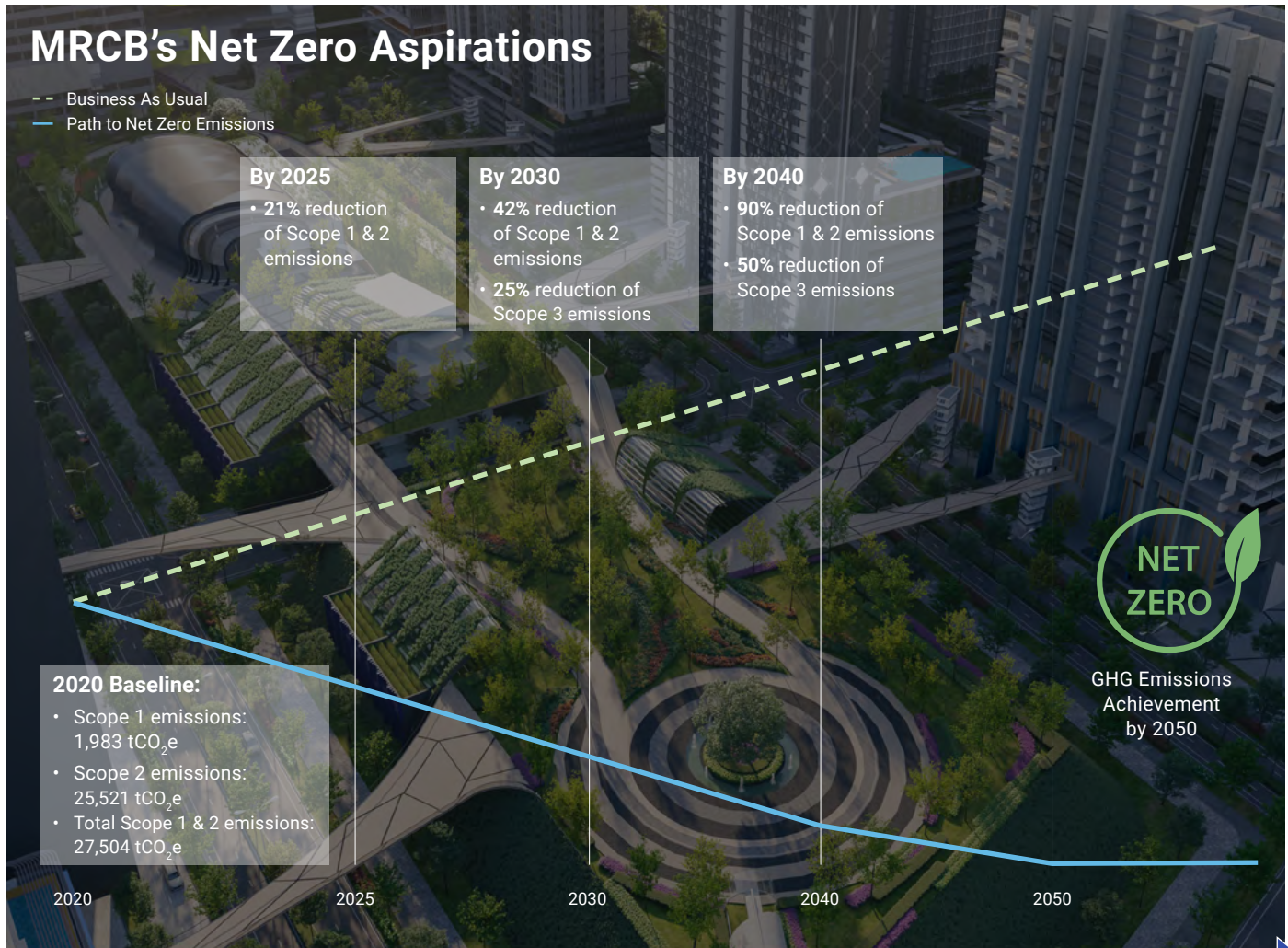
ENVIRONMENTAL

CLIMATE CHANGE AND EMISSIONS

As a key player in the construction industry, we recognise the significance of our role in promoting sustainability within the sector. Our Climate Strategy Framework is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we are aligning and refining our approach in accordance with the International Financial Reporting Standards (IFRS) S1 and S2. In line with Malaysia's climate goals and the Paris Agreement, we are working towards net zero GHG emissions by 2050, exploring clean energy and waste-to-energy solutions to reduce emissions.

CLIMATE STRATEGY FRAMEWORK				
SUSTAINABILITY ASPIRATION: NET ZERO GHG EMISSIONS BY 2050				
Strategy	Managing Climate-related Transition Risks			Managing Climate-related Physical Risks
	GHG Emissions Reductions	Transition to Low Carbon		Managing Emerging Physical Climate Risks
Focus area	GHG emissions reductions	Sustainable business practice	Green infrastructure	Climate-related physical risk adaptation
Key Initiatives	<ul style="list-style-type: none"> Established Scope 1, 2, and 3 emissions reduction targets in line with Malaysia's Net Zero by 2050 Scope 3: Adopt the CSI platform to improve Scope 3 disclosures and inventory Evaluate and integrate new emissions reduction technologies into our operations, for example, MBS and our future waste-to-energy (WTE) project Explore ways to increase generation and usage of renewable energy and electrification of plant and machinery (e.g. solar energy, low or zero carbon fuels such as hydrogen, and biofuel) District Cooling System (DCS) LED and smart lighting retrofitting solutions Solar Photovoltaic installation at our TODs Cultivate an energy saving culture Carbon offsets and sequestration 	<ul style="list-style-type: none"> Develop MRCB's climate risk management process in accordance with TCFD and IFRS recommendations Tap into sustainable financing Continue developing green buildings and transitioning to lower emissions buildings Integrate new Sustainable Design Policy, which comprises more intensive sustainable design principles and sustainable procurement into our projects and assess the embodied carbon in our projects Further digitalisation of our operations Internal carbon pricing Employee upskilling 	<ul style="list-style-type: none"> Invest into research and development related to technical know-how of constructing sustainable and environmentally friendly facilities Identify opportunities in low carbon construction materials as alternatives to carbon intensive construction materials such as cement, steel, glass, heavy machinery, and equipment Target and build climate change adaptation infrastructure projects such as flood mitigation infrastructure Target and build clean energy infrastructure projects aligned to Malaysia's New Energy Transition Roadmap (e.g., large scale solar projects) 	<p>CLIMATE ADAPTATION</p> <ul style="list-style-type: none"> Implement systems for regular monitoring of climate hazards and their impacts Employee upskilling <p>CLIMATE RESILIENCE</p> <ul style="list-style-type: none"> Continue physical risk assessments on new land investments or development projects Integrate climate risk assessments into future engineering designs
Enablers				
Governance	Data Management	Transparency and Compliance	Collaboration and Engagement	
<ul style="list-style-type: none"> Board commitment and oversight Integration into business plans and performance management Staff engagement and capacity building 	<ul style="list-style-type: none"> Improve Emissions Data Management System Improve Scope 3 collection and calculation, in alignment with protocols and standards Utilise CSI platform to improve Scope 3 disclosures and inventory 	<ul style="list-style-type: none"> Continue third party assurance of emissions disclosures Strengthen ESG scoring, IFRS S1 and S2, and TCFD disclosures 	<ul style="list-style-type: none"> Continue engagement with regulators and investors to monitor emerging regulations and trends Collaborate with stakeholders to drive a low carbon economy 	

OUR PERFORMANCE ENVIRONMENTAL



Initial Strategy

- ✓ Climate Risk Management Integration
- ✓ Sustainable Design Policy Implementation
- ✓ Green Building Development
- ✓ MRCB Building System (MBS)
- ✓ District Cooling System (DCS)
- ✓ LED and Smart Lighting Retrofitting Solutions
- ✓ Cultivate an Energy Saving Culture
- ✓ Employee Upskilling

Scaling Up

- Embark on Large Scale Solar Projects
- Waste-to-Energy Projects
- Renewable Energy Transition
- Solar Photovoltaic Installation at our TODs
- Low Carbon Construction Materials
- Internal Carbon Pricing Implementation

Sustaining Momentum

- Lower Emissions Buildings
- Transitioning to lower or zero emissions energy sources plant and equipment at our construction sites (e.g., electric, biofuel and hydrogen)


Getting to Net Zero

- Complete Renewable Energy Integration
- Carbon Sequestration
- Carbon Offset

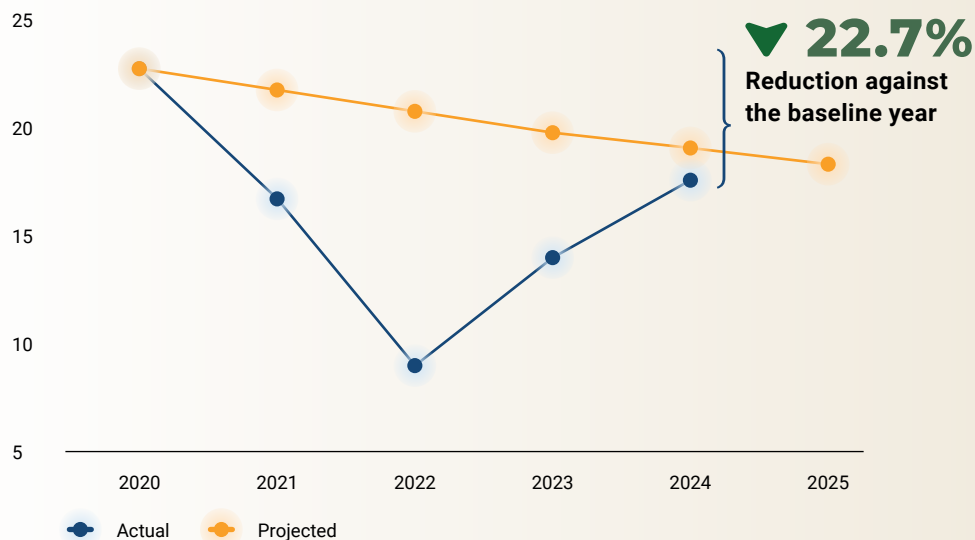
OUR PERFORMANCE ENVIRONMENTAL

Actual Performance vs Projected Performance

We are making progress towards reducing our GHG emissions intensity, with a 22.7% decrease in emissions intensity compared to our 2020 baseline.

 For more details on our GHG Emissions Intensity, refer to page 237.

GHG Emissions Intensity (tCO₂e/RM' Million)



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

In response to the climate crisis, we are committed to supporting global efforts and Malaysia's pledge to the Paris Agreement to limit global temperature rise to below 1.5°C. This commitment enhances our resilience to potential climate impacts and ensures the long-term sustainability of our operations.


Our climate journey began in 2019 with the expansion of our GHG emissions accounting, forming the basis for a climate strategy aligned with international best practices. In our fourth year of disclosing climate-related financial risks and opportunities, we adhere to the TCFD's recommendations to provide a clear picture of how we manage and respond to these risks. This is also in line with IFRS S2: Climate-related Disclosures.

GOVERNANCE

Board Oversight

To ensure effective oversight, the Board of Directors is responsible for establishing MRCB's overarching strategy, which includes a climate strategy. The Board ensures that sustainability and climate-related risks, opportunities, and trade-offs are systematically embedded into strategy, major transactions, and risk management processes.

The Board maintains active oversight through updates on sustainability and climate-related risks and opportunities as a permanent agenda item at its quarterly board meetings. These updates provide critical insights that shape the Board's strategic decisions, guiding the integration of sustainability and climate considerations into the Group's operations and long-term planning. Once these decisions are made, Management is responsible for executing them across relevant functions.

 For more details on our Sustainability Governance, refer to pages 153-156.

OUR PERFORMANCE

ENVIRONMENTAL

STRATEGY

Climate Strategy

A Climate Strategy Framework has been established to address environmental and climate challenges while ensuring sustainable business growth. Our goal is to achieve net zero GHG emissions by 2050, supported by strategies to enhance operational eco-efficiency in energy, water, resource use, and waste management. These strategies focus on reducing both direct and indirect emissions, facilitating the transition to a low-carbon economy, and adapting to climate change.

We have set a timeframe for our climate strategy as follows:

- Short-term: 1-5 years
- Medium-term: 6-15 years
- Long-term: >15 years

Our approach to short, medium and long-term planning is deeply rooted in our strategic vision. Short-term priorities focus on driving effective actions to address immediate needs, and medium-term objectives steer us toward alignment with evolving industry dynamics and global standards. Meanwhile, long-term goals serve as the foundation for our pursuit of innovation and sustainability, shaping the future we aspire to create.

Consistent with this vision, we allocate resources from our working capital to address sustainability and climate-related risks and opportunities, fully integrating sustainability and climate considerations into our business operations. This strategic approach supports our overall strategy and drives our mitigation measures, ensuring that we effectively manage risks while capitalising on opportunities arising from climate change.

We have completed the following:

- Qualitative assessment of our physical climate and transition risks
- Quantification of our physical climate risks
- Quantification of our climate transition risks



For more details on our risk assessments, refer to:

- Qualitative assessment of physical climate risks on pages 216-219.
- Qualitative assessment of climate transition risks on pages 222-223.
- Quantification of our physical climate risks on pages 219-221.
- Quantification of our climate transition risks on pages 224-231.

The assessments incorporated climate scenario analysis to determine impact of climate risks and opportunities to our business, enabling us to strengthen our long-term resilience.



For more details on our Climate Strategy Framework, refer to page 210.

OUR PERFORMANCE

ENVIRONMENTAL

STRATEGY (CONT'D)

Leveraging Technology for Sustainable Development

Continued technological advancements are expected to reduce the cost and increase the efficiency of low-carbon technologies, making them increasingly feasible and viable compared to traditional alternatives. These assumptions underpin our strategy to further advance and integrate low-carbon solutions.

Building on our strong history of sustainable development, particularly through green buildings and Transit-Oriented Developments (TODs), we are further advancing and integrating low-emission considerations and solutions:

Sustainable Design Policy	MRCB Building System (MBS)	Embodied Carbon Assessments	District Cooling Systems (DCS)
Incorporates sustainable design principles and concepts, and expands proprietary low-waste modular construction technology, MBS.	MBS technology accelerates project delivery by up to 50% compared to conventional methods while reducing waste and GHG emissions through its efficient construction process.	Conduct assessments on new projects to reduce emissions from construction materials and production processes.	Implemented DCS across multiple projects since 2011, with four plants launched to date, which provide significant energy savings, lower lifecycle costs, and reduced GHG emissions.



The Cooling Tower in DCS Kwasa Damansara Plant

OUR PERFORMANCE

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RISK MANAGEMENT

Climate Risk Management

An Enterprise Risk Management framework is used to systematically evaluate sustainability and climate-related risks through quarterly departmental operational and project risk register reviews and Key Enterprise Risk (KER) reports. These risks are monitored at the operational and group levels to ensure a comprehensive risk management approach.

All departments and business units need to consider the impact of physical climate risks on their operations, monitor their risk indicators, and prepare action plans to mitigate such risks.

Climate-related risks are embedded into the Group's KER, which are approved by the Audit and Risk Management Committee and the Board, and are specifically monitored under KER5: Environmental, Social, and Governance Risk.

At the Group level, climate scenario analyses are conducted to assess potential future risks and enhance resilience. Our climate change risk controls are updated to the Board every quarter, allowing for proactive decision-making.

The process to identify, assess and monitor sustainability and climate-related risks and opportunities has not changed in the past reporting period, and may be reviewed from time to time and updated accordingly.



For more details on our risk management processes, refer to:

- Our Risks and Mitigations on pages 78-87.
- Statement on Risk Management and Internal Control on pages 318-331.

Our material matters include Physical Climate Risk, Climate Transition Risk and GHG Emissions.



For more details on our material matters, refer to pages 60-67.

METRICS AND TARGETS

We have set a target to reduce our GHG emissions intensity by 4.2% annually from our 2020 baseline. These targets align with the 1.5°C scenario and Malaysia's commitment to the Paris Agreement.

We aim for net zero GHG emissions by 2050 and have set the following interim emissions reduction targets:

Short-term target by 2025	21% reduction of our Scope 1 and 2 emissions intensity
Mid-term target by 2030	42% reduction of Scope 1 and 2 emissions intensity, and 25% reduction of Scope 3 emissions
Long-term target by 2040	90% reduction of Scope 1 and 2 emissions intensity, and 50% reduction of Scope 3 emissions
By 2050	Net zero in Scope 1, Scope 2, and Scope 3

Our targets are consistent with Malaysia's Net Zero by 2050 objective. Therefore, no revision was deemed necessary for this year. Our performance is reviewed annually, both against our established targets and in alignment with the National net zero target of 2050.

Our GHG emissions are calculated in accordance with the World Business Council for Sustainable Development (WBCSD) and World Resources Institute's (WRI) GHG Protocol. Environmental performance data is measured and reported quarterly in our ESG brief which is published on our website.

We also manage eco-efficiency of energy, water, and waste through ISO 14001 Environmental Management System and our Quality, Environmental, Safety, and Health (QESH) Policy. 100% of ongoing construction sites operated by the Engineering, Construction & Environment Division are ISO 14001:2015 certified.

OUR PERFORMANCE

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PHYSICAL CLIMATE RISK

WHY IS THIS IMPORTANT

- Addressing physical climate-related risks is crucial as increasing frequency and severity of extreme weather events from climate change, such as floods, heatwaves, and rising sea levels, can directly impact our operations, assets, and long-term sustainability.

OUR APPROACH

- We proactively identify and address climate-related physical risks that may impact our business, directly or indirectly, both in the short- and long-term.
- To manage these risks systematically, we are focused on assessing and mitigating climate-related physical risks to ensure the long-term resilience of our operations and assets.

OUR AIMS

- Identify physical climate-related risks that may impact our business.
- Strengthen our strategic resilience against impacts of climate change under different scenarios.

OUR INITIATIVES AND PROGRESS

PHYSICAL RISK ASSESSMENT

A physical risk assessment of natural hazards affecting our assets was conducted to better understand the identified physical climate-related risks and strengthen strategic resilience under different climate scenarios, conducted for 2030 and 2050 time horizons:

RCP 4.5	Selected as it is comparable to Malaysia's Nationally Determined Contributions (NDC).
RCP 8.5	Selected to represent the Business as Usual (BAU) scenario, where no efforts are taken to reduce GHG emissions.

Note : RCP - Representative Concentration Pathway

The following methodology was adopted for screening high-level physical risks:

- Reviewed regional and country-level data and literature to identify key risks the businesses may be exposed to, and areas requiring further validation.
- Evaluated identified key hazards and risks for MRCB's specific asset locations in further detail, using geospatial data for baseline natural hazards and climate change projections.
- Categorised baseline hazards as High, Medium, or Low, and qualitatively assessed future risks under RCP 4.5 and RCP 8.5.
- Identified high-level implications and feasible mitigation measures, and for adaptation for each natural hazard.

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PRELIMINARY PHYSICAL RISK ASSESSMENT RESULTS




Physical risks are complex and require assessing hazards, exposure, and vulnerability. Initially, we conducted a qualitative assessment of selected hazards to identify acute and chronic risks that are likely to affect our asset locations. This assessment provided a broad understanding of potential risks, which will be further explored through a detailed quantitative analysis to determine asset-specific risks and their financial impact on MRCB.

Identification Criteria for Physical Risks			
Acute		Chronic	
Under the baseline scenario, many selected hazards were found to be event-driven, including increased severity of extreme weather events:		Longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause rising sea levels or chronic heat waves:	
Urban Floods	0-5 years (high-risk baseline and future scenarios).	Coastal Floods	>10 years (currently low risk of cyclones leading to storm surge).
Riverine Floods	0-5 years (high-risk baseline and future scenarios).	Heat Waves	>10 years (based on daily maximum Wet Bulb Globe Temperature, provided as frequency-severity data in raster format).
Landslides	0-5 years (based on average number of precipitations triggered landslides from 1980-2018).		
Water Stress	5-10 years (currently low, but projected to be high by 2030).		
Cyclones	>10 years (seldom reported in this region, but projections indicate increased intensity and frequency in the Pacific Ocean basin, potentially affecting future asset locations).		

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A qualitative assessment summary of MRCB's 30 assets is disclosed below, showing the possible hazard category for each asset under RCP 4.5 and 8.5 scenarios for the baseline (BSL) year, medium-term (2030), and long-term (2050).

MRCB's Assets										
		13 assets	1 asset	1 asset	7 assets	2 assets	1 asset	2 assets	2 assets	1 asset
 Water Stress	BSL									
	2030									
	2050									
 Riverine Floods	BSL									
	2030									
	2050									
 Urban Floods	BSL									
	2030									
	2050									
 Coastal Floods	BSL									
	2030									
	2050									
 Landslides	BSL									
	2030									
	2050									
 Extreme Heat	BSL									
	2030									
	2050									
 Cyclone and Wind	BSL									
	2030									
	2050									
Legend for Hazard Category ■ High ■ Medium ■ Low ■ No Hazard ■ N/A										

Extreme heat presents a moderate risk of increased financial costs due to resource availability and asset damage, including accelerated deterioration of construction materials and higher maintenance needs. Water scarcity risk may increase expenditure on water-efficient technologies and water treatment systems, while properties in water-stressed areas could face loss of value.

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Our assessment under the baseline and future scenarios indicates that exposure to climate-related disturbances will grow over time. All assets will experience vulnerability especially due to their dependence on infrastructure such as electricity, water, communications, road connectivity, and other essential services. Under the baseline scenario:

Urban floods and landslides	Extreme heat	Water stress
High-risk hazard	Medium-risk hazard	Low-risk hazard

Cyclones, and coastal and riverine floods are considered non-material hazards at present, given limited historical evidence locally. As climate science evolves, we will continue to enhance our capacity to monitor and update projections for all hazards.

PHYSICAL RISK FINANCIAL QUANTIFICATION

Urban flood, water stress, and drought were identified as material climate-related physical risks to MRCB's assets. Further analysis was conducted to quantify their financial impact on land values in 2030 (medium-term) and 2050 (long-term) against the Shared Socioeconomic Pathways (SSPs) 1–2.6 and 5–8.5 scenarios.

SSP1	Low-carbon scenario with gradual shifts towards sustainability and minimal mitigation/adaptation challenges.
SSP5	Worst-case scenario with significant mitigation and adaptation challenges.

Water stress and drought analysis were derived from the World Resources Institute and other sources, while the flood depth data and flood damage curves were derived from global flood risk intelligence firm Fathom and the EU Joint Research Centre (JRC), respectively. To quantify the financial impacts, a discount was applied to the forecast compound annual growth rate (CAGR) of our landbank, factoring in the effect of extreme weather events projected for 2030 and 2050.

Water Stress and Drought

Climate change and water security concerns affect property values and business losses in Malaysia, compounded by urbanisation, poor water management, and competition for resources.

The financial impact of water stress and drought on MRCB's selected assets was calculated to determine the anticipated diminution of land values. The higher the water stress, the more significant the impact on the land value. To reflect this, we used an adjusted CAGR that decreases as water stress levels increase. The future value of land in 2030 and 2050 is calculated by taking the difference between the business-as-usual CAGR and the adjusted CAGR.

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Modelling results for water scarcity represent the additional financial impact relative to baseline conditions (i.e., present day), and show a lower increase in land value due to the increased risk of water stress under SSP1-2.6 and SSP5-8.5 scenarios. Based on the physical risk assessment conducted, we anticipated the potential financial impact of water stress and drought on MRCB's assets for best and worst-case scenarios as per the following table:

Scenario	Impact on Land Value	
	2030	2050
SSP 1-2.6 (Low emissions)	-0.16%	-0.71%
SSP 5-8.5 (High emissions)	-0.16%	-0.71%

Floods

Flooding, including urban floods, is a major annually-recurring disaster in Malaysia, worsened by deforestation, urbanisation, and climate change. This natural hazard can severely affect land value by damaging property, infrastructure, and agricultural land, while also increasing insurance costs and reducing investor confidence.

The financial impact of flooding on MRCB's selected assets was assessed by calculating anticipated losses on land values. A lower increase in the land value was calculated by accounting for the flood damage associated with the flood depth on the original land value. Three probabilities in flood return periods were considered:

1-in-20 years flood return period	High probability
1-in-100 years flood return period	Medium probability
1-in-500 years flood return period	Medium probability

Using probabilistic flood projections, we assessed the potential impact on MRCB's assets if flooding of a particular magnitude or frequency were to occur, with the findings set out in the following table:

Scenario	Probability in Flood Return Period	Impact on Land Value		
		Baseline	2030	2050
SSP 1-2.6 (Low emissions)	1-in-20 Years	-7%	-7%	-16%
	1-in-100 Years	-8%	-11%	-17%
	1-in-500 Years	-8%	-11%	-17%
SSP 5-8.5 (High emissions)	1-in-20 Years	-7%	-7%	-16%
	1-in-100 Years	-8%	-11%	-17%
	1-in-500 Years	-8%	-11%	-17%

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MITIGATION AND ADAPTATION MEASURES TO PHYSICAL CLIMATE-RELATED RISKS

Risks	Impact	Mitigation and Adaptation Measures
Flooding →	<p>Higher risk of financial losses due to asset damage, resource availability, reduced comfort level, and health and safety concerns, as below:</p> <ul style="list-style-type: none"> • Permanent loss of coastal land from rising sea levels and coastal erosion. • Intensified coastal flooding making coastal land unsuitable for development. • Impact on existing assets from flooding, erosion, and saltwater intrusion. • Reduced demand for assets in flood-prone locations. 	<ul style="list-style-type: none"> • Conduct site-level flood risk assessments to estimate high flood levels and develop mitigation and adaptation measures. • Implement early warning systems for floods in projects. • Coordinate with local authorities and municipal agencies to ensure preparedness and response for stormwater management and flood emergencies impacting MRCB assets. • Include floods as a key hazard in the general emergency preparedness and response plan.
Water Scarcity →	<ul style="list-style-type: none"> • Reduced water availability during various project phases, including construction and operation. • Increased costs of sourcing water from alternative sources. • Higher expenditure on water-efficient technologies, treatment systems, and infrastructure. • Properties in water-stressed areas may experience reduced value. 	<ul style="list-style-type: none"> • Conduct water risk assessments and audits. • Explore rainwater harvesting opportunities. • Install water-saving fixtures at facilities. • Explore the use of recycled water for non-potable purposes (e.g., flushing, cleaning). • Explore opportunities for adopting and implementing water stewardship practices.

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none"> • Physical climate-related risks, if unaddressed, may pose significant challenges to MRCB's assets and operations, potentially leading to increased costs, damage to infrastructure, and reduced asset values. • Climate resilience and adaptation strategies are critical to mitigate risks that could disrupt project timelines, increase costs, and impact market demand. • MRCB must continuously assess and integrate climate risks into its operations to ensure long-term sustainability, mitigate financial impacts, and maintain investor confidence. 	<ul style="list-style-type: none"> • Understanding climate risk has been a four-year journey, initially seen as a challenge, but one that we have actively overcome by developing a comprehensive climate strategy. • By integrating climate considerations into our strategy, we can identify new opportunities for resilient and sustainable projects. • Adopting climate resilience measures positions MRCB to future-proof its business, ensuring long-term growth in an increasingly climate-conscious market. • Proactively addressing climate-related risks can attract environmentally conscious investors and strengthen our reputation as a leader in sustainability.

OUTLOOK

- We will continue to enhance our understanding of physical climate-related risks to refine our strategies and build resilience. Building on the preliminary risk assessment conducted in 2021, we will focus on integrating climate considerations into our operations, adapting our business models, and identifying opportunities for sustainable growth. Our ongoing efforts will ensure that we are well-prepared for the challenges and opportunities that climate change presents.

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CLIMATE TRANSITION RISK

WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none"> Mitigating climate-related transition risks is essential as the shift to a lower-carbon economy introduces changes in policy, legal requirements, technology, and market dynamics, all of which impact our ability to adapt and thrive in a rapidly evolving environment. 	<ul style="list-style-type: none"> Proactively assess and understand climate-related transition risks that may impact our business, directly or indirectly, across both short- and long-term horizons. Identify and address climate-related risks through a 4-year roadmap developed in 2021.
OUR AIMS	
<ul style="list-style-type: none"> Identify climate-related transition risks that may impact our business. Strengthen our strategic resilience against impacts of climate-related transition risks under different scenarios. Align our business strategy to 2030 and 2050 scenarios in line with our mid-term 2030 and long-term decarbonisation targets and strategy. 	
Mid-term target by 2030	42% reduction of Scope 1 & 2 GHG emissions intensity
Mid-term target by 2030	25% reduction of Scope 3 GHG emissions
Long-term target by 2050	Net zero GHG emissions
OUR INITIATIVES AND PROGRESS	
PRELIMINARY TRANSITION RISK ASSESSMENT	

We conducted qualitative transition risk assessments based on emerging trends, including scenario analysis for transition risks and opportunities against two World Energy Outlook 2021 scenarios, from the International Energy Agency: Annual Pledge Scenario (APS) and Sustainable Development Scenario (SDS). Each identified climate-related risk and opportunity was assigned to a 'scenario indicator' to track risks under the base case (APS ~2.1°C) and low carbon (SDS ~1.8°C) scenarios over the long-term. The analysis covered our three core business activities, namely Property Development & Investment (PDI), Engineering, Construction & Environment (ECE), and Facilities Management and Parking Services (FMP). These scenarios represent the range of foreseeable events common across the segments. The following are the identified transition risks and opportunities:

Category	Preliminary Scenario	Likelihood			Time Horizon	Financial Impact
		PDI	ECE	FMP		
POLICY & LEGAL	GREEN BUILDING INDEX Growing interest and adoption of Green Building practices in Malaysia could affect MRCB's costs and demand	●	●	●	S	CAPEX ▲ OPEX ▲
	EMISSIONS REDUCTIONS AND ENERGY EFFICIENCY POLICY Possibility of increased capital and operational cost due to new infrastructure and technology adoption due to related regulatory compliance	●	●	●	M	CAPEX ▲ OPEX ▲
	CARBON PRICING Malaysia will likely apply the carbon pricing mechanism which will affect MRCB's operational costs	●	●	●	M	CAPEX ▲ OPEX ▲

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Category	Preliminary Scenario	Likelihood			Time Horizon	Financial Impact
		PDI	ECE	FMP		
MARKET	NICHE MARKET Increasing corporate and consumer demand for sustainable products and services	●	●	●	S	CAPEX ▲ OPEX ▲
	STRANDED ASSETS Real estate assets may lose their value prematurely due to the transition to a low-carbon economy	●	●	●	L	OPEX ▲ REVENUE ▼
TECHNOLOGY	RENEWABLE ENERGY IMPLEMENTATION: The steady decline of renewable energy implementation costs and improvements in efficiency will create external pressure on MRCB to adopt renewable energy infrastructure in its projects	●	●	●	S	CAPEX ▲
	GREEN CONSTRUCTION MATERIALS: Requirements for the use of low-carbon building materials will continue to grow, which will increase capital costs	●	●	●	M	CAPEX ▲
	ELECTRIC VEHICLE (EV) AND INFRASTRUCTURE: Expected growth for EVs in Malaysia will require the establishment of supporting infrastructure in real assets, which will influence MRCB's strategy to mitigate risks and capitalise on this opportunity	●	●	●	L	CAPEX ▲

PDI – Property Development & Investment

ECE – Engineering, Construction & Environment

FMP – Facilities Management & Parking Services

Scale for Likelihood

● Low ● Medium ● High

Scale for Time Horizon

S Short-term M Medium-term L Long-term

Scale for Impact

▲ Increased ▼ Reduced

Our initial assessment indicates that regulations arising from the transition to a low-carbon economy may pose a higher risk to our businesses, potentially increasing operating costs through taxes, raw material costs, research and development expenses, labour costs, or capital expenditure for adopting lower-energy technologies. On the other hand, our proprietary MRCB Building System (MBS), a modular construction system, presents significant opportunities, as the demand for Green Buildings and sustainable infrastructure grows. This positions us to differentiate ourselves from carbon-intensive products and services in the market, enhancing our market share and influence in targeted business sectors.

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TRANSITION RISK FINANCIAL QUANTIFICATION

Based on the results from our preliminary transition risk assessment, we have identified three climate-related transition drivers that are material to our business across the three main business segments and our operations in Malaysia, Australia, and New Zealand. They include anticipated carbon pricing regulations, increasing cost of green building materials, and potential energy efficiency premiums arising from the sale of green residential units. Therefore, we conducted a further analysis to quantify the financial impacts arising from these climate-related transition drivers in 2030 (medium-term time horizon) and 2050 (long-term time horizon) based on the Announced Pledges Scenario (APS) and the Stated Policies Scenario (STEPS) as published in the World Energy Outlook Report (WEO) 2024 by the International Energy Agency (IEA) in October 2024.

APS represents a low carbon scenario that assumes all climate commitments made by governments and industries around the world as of the end of August 2024, including Nationally Determined Contributions (NDCs), longer-term net zero targets, and targets for access to electricity and clean cooking, will be met in full and on time. STEPS represents a high carbon scenario that reflects current policy settings based on a sector-by-sector and country-by-country assessment of energy-related policies that are in place as of the end of August 2024, as well as those under development. The scenario also takes into account currently planned manufacturing capacities for clean energy technologies.

For carbon pricing, additional data was retrieved from the World Bank Carbon Pricing Dashboard and the Network of Greening the Financial System (NGFS) to supplement the IEA data, especially in the projection of emission thresholds, carbon pricing levels, and electricity prices.

The key assumptions related to the transition driver financial quantification exercise are presented below:

- Baseline year for the quantification exercise was set as 2024, unless otherwise stated.
- Business growth is projected to grow:
 - 10% annually from 2024 to 2025;
 - 8% annually from 2026 to 2027;
 - 5% annually from 2028 to 2029; and
 - 3% annually from 2030 to 2050.
- It was assumed that no new geographies would emerge over time and there would be no major mergers, acquisitions or divestment activities.
- Effects of inflation were excluded from the quantification exercise.

Carbon Pricing

As countries across the globe race to meet carbon emissions reduction goals, policymakers are increasingly utilising mandatory carbon pricing schemes, such as carbon tax and emissions trading systems (ETS), to encourage corporates and heavy-emitting industries to decarbonise. Such carbon pricing schemes are usually targeted at carbon-intensive products such as cement, steel, and fossil fuel products.

In the countries where we operate, Australia and New Zealand have already implemented mandatory carbon pricing schemes. In Malaysia, the government has recently announced the intention to introduce a carbon tax on steel, iron, and energy products by 2026. Although details of the carbon tax remain unclear, the scope of the carbon tax is expected to expand to include cement, and oil and gas products moving forward. Given this context, it is imperative for us to quantify the potential financial impact on our business arising from the introduction of a carbon tax.

We quantified the financial impact of carbon pricing on our business from two angles, namely the increased operational costs resulting from direct GHG emissions (Scope 1) and the increased operational costs resulting from rising energy procurement costs (indirect carbon costs and energy system costs).

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Increased Operational Costs Arising from Direct GHG Emissions (Scope 1)	Increased Operational Costs Arising from Rising Energy Procurement Costs (Indirect Carbon Costs and Energy System Costs)
<p>The first calculation involves quantifying the potential financial impact arising from the introduction of carbon taxes on Scope 1 emissions emitted by companies. The introduction of carbon taxes, specifically in Malaysia, will have a financial impact on MRCB given that our largest operations and Scope 1 emissions source are in Malaysia. This financial impact will be driven by three key variables:</p> <ul style="list-style-type: none">Carbon priceEmissions thresholdBusiness growth and Scope 1 emissions	<p>The second calculation involves quantifying the potential financial impact arising from the introduction of carbon tax on energy and electricity providers, which are assumed to be passed on to end-users. The calculation also takes into account the increase in electricity costs due to increased capital expenditure by energy and electricity providers in upgrading and future-proofing the energy system, in line with the transition to a low carbon economy. This financial impact will be driven by four key variables:</p> <ul style="list-style-type: none">Carbon priceElectricity emission factorBusiness growth, electricity consumption, and Scope 2 emissionsElectricity cost

The key assumptions are presented below:

- Energy consumption and GHG emissions were assumed to grow at the same rate as the projected business growth.
- Carbon prices were assumed to increase over the years based on the data extracted from the IEA WEO2024 publication.
- Electricity emissions factor was assumed to decrease over the years based on the data extracted from the IEA WEO2024 publication.
- Electricity costs were assumed to fluctuate over the years based on the data extracted from the Network of Greening the Financial System’s (NGFS) projections.
- It was assumed that carbon taxes will only be introduced by 2026 in Malaysia with an emissions threshold of 50,000 tCO₂e per year, aligning with the announcement made by the Government in the 2025 National Budget.
- Emissions thresholds were not taken into account when quantifying the indirect carbon cost on electricity generation as electricity providers are generally emitting above the emissions threshold.
- It was assumed that 100% of the indirect carbon cost rising from electricity generation will be passed on to end-user.

Based on the first calculation on direct carbon cost, under both the APS and STEPS scenarios, MRCB is not expected to incur any direct carbon costs as our emissions are unlikely to breach the projected emissions threshold of 50,000 tCO₂e per year. In the worst-case scenario, where emissions thresholds are disregarded, we project that MRCB will incur direct carbon costs under both the APS and STEPS scenarios, albeit to varying degrees, due to the difference in carbon pricing projections for both scenarios.

Based on our analysis, the projected direct carbon costs are minimal compared to the total operational cost of MRCB. It is also important to note that direct carbon costs will likely be incurred by MRCB’s Malaysian operations only, as our operations in Australia and New Zealand emit an insignificant amount of Scope 1 emissions.

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Direct Carbon Cost Arising from Scope 1 Emissions

Scenario	Emission Threshold	Direct Carbon Cost (RM)	
		2030	2050
APS	Yes	0	0
	No	931,394	6,728,808
STEPS	Yes	0	0
	No	488,982	1,177,541

In terms of the impact on electricity procurement costs due to indirect carbon and energy system costs passed on to end-users, the projected trends differ significantly between the two scenarios. Based on our analysis of the quantification results, the passed-on cost from investment in energy systems has a larger influence on future electricity costs compared to the indirect carbon price on electricity generation. This quantification exercise focuses only on our Malaysian and Australian operations, as our operations in New Zealand consume an insignificant amount of electricity.

Under the APS scenario, MRCB's projected electricity costs are higher than the baseline year, peaking at 47.9% by 2042, before gradually falling to 45.5% by 2050. As for the STEPS scenario, MRCB's projected electricity costs show a minimal increase, peaking at 6.4% by 2030, and then gradually falling to a 4.3% decrease by 2050.

The different outcomes from both scenarios are largely due to the differences in carbon price projections and investment needed to upgrade energy systems in a low carbon scenario (APS) and a high carbon scenario (STEPS). It is expected that there are lower efforts to decarbonise under the STEPS scenario compared to the APS scenario. As a result, carbon prices and the need for new energy system investment are lower in the STEPS scenario compared to the APS scenario.

Impact on Electricity Procurement Costs

Scenario	Electricity Cost Increase/Decrease at Baseline Year Electricity Price (%)	
	2030	2050
APS	29.9	45.5
STEPS	6.4	-4.3

Green Building Materials

Requirements for the use of low-carbon building materials are expected to grow in Malaysia, especially with the growing interest in the adoption of green building practices, contributing to increasing capital and operational costs. We quantified the financial impact on MRCB from the integration of green building materials based on two aspects: a green premium associated with use of green materials, and indirect carbon costs from the procurement of building materials. In this quantification exercise, steel and cement were the building materials used for the assessment, due to their high carbon intensity and extensive use in the building sector.

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Green Premium from Green Building Materials	Indirect Carbon Cost from Building Material Procurement
<p>The first calculation involved quantifying the potential financial impact arising from the green premium from green building materials. Due to the usage of new technology, the production cost of green building materials will be slightly higher than conventional materials, because of the green building premium. The increase in operational expenditure (OPEX) from the green building premium will change depending on the green building materials uptake rate. Under a low-carbon scenario, the OPEX associated with the green premium will be higher due to a higher proportion of green building materials uptake. This financial impact will be driven by three key variables:</p> <ul style="list-style-type: none"> • Construction material procurement costs • Uptake of green building materials • Business growth and construction material volume 	<p>While green building materials are priced at a premium compared to traditional building materials. However, conventional materials are also expected to contribute to an increase in OPEX costs due to their carbon intensity, making them susceptible to carbon pricing, which could be passed on to MRCB. Under a low-carbon scenario, higher indirect carbon costs may be imposed on conventional materials, due to more stringent carbon pricing, which may be slightly balanced out through higher uptakes of green building materials. This financial impact will be driven by four key variables:</p> <ul style="list-style-type: none"> • Business growth and material quantities • Proportion of green and conventional materials • Emissions intensity of construction materials • Carbon pricing

The key assumptions are presented below:

- The procurement cost per tonne of all materials has been kept constant, with a premium of 20%, 40%, and 60% being applied.
- The uptake rate of green building materials has been assumed to be in proportion with the change in GHG emissions compared to the 2023 base year, assuming that a decrease in GHG emissions reflect increased usage of green materials. If emissions stay constant or increase, it has been assumed that no uptake of green building materials has taken place.
- Materials quantity has been kept the same across scenarios, where the material quantity of steel and cement was determined as tonnes per Gross Development Value (GDV). This was conducted by determining the volume of cement and steel for each year (up to 2024) and the GDV for each year (up to 2024). Then, the average for each year was taken to determine the average tonnes/GDV across the future years.
- The IEA emissions data for the building sector have followed the STEPS and APS scenarios.
- For conventional materials, the emissions intensity profile follows the pathway of the STEPS and APS scenarios. Under both scenarios, the emissions intensity reduces, but at a more rapid rate under APS.
- For green materials, it was assumed that the emissions intensity will be equivalent to the emissions intensity of green materials under a net zero scenario. As such, the energy intensity data for green materials has been extracted from the IEA WEO 2024's Net Zero Emissions by 2050 (NZE) scenario. It is assumed that the green material intensity remains constant over time.
- Assumptions on carbon pricing for quantifying indirect carbon costs on building materials have been aligned with those in the financial quantification on the Carbon Pricing climate-related transition driver.

Based on the first calculation of the green premium of building materials, the quantity of steel and cement is estimated to rise by 163% by 2050 under the STEPS scenario compared to current numbers (from 64,970 tonnes to 170,968 tonnes), resulting in 163% increase in procurement costs of both materials as well. As emissions are not expected to decrease under STEPS, only the cost of conventional materials is accounted for, and no green premium is factored in. The estimated price increase under STEPS is only related to the change in volume, as the price for conventional materials has been kept constant. As a result, it is projected that MRCB will not incur additional OPEX from the green premium of green building materials under the STEPS scenario.

On the other hand, under the APS scenario where GHG emissions are projected to decrease, green materials usage is assumed to increase. Therefore, it is estimated that MRCB will incur OPEX from the green premium of green building materials. Under the worst-case scenario, where green materials are subjected to a 60% green premium, procurement costs are estimated to be RM608 million by 2050, which is 27% higher than the cost under the STEPS scenario (RM479 million). For cement, the cost is estimated to be RM766 million after including the 60% premium, which is 72% higher than in the STEPS scenario (RM446 million) by 2050.

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Estimated Total OPEX Arising from Green Premium of Green Building Materials

Scenario	Green Premium Incurred	Total Procurement Cost of Green Building Materials (RM' Million)	
		2030	2050
STEPS	No	512	925
APS	Yes	512	1,374

For the second calculation, emission intensity of steel and cement has been used, as carbon costs are typically based on the emissions generated.

As energy-intensive materials, steel and cement are expected to be covered under upcoming carbon pricing mechanisms. While MRCB is not expected to be taxed directly for these materials, its suppliers who manufacture them, are expected to be taxed and will likely pass through the cost to their clients to cover the additional increases.

As the technology matures, the energy and emission intensity of these materials is expected to improve, particularly under the low-carbon APS scenario, where emissions intensity for conventional materials will decrease faster than under the STEPS scenario. Steel emissions intensity is projected to decrease at a faster rate than cement, however, its emissions intensity remains higher than cement due to its production process. Conventional steel emissions intensity is expected to decrease by 30% from 1.48 tCO₂/tonne to 1.04 tCO₂/tonne under the STEPS scenario by 2050, and 63% decrease to 0.54 tCO₂/tonne under APS. Conventional cement emissions intensity is expected to decrease by 10% from 0.58 tCO₂/tonne to 0.52 tCO₂/tonne under the STEPS scenario by 2050, and decrease by 55% to 0.26 tCO₂/tonne under APS.

Despite the decrease in emissions intensity of conventional materials, the rise in carbon prices outweighs the reduction in emissions intensity. As a result, the cost of conventional materials will continue to increase over the years due to indirect carbon pricing under both the STEPS and APS scenarios. The scenario that will impact MRCB the most is when the use of conventional materials reaches 100% under the APS scenario. This is due to the high emissions profile of the materials with carbon pricing levels reaching USD160/tCO₂e. Under this scenario, by 2050, the annual incurred indirect carbon cost is expected to reach RM13.4 million for steel and RM15.4 million for cement.

The impact of indirect carbon pricing is most limited when green building materials are integrated. Under the STEPS carbon pricing scenario, the use of 100% green materials results in an estimated cost of RM0.5 million. Under the APS carbon pricing scenario, using 100% green materials results in an estimated cost of RM2.9 million. However, the green premium required to acquire these materials may outweigh the benefit of reduced carbon costs, depending on the amount of green premium required.

Impact on Total OPEX Arising from Indirect Carbon Cost of Conventional Building Materials

Scenario	Estimated Indirect Carbon Costs on Conventional Building Materials Procurement (RM' Million)	
	2030	2050
STEPS	6.4	13.3
APS	11.4	23.6
100% Conventional material use under STEPS	6.4	13.3
100% Conventional material use under APS	11.4	38.8
100% Green material use under STEPS	0.3	0.8
100% Green material use under APS	0.6	4.9

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Energy Efficiency Premiums

With the low carbon transition and the increase in energy costs, consumers are showing increasing demand for, and are willing to pay premiums for, higher energy efficiency residential properties, presenting MRCB with a business opportunity. Nonetheless, due to how commercial projects are developed bespoke to clients' specifications, our analysis will be limited to quantifying the financial impacts of energy efficiency premiums for residential projects that MRCB has control over.

Increase in GDV from Energy Efficiency Premiums

We calculate the potential financial impacts on GDV of residential projects from energy efficiency premiums, driven by three key variables:

- Change in Malaysia's overall energy efficiency for residential properties
- Change in energy efficiency premiums
- Business growth and projected average energy efficiency of residential properties

The key assumptions are presented below:

- Energy efficiency for residential projects has been based on the kWh/m² unit.
- The baseline energy efficiency for residential projects in Malaysia in 2023 has been taken from the data extracted from the Carbon Risk Real Estate Monitor (CRREM) Global Decarbonisation Pathways, while the projected data has been assumed to be increasing but at a decreasing rate based on the data extracted from IEA WEO 2024 publication.
- Residential properties in Malaysia are categorised by energy efficiency, into A-G ratings, which have been derived proportionately to the UK's Energy Performance Certificates (EPCs) dataset and the ratings are assumed to remain unchanged.
- The baseline energy efficiency premiums in 2023 have been referenced from a study conducted in the UK ranging from 0.5% to 3.4%.
- Financial implications for the energy efficiency premiums have been demonstrated as impacts on MRCB's GDV of residential projects rather than revenue.
- MRCB's GDVs for residential projects have been assumed to be relatively constant by taking a 3-year average due to the nature of MRCB's landbank management and development cycle.

We expect to see a slowdown in Malaysia's increase in average energy efficiency, which implies that despite growth in the economy and overall energy consumption, there will be a higher prevalence of energy efficient residential properties in the future. This shift causes the overall universe of residential properties to have higher energy efficiency. It is this higher prevalence of energy efficient residential properties that we expect to impact the premiums, causing them to slightly decline over time, with the STEPS scenario showing a greater decline than the APS scenario.

Projected Energy Efficiency Premiums

Scenarios	Malaysia's EPC Ratings	Energy Efficiency Premiums (% relative to EPC Rating D)	
		2030	2050
APS	A and B	3.37%	3.15%
	C	0.50%	0.46%
STEPS	A and B	3.12%	2.81%
	C	0.46%	0.41%

Further analysis shows that if MRCB can increase average energy efficiency to earn the highest premium by 2035, we can increase our GDV by RM154.1 - RM174.6 million. Nevertheless, with the projected decline in premiums over time, MRCB can expect that the increase in GDV will fall to RM159.1 – RM170.8 million by 2040 and RM144.5 - RM162.2 million by 2050. Therefore, MRCB can expect to earn higher GDV from enhancing energy efficiency throughout all timeframes, but this opportunity also shows diminishing value as time goes by.

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Another important matter to note is that residential properties with relatively low energy efficiency will face discount rates (or negative premiums) of -3.4% to -7.4% at the 2023 baseline, and these discounts are expected to become more significant over time. Although the discounts are not applicable to MRCB as the company continually seeks new technologies to enhance the energy efficiency of its residential projects, the discounts may provide a competitive edge over other developers that do not prioritise energy efficiency.

Projected Increase in GDVs from Energy Efficiency Premiums

Scenario	Estimated Increase in GDVs for Residential Projects (Compared to 2023 baseline)	
	2030	2050
APS	RM25.4 million	RM162.2 million
STEPS	RM23.7 million	RM144.5 million

POTENTIAL RESPONSE MEASURES TO TRANSITION CLIMATE RISKS & OPPORTUNITIES

Risks/Opportunity	Impact	Response Measures
Carbon Pricing 	Higher operational costs due to direct carbon costs on Scope 1 emissions, and increased electricity procurement costs from indirect carbon costs and capital expenditures to upgrade energy systems, which are passed on to MRCB as an end-user by electricity providers.	<ul style="list-style-type: none"> Analyse and optimise energy and electricity consumption across key operations to reduce GHG emissions. Explore and adopt low-carbon technologies and renewable energy sources. Establish an internal carbon pricing mechanism to inform future investment decisions and support decarbonisation efforts.
Green Building Materials 	Increase in OPEX due to green building materials premium, driven by the use of green materials and pass-through carbon costs imposed on conventional materials by suppliers to their clients to cover additional cost increases.	<ul style="list-style-type: none"> Explore green materials with the lowest green premium rates in Malaysia. Analyse and compare the carbon intensity of green materials available in the market compared to existing conventional materials procured to understand the actual difference in procurement costs. Monitor the trend of the building material's carbon intensity reduction rates and the changes in carbon pricing levels to make informed decisions on green building materials procurement. Establish an internal carbon pricing mechanism to inform future investment decisions and support decarbonisation efforts.

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Risks/Opportunity	Impact	Response Measures
Energy Efficiency Premiums →	Increase in GDVs for residential projects due to energy efficiency premiums, driven by the projected increase in demand for energy efficient residential properties.	<ul style="list-style-type: none">• Explore customer segments that have higher willingness to pay premiums for energy efficient residential properties.• Develop marketing strategies to raise awareness of the economic and environmental benefits of energy efficient residential properties.• Collaborate with financial institutions and industry associations to collectively promote updates of energy efficient residential properties.• Assess feasibility of higher energy efficiency installations that are appropriate for Malaysia.

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none">• Identifying and assessing transition risks that impact our business operations and strategy.• Adapting to market and industry shifts, including emerging trends driving demand for sustainable products and services.• Navigating rapidly evolving regulations, such as Malaysia’s proposed carbon tax on the steel industry by 2026, which could impact our business, as up to 30% of our projects use steel.• Managing return on investment (ROI) considerations amid higher costs of doing business due to the adoption of low-carbon technologies.	<ul style="list-style-type: none">• Capitalising on the growing demand for sustainable, energy-efficient buildings and technologies, particularly in green building initiatives and expanding the use of the MRCB Building System (MBS).• Reducing operational costs and project timelines through energy-efficient technologies and the MBS.• Attracting environmentally conscious investors by aligning business strategies with global sustainability trends and climate-related financial disclosures.

OUTLOOK
<ul style="list-style-type: none">• As the transition to a low-carbon economy accelerates, MRCB will continue to align its business strategy with evolving climate policies and market demands. We will focus on capitalising on opportunities in green building and sustainable construction, while proactively managing transition risks through innovation in low-carbon technologies, cost efficiencies, and strategic investments.

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GHG EMISSIONS

WHY IS THIS IMPORTANT

- Reducing GHG emissions is essential for MRCB to meet global climate goals and reduce the impact of climate change on our operations, in line with our net zero aspirations by 2050.
- Managing GHG emissions helps MRCB stay competitive by meeting the demand for sustainable, low-carbon projects and it is important to track and monitor our progress as we decarbonise.
- Addressing GHG emissions demonstrates our commitment to the environment, ensures regulatory compliance, and attracts environmentally conscious investors.

OUR APPROACH

MRCB follows the GHG Protocol for its GHG Inventory, reporting on direct emissions (Scope 1), indirect emissions from purchased electricity (Scope 2), and other indirect emissions (Scope 3). Our goal is to accurately measure, monitor, and report emissions to set and achieve reduction targets. The calculation methodology aligns with the WBCSD and WRI's GHG Protocol.

We expanded our organisational boundary in 2024 to include not only our operations in Malaysia, but also those in Australia and New Zealand. We calculate our GHG emissions for operations in these three countries, including subsidiaries, using the operational control approach to only account for emissions where we can apply our policies. This approach ensures that we account for emissions from sources where we have full authority to implement our corporate policies and strategies. Our calculation references include the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the IPCC 6th Assessment Report, utilising the latest local emissions factors and data from the 2020 National Energy Balance Report. We use a location-based approach to compute our Scope 2 emission by utilising Malaysia's Energy Commission's Grid Emission Factor (GEF) for 2017-2022 and the Australian National Greenhouse Accounts Factors 2024. Since the Malaysian Energy Commission has recalculated the previously reported emission factors, we have incorporated the latest update on the emission factors to reflect on the changes and provide a more accurate representation of our emissions.

	Emissions Reported in 2023	Additional Emissions Reported in 2024
Scope 1 →	Emissions related to fuel consumption from: <ul style="list-style-type: none"> - Project sites (stationary combustion of petrol and diesel) - Company vehicles (mobile combustion of petrol and diesel) 	Fugitive emissions from our District Cooling System (DCS) Plants and from the buildings that is managed by Facilities Management (FM) Division.
Scope 2 →	Emissions from purchased electricity consumed by our project sites, buildings, parking sites, and offices in Malaysia.	Emissions from purchased electricity consumed by our DCS Plants and operations outside of Malaysia.
Scope 3 →	Emissions from the following categories: <ul style="list-style-type: none"> - Downstream Leased Assets - Employee Commuting - Business Travel (air and land) - Fuel- and Energy-Related Activities - Purchased Goods and Services 	*Emissions from the following categories: <ul style="list-style-type: none"> - Capital Goods - Waste Generated in Operations - Downstream Transportation and Distribution - Processing of Sold Products - Use of Sold Products - End-of-life Treatment of Sold Products

Notes:

In 2024, our GHG inventory includes operations outside of Malaysia.

- ECE – Engineering, Construction & Environment
- PDI – Property Development & Investment
- FM – Facilities Management

- PS – Parking Services

- Corporate – Corporate Offices

- * Derived using spend-based approach via Bursa Malaysia's Centralised Sustainability Intelligence (CSI) Platform, includes Purchased Goods and Services. Accounting for 97% of our supply chain by value.

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Since we began disclosure of GHG emissions in 2020, we have received independent assurance on our Scope 1 and Scope 2 emissions annually. In 2023 and 2024, our Scope 3 emissions were assured for four categories, namely Downstream Leased Assets, Business Travel, Employee Commuting, and Fuel- and Energy-Related Activities.

OUR AIMS

Aim to reduce Scope 1 and Scope 2 GHG emissions intensity by 4.2% annually, against our 2020 baseline, in line with the 1.5°C scenario and Malaysia's commitment to the Paris Agreement.

We aspire to achieve net zero GHG emissions by 2050. We have set interim emissions reduction targets as follows:

Short-term target by 2025	21% reduction of our Scope 1 and 2 emissions intensity
Mid-term target by 2030	42% reduction of Scope 1 and 2 emissions intensity, and 25% reduction of Scope 3 emissions
Long-term target by 2040	90% reduction of Scope 1 and 2 emissions intensity, and 50% reduction of Scope 3 emissions
2050	Net zero in Scope 1, Scope 2, and Scope 3

OUR INITIATIVES AND PROGRESS

GHG EMISSIONS PERFORMANCE SUMMARY

In 2024, our GHG profile showed that Scope 1, 2, and 3 accounted for 3.3%, 7.7%, and 88.9% of our overall GHG emissions, respectively. It should be noted that the percentage attributed to our Scope 3 emissions only represents what we are able to measure and disclose during the period under review. Moving forward, this disclosure may differ as we plan to engage closely with our supply chain to enhance the accuracy of disclosures.

Absolute Emissions	Unit	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Scope 1	tCO₂e	1,983	2,021	4,339	7,870	8,793	▲ 343%
<u>Breakdown by activity</u>							
Fuel consumption from site activity	tCO ₂ e	1,436	1,237	1,478	3,420	6,581	▲ 358%
Fuel consumption from company vehicles ^(a)	tCO ₂ e	547	601	*671	**442	285	▼ 48%
Refrigerant ^(b)	tCO ₂ e	-	184	2,189	4,009	1,928	-
<u>Breakdown by Greenhouse Gases</u>							
Carbon Dioxide (CO ₂)	tCO ₂	1,963	1,818	2,131	3,841	6,838	▲ 248%
Methane (CH ₄)	kgCH ₄	9,284	9,792	6,534	6,738	9,395	▲ 1.2%
Nitrous Oxide (N ₂ O)	kgN ₂ O	9,877	10,103	12,186	13,489	18,369	▲ 86%
Hydrofluorocarbons (HFCs)	tHFCs	-	0.120	1.431	2.620	1.260	-
Perfluorocarbons (PFCs)	tPFCs	-	-	-	-	-	-
Sulphur Hexafluoride (SF ₆)	tSF ₆	-	-	-	-	-	-
Nitrogen Trifluoride (NF ₃)	tNF ₃	-	-	-	-	-	-

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Absolute Emissions	Unit	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Scope 2	tCO₂e	25,521	22,302	24,726	27,339	20,274	▼ 20.6%
Purchased electricity							
<u>Breakdown by country</u>							
Malaysia ^(c)	tCO ₂ e	25,521	22,302	24,726	27,339	20,249	▼ 20.7%
Australia ^(d)	tCO ₂ e	-	-	-	-	25	-
Scope 1 + 2	tCO₂e	27,504	24,323	29,065	35,210	29,067	▲ 5.7%
Scope 3	tCO₂e	8,872	6,045	17,848	19,194	233,779	-
<u>Breakdown by category</u>							
Downstream Leased Assets ^{(c)(e)}	tCO ₂ e	5,906	4,946	5,206	6,157	3,485	-
Employee Commuting ^{(a)(f)(g)}	tCO ₂ e	-	773	*1,021	**1,062	2,383	-
Business Travels ^(g)	tCO ₂ e	-	-	190	127	169	-
Purchased Goods and Services ^(c)	tCO ₂ e	244	154	7,153	6,926	^(h) 6,038	-
Fuel- and Energy-Related Activities ⁽ⁱ⁾	tCO ₂ e	2,722	4,471	4,278	4,921	4,223	-
Capital Goods ^(h)	tCO ₂ e	-	-	-	-	189,847	-
Waste Generated in Operations ^(h)	tCO ₂ e	-	-	-	-	174	-
Downstream Transportation and Distribution ^(h)	tCO ₂ e	-	-	-	-	204	-
Processing of Sold Products ^(h)	tCO ₂ e	-	-	-	-	26,641	-
Use of Sold Products ^(h)	tCO ₂ e	-	-	-	-	598	-
End-of-life Treatment of Sold Products ^(h)	tCO ₂ e	-	-	-	-	17	-
Cumulative Emissions (Scope 1 + 2 + 3)	tCO₂e	36,375	34,668	46,914	54,403	262,846	-

Notes:

Sum figures may not match due to decimal points.

* Recomputed for better accuracy. Previously assumed all vehicles are petrol-based.

** Recomputed to include more data sources.

(a) Assumed all company vehicles were petrol-based in 2020 and 2021.

(b) Global Warming Potential (GWP) values based on IPCC 6th Assessment Report.

(c) Utilising Malaysia's Energy Commission's Grid Emission Factor (EF) for 2017-2022. Recomputed for 2020-2023 to align with the latest updates on the EF.

(d) Utilising Australian National Greenhouse Accounts Factors 2024.

(e) Leased assets include two buildings managed by MRCB in 2024, namely Stesen Sentral Kuala Lumpur (SSKL) and Penang Sentral, whereas disclosures in previous years include leased assets of four buildings managed by MRCB.

(f) In 2024, emissions were based on an employee commuting survey, whereas disclosures in previous years were based on employee fuel card consumption.

(g) Business travel includes both air and land travel, calculated using the passenger distance and emission factors from the latest UK Department for Environment Food and Rural Affairs (DEFRA) version.

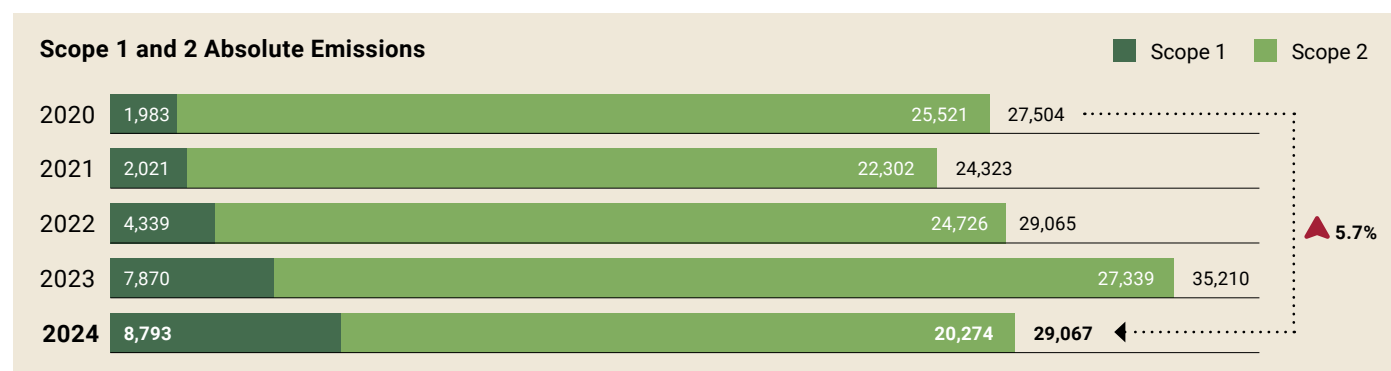
(h) Derived using spend-based approach via Bursa Malaysia's Centralised Sustainability Intelligence (CSI) Platform.

(i) Computed using SIRIM Malaysia Life Cycle Inventory Database (MY-LCID).

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Scope 1 and 2 Absolute Emissions

Our total Scope 1 and 2 emissions for 2024 amounted to 29,067 tCO₂e, reflecting a decrease of 17% compared to 2023, and an increase of 5.7% compared to the 2020 baseline. The majority (82%) of our Scope 2 emissions are from the Facilities Management (FM) segment, followed by the Parking Services (PS) segment (10%). The operation of the District Cooling Systems (DCS) contributed to 55% of FM's emissions.



Additional emissions revision breakdown for 2020-2023

Absolute Emission	Unit	2020	2021	2022	2023
Scope 1	tCO ₂ e	-	183	2,278	4,019
Scope 2	tCO ₂ e	6,601	6,158	7,330	8,588
Total Scope 1 & 2	tCO ₂ e	6,601	6,341	9,608	12,607

Note: The additional emissions are from DCS Plants, fugitive emissions from buildings managed by FM Division and emission factor update for Scope 2 by the Energy Commission of Malaysia.

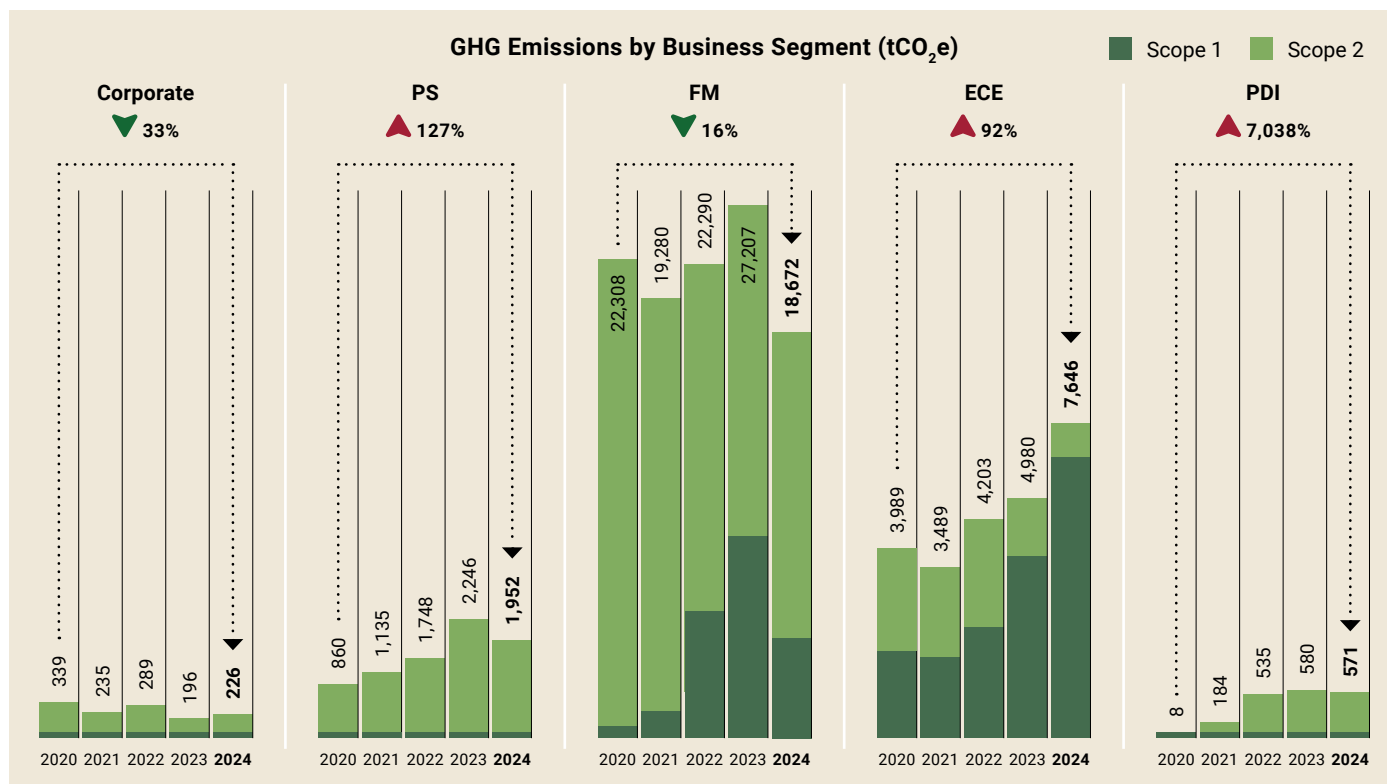
Factors Contributing to Emissions Changes in 2024

Facilities Management (FM)	Reduction in emissions due to the sale of two buildings (CelcomDigi Tower and Plaza Alam Sentral) managed by MRCB as at the end of 2023.
Parking Services (PS)	Actively replacing non-functioning and faulty lightbulbs with more energy-efficient lightbulbs throughout all our parking locations. As a separate initiative, Q Sentral Carpark has been fitted with new lightbulbs equipped with sensors which improves energy efficiency. The operation of the exhaust ventilation fan at PJ Sentral Carpark has been significantly reduced, as it previously ran continuously during defect repair works.
Engineering, Construction & Environment (ECE)	The Muara Sungai Pahang Flood Mitigation Project, which began in early 2023, generated significantly higher emissions compared to our other projects. Since the project site is located at the mouth of Sungai Pahang in the South China Sea, the project relies heavily on marine vessels and land machineries which are all diesel-powered for site activities. Some examples of these marine vessels used are tugboats, barge, hopper, workboat, crawler cranes, and passenger boats. This project contributed 4,320 tCO ₂ e, accounting for 49% and 64% of the Group's Scope 1 emissions (8,793 tCO ₂ e) and the ECE Division (6,763 tCO ₂ e).

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The following table and chart shows the absolute GHG emissions (tCO₂e) by business segments over the last five years.



Business Segment	2020	2021	2022	2023	2024
Corporate					
Scope 1	8	4	7	11	12
Scope 2	332	231	282	185	214
Total	339	235	289	196	226
Parking Services (PS)					
Scope 1	13	11	10	5	9
Scope 2	846	1,123	1,738	2,241	1,942
Total	860	1,135	1,748	2,246	1,952
Facilities Management (FM)					
Scope 1	59	254	2,279	4,077	1,996
Scope 2	22,249	19,026	20,011	23,130	16,677
Total	22,308	19,280	22,290	27,207	18,672
Engineering, Construction & Environment (ECE)					
Scope 1	1,895	1,747	2,033	3,768	6,763
Scope 2	2,095	1,743	2,170	1,211	883
Total	3,989	3,489	4,203	4,980	7,646
Property Development & Investment (PDI)					
Scope 1	8	5	10	8	14
Scope 2	0	178	525	572	557
Total	8	184	535	580	571

Note: The changes in the emission (2020-2023) is due to the additional emissions from the DCS Plants, fugitive emission from the buildings managed by FM Division, the changes in local emission factor for Scope 2 as updated by the Energy Commission of Malaysia and the restructuring of the emissions data to our respective business segments.

OUR PERFORMANCE ENVIRONMENTAL

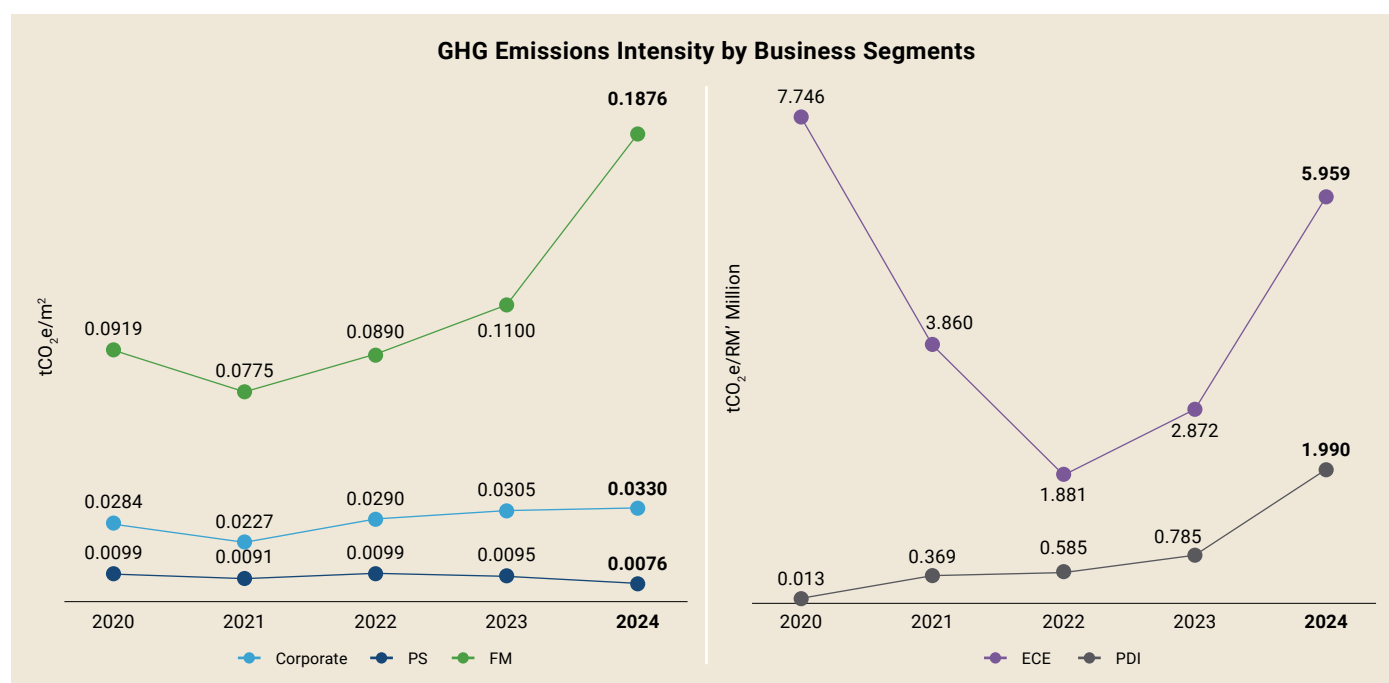
Scope 1 and 2 Emissions Intensity

We are making progress towards our net zero GHG emissions by 2050 goal, having reduced our GHG emissions intensity by 22.7% compared to our 2020 baseline. While our total emissions in 2024 were lower than in 2023, our emissions intensity increased. This is because our revenue declined at a higher rate than our emissions, affecting the intensity calculation. The revenue drop in 2024 was mainly due to the completion of several projects in 2023, which led to lower earnings for the Group.

	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Scope 1 and 2 Emissions (tCO ₂ e)	27,504	24,323	29,065	35,210	29,067	▲ 5.7%
Revenue (RM' Million)	1,199	1,448	3,205	2,537	1,645	▲ 37.2%
Emissions Intensity (tCO₂e/RM' Million)	22.9	16.8	9.1	13.9	17.7	▼ 22.7%

Note: The changes in the emission intensity (2020-2023) is due to the additional emissions from the DCS Plants, fugitive emission from the buildings managed by FM Division and changes in local emission factor for Scope 2 as updated by the Energy Commission of Malaysia.

The following chart and table show the GHG emissions intensity by business segments over the last five years.



Business Segments	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Corporate (tCO ₂ e/m²)	0.0284	0.0227	0.0290	0.0305	0.0330	▲ 16%
PS (tCO ₂ e/m²)	0.0099	0.0091	0.0099	0.0095	0.0076	▼ 23%
FM (tCO ₂ e/m²)	0.0919	0.0775	0.0890	0.1100	0.1876	▲ 104%
ECE (tCO ₂ e/RM' Million)	7.746	3.860	1.881	2.872	5.959	▼ 23%
PDI (tCO ₂ e/RM' Million)	0.013	0.369	0.585	0.785	1.990	▲ 15,208%

Note: The intensity for ECE and PDI is based on the segmental revenue.

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Scope 3 Emissions

Scope 3 emissions, which arise from activities outside our operational control in the supply chain, represent our largest GHG impact. MRCB adopts the GHG Protocol's Corporate Value Chain (Scope 3) Standards to identify GHG reduction opportunities, track performance, and engage with suppliers at the corporate level. We face challenges with poor definitions of Scope 3 emissions boundaries, which is a common issue, limiting our confidence in relying on them. However, we acknowledge the importance of Scope 3 emissions reporting and will continue to explore avenues to influence reductions, focusing on areas where we can have the most impact.

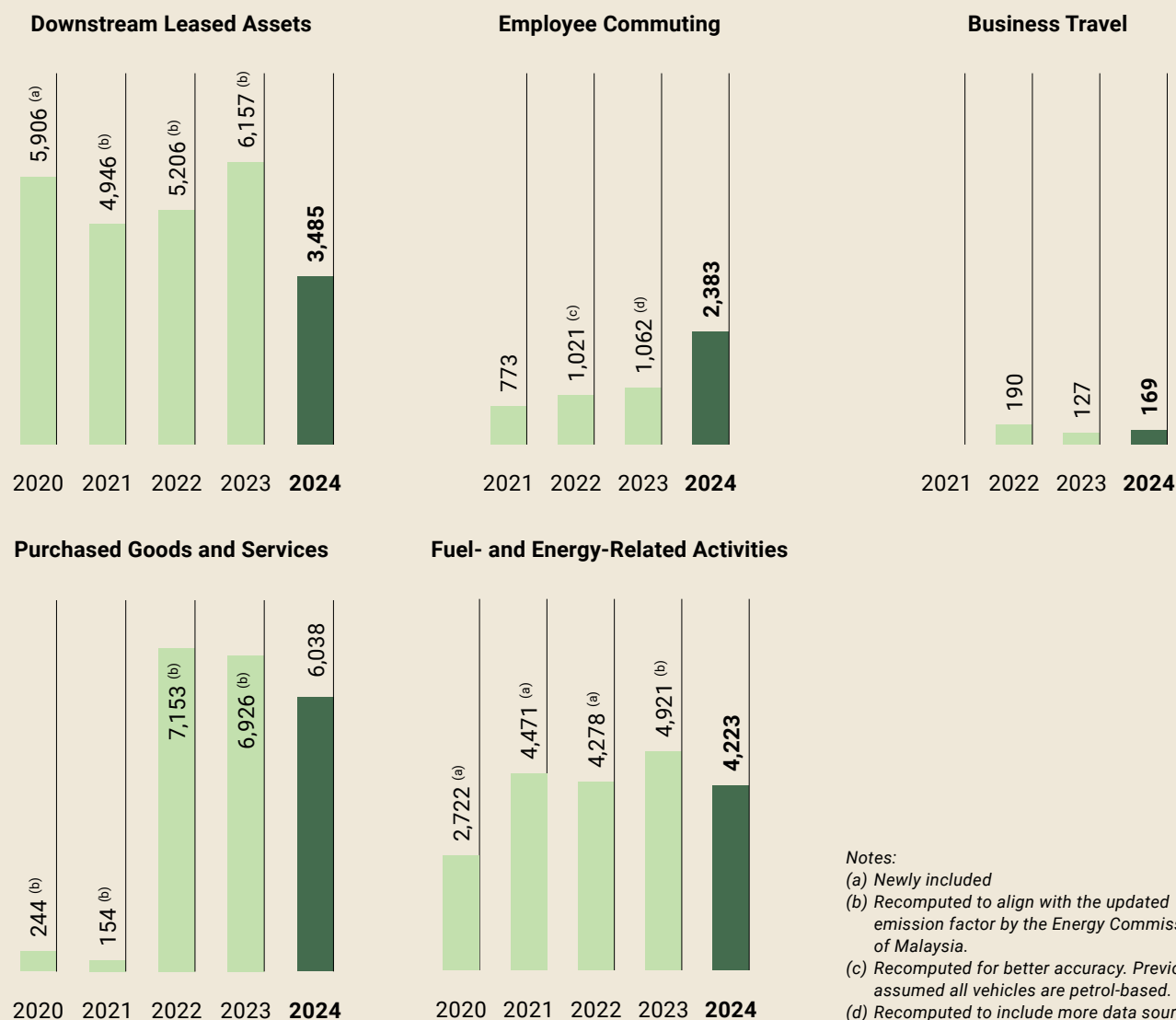
In 2023, we signed a Memorandum of Collaboration with Bursa Malaysia, positioning MRCB as an early adopter of their Centralised Sustainability Intelligence (CSI) Platform for the Construction Sector to enhance our sustainability disclosures. The CSI Platform, a collaboration with Bursa Malaysia and the London Stock Exchange, was officially launched in 2024. With the additional support from this platform, we initiated reporting on 11 categories of Scope 3 emissions in 2024. The CSI Platform adopts a spend-based method, which has enabled disclosure of seven Scope 3 categories that cover Purchased Goods and Services, Capital Goods, Waste Generated in Operations, Downstream Transportation and Distribution, Processing of Sold Products, Use of Sold Products and End-of-life Treatment of Sold Products. However, we did not use the CSI's spend-based method for the disclosures of four Scope 3 categories such as Downstream Leased Assets, Employee Commuting, Business Travel, and Fuel- and Energy-Related Activities.

Key Scope 3 Categories

Employee Commuting Emissions from employees travelling to and from work. <ul style="list-style-type: none"> Improved reporting accuracy in 2024 by conducting an Employee Commuting Survey, with 54% employee participation. Adopted the distance-based method, which estimates emissions based on commuting distances and travel mode. Emission factors used to calculate GHG emissions are from the UK Department for Environment Food and Rural Affairs (DEFRA) 2024. The coverage for 2021 to 2023 applies only to middle management and above, based on their fuel card entitlement and usage. 	Downstream Leased Assets Emissions from assets owned and/or managed by MRCB and leased to other entities are not covered in Scope 1 and Scope 2 reporting. <ul style="list-style-type: none"> In 2024, emissions were calculated on total electricity consumption attributed to leased entities, which include our tenanted buildings in Station Sentral KL and Penang Sentral. Significant drop in emissions in 2024 is due to the sale of two owned assets, CelcomDigi Tower and Plaza Alam Sentral, in end 2023.
Business Travel Emissions from employee work travel, including both air and land travel. <ul style="list-style-type: none"> Adopt the distance-based method, estimating emissions based on travel distances and travel modes. Emission factors used to calculate GHG emissions are from the UK Department for Environment Food and Rural Affairs (DEFRA) 2024. 	Fuel- and Energy-Related Activities Indirect emissions associated with the production, transmission, and delivery of fuels and energy purchased by a company. <ul style="list-style-type: none"> Emissions were calculated using SIRIM Malaysia Life Cycle Inventory Database (MY-LCID).

OUR PERFORMANCE ENVIRONMENTAL

Scope 3 Emissions by Categories (tCO₂e)



ENERGY MANAGEMENT

We continued to implement energy reduction initiatives across the organisation, including continuing to install LED lighting in buildings and parking managed by the FM and PS Division respectively. The PS Division is undertaking a separate initiative for two carpark locations to be fitted with proprietary LED lightbulbs in 2025 to improve efficiency and achieve better savings.

MRCB is keen on diversifying its project focus by targeting environmental initiatives, including climate change adaptation projects such as clean energy, renewable energy, and large-scale solar projects. As such, the FM Division is planning on the installation of solar photovoltaic (PV) panels on the rooftop of Penang Sentral. We adhered to the maximum allowable capacity of 75% of the maximum demand or 60% of the current transformer rating and rooftop size.

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Energy consumption in gigajoules (GJ) within our operational boundary:

	2020	2021	2022	2023	2024
Diesel	18,579	15,926	23,802	47,761	87,595
Petrol	8,987	9,974	5,038	2,786	1,615
Electricity	111,908	106,058	115,006	127,160	94,296
Total Energy Consumption (GJ)	139,474	131,958	143,846	177,706	183,507

Energy consumption in gigajoules (GJ) outside of our operational boundary:

	2020	2021	2022	2023	2024
Diesel	2,460	1,496	2,069	4,827	4,708
Petrol	50	9	36	24	0
Electricity	223	182	312	776	1,154
Total Energy Consumption (GJ)	2,734	1,688	2,416	5,627	5,862

Fuel Consumption

Fuel sources for our operations come from generators and equipment at project sites, company vehicles, and employee fuel cards. Although fuel use within our control comes to just 24% of total emissions, we are actively pursuing reduction strategies, including exploring biofuels and replacing diesel generators with power grid electricity.

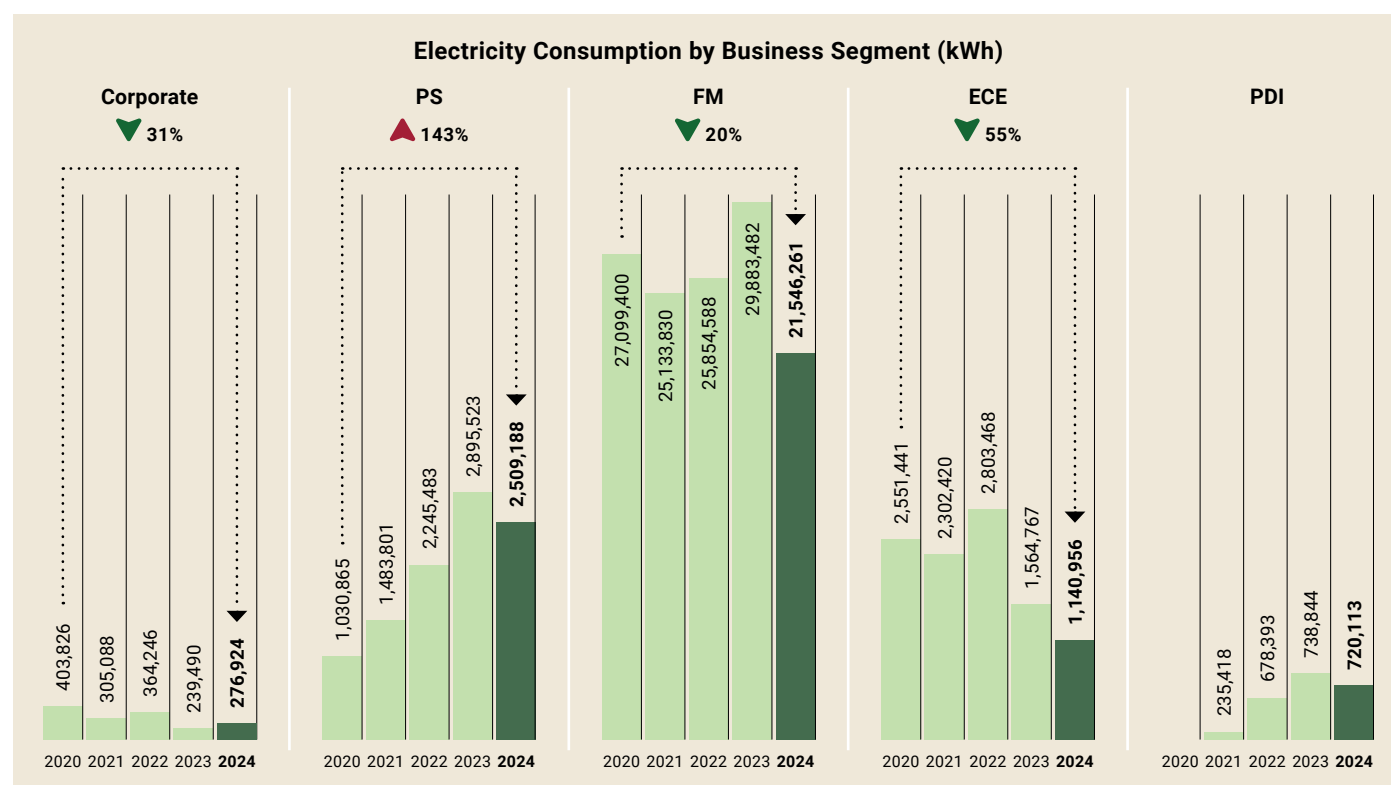
The significant increase in diesel consumption in 2024 is mainly due to the nature of the Muara Sungai Pahang Flood Mitigation Project, which relies heavily on diesel-powered land machinery and marine vessels due to its location at the mouth of Sungai Pahang in the South China Sea. Diesel consumption from this project accounts for 57% of total diesel volume consumed. Furthermore, the redevelopment of Stadium Shah Alam Project, which began in July 2024, also contributed to higher diesel consumption for the year. We have enhanced our reporting by breaking down fuel consumption by diesel and petrol for company vehicles starting from 2022.

Source	2020	2021	2022	2023	2024
Diesel Consumption (L)					
Machineries at Project Sites	521,790	447,283	536,198	1,239,504	2,388,242
Company Vehicles	-	-	132,260	101,828	71,802
Total Diesel Consumption (L)	521,790	447,283	668,458	1,341,332	2,460,043
Petrol Consumption (L)					
Machineries at Project Sites	377	3,463	2,019	5,822	6,889
Company Vehicles	277,970	305,436	154,012	80,452	43,139
Total Petrol Consumption (L)	278,347	308,899	156,031	86,274	50,028

OUR PERFORMANCE ENVIRONMENTAL

Absolute Electricity Consumption

Electricity consumption decreased by 26% in 2024 compared to 2023, mainly due to the reduction in number of buildings managed by our FM Division. In 2024, we managed only two buildings, SSKL and Penang Sentral, down from four buildings, including CelcomDigi Tower and Plaza Alam Sentral, which we managed until December 2023. This is reflected in the 28% reduction in electricity consumption for FM Division in 2024 compared to 2023. The 31% decrease in Corporate Division's electricity consumption compared to 2020 is due to relocation of staff between offices and the realignment of the office's electricity consumption to the respective division. Even with the expansion of PS, which now manages more sites than before, the division has managed to reduce their electricity consumption with the installation of new lightbulbs with sensors in Q Sentral carpark and reducing the operation of the exhaust fan in PJ Sentral carpark.



Year	Corporate	PS	FM	ECE	PDI	Total
2020	403,826	1,030,865	27,099,400	2,551,441	-	31,085,532
2021	305,088	1,483,801	25,133,830	2,302,420	235,418	29,460,556
2022	364,246	2,245,483	25,854,588	2,803,468	678,393	31,946,177
2023	239,490	2,895,523	29,883,482	1,564,767	738,844	35,322,105
2024	276,924	2,509,188	21,546,261	1,140,956	720,113	26,193,442
Variance Against 2020 (%)	▼ 31%	▲ 143%	▼ 20%	▼ 55%	-	▼ 16%

Note: The changes in the electricity consumption (2020-2023) is due to the additional electricity consumption from the DCS Plants, update on PDI Division data to reflect on the operational control boundary and the restructuring of the electricity consumption data to our respective business segments.

OUR PERFORMANCE

ENVIRONMENTAL

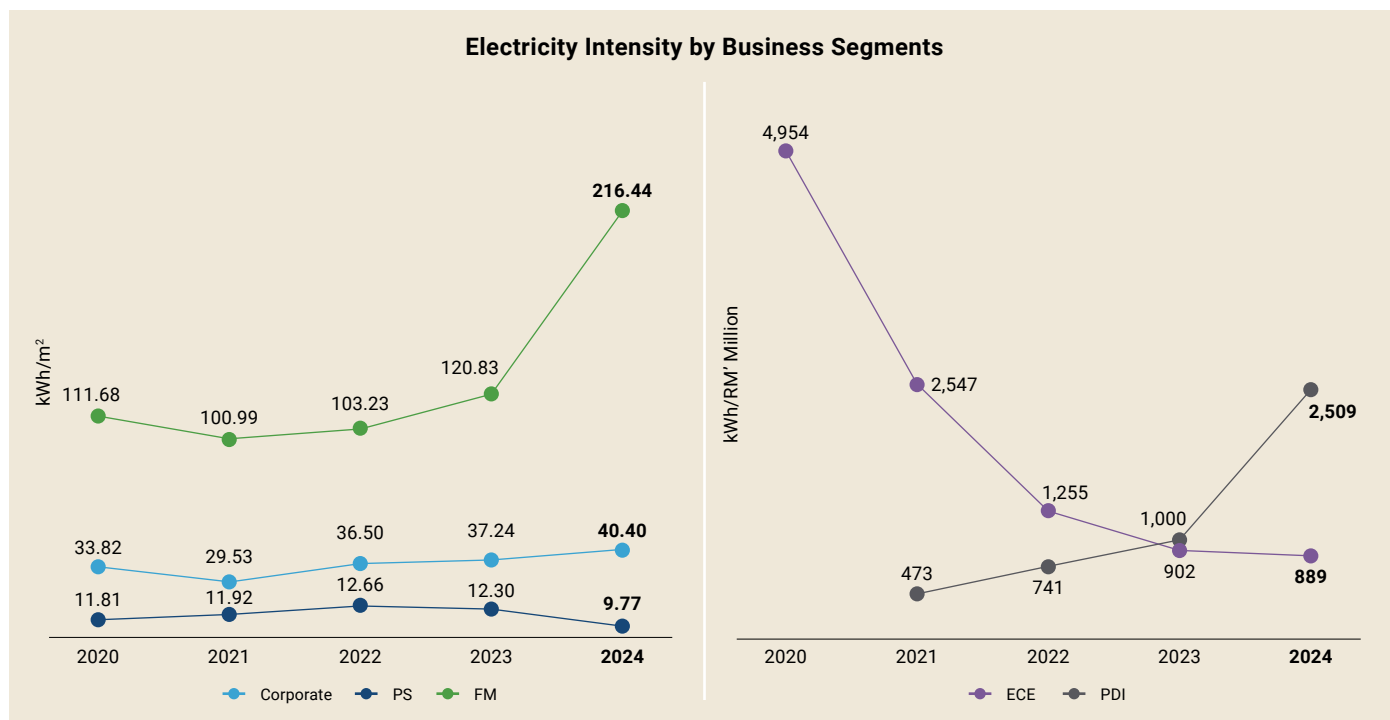
Electricity consumption revision breakdown for 2020-2023

Electricity Consumption	Unit	2020	2021	2022	2023
Previously Reported	kWh	24,318,964	20,748,184	22,389,214	24,952,541
Total Variance	kWh	6,766,568	8,712,372	9,556,963	10,369,564
Total Electricity Consumption (Revised)	kWh	31,085,532	29,460,556	31,946,177	35,322,105

Note: The total variance in electricity consumption is from the District Cooling System (DCS) Plants and the update on PDI Division data to reflect on the operational control boundary.

Electricity Intensity

The significant increase in electricity intensity from the Facilities Management (FM) Division 2024 was mainly due to the reduction of floor area (m²) from the discontinuation of management of the two buildings at end of 2023. CelcomDigi Tower and Plaza Alam Sentral had a much higher floor area-to-electricity consumption ratio compared to the two buildings we continued to manage this year, SSKL and Penang Sentral. Recognising that FM is a significant consumer of electricity, primarily to ensure the comfort of customers and the public at our facilities, measures taken to reduce our energy footprint becomes crucial. In contrast, the installation of LED lightbulbs with sensors and the reduction of the exhaust ventilation fan at PJ Sentral Carpark has led to a decrease in electricity intensity for the Parking Services (PS) Division.



OUR PERFORMANCE

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Business Segments	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Corporate (kWh/m ²)	33.82	29.53	36.50	37.24	40.40	▲ 19.5%
PS (kWh/m ²)	11.81	11.92	12.66	12.30	9.77	▼ 17.3%
FM (kWh/m ²)	111.68	100.99	103.23	120.83	216.44	▲ 93.8%
ECE (kWh/RM' Million)	4,954	2,547	1,255	902	889	▼ 82.1%
PDI (kWh/RM' Million)	-	473	741	1,000	2,509	-

Note: The intensity for ECE and PDI is based on the segmental revenue.

CHALLENGES

- Accurately measuring and reporting GHG emissions, especially Scope 3 emissions, is challenging due to the complexity of supply chain data, inconsistent reporting standards, and difficulties in data collection.
- Defining clear boundaries for Scope 3 emissions is difficult, making it hard to ensure consistent and reliable emissions data across all operations and stakeholders.
- Rapidly changing climate policies and regulations require constant monitoring and adjustments to stay compliant while managing emissions effectively as well as tracking progress.

OPPORTUNITIES

- Improve supply chain transparency and data collection for Scope 3 emissions by using the latest tools and software for more accurate reporting.
- Stay ahead of changing climate regulations by adapting to new policies and using digital tools to ensure compliance.

OUTLOOK

- We will continue our focus on our decarbonisation journey, with a strong commitment to reducing emissions across all scopes. By leveraging the latest tools and platforms, such as the Centralised Sustainability Intelligence (CSI) platform, we aim to improve emissions tracking and reporting. We will also continue to strengthen our sustainability efforts by progressing from early adoption to full signatory of climate initiatives, ensuring alignment with global best practices and its long-term net zero goals.

OUR PERFORMANCE

ENVIRONMENTAL

RESOURCE MANAGEMENT

We recognise the significant demand our operations place on resources, and manage them in a sustainable way. We prioritise the efficient use of energy and water throughout both construction and operational phases, ensuring minimal environmental impact. Our waste management practices are designed to reduce landfill contributions, and we advocate the principles of reduce, reuse, and recycle, embedding these practices across the organisation to drive resource efficiency and sustainability.

Under our ISO 14001:2015 Environmental Management System, our QESH Policy commits to conserving natural resources. This involves efficient and effective material and resource use within our facilities, encompassing non-renewable sources such as water and electricity.

MM MATERIALS MANAGEMENT	
WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">Responsible sourcing and use of materials are crucial to MRCB as they ensure ethical practices, minimise environmental impacts, and enhance the company's reputation for sustainability and corporate responsibility.Optimising material usage and implementing recycling initiatives supports MRCB's commitment to resource efficiency, reduces costs, and aligns with its long-term environmental goals, contributing to its overall sustainability strategy.	<ul style="list-style-type: none">We prioritise responsible sourcing and use of raw materials to minimise environmental and social impacts.Our approach is guided by MRCB's Sustainable Design Policy that outlines clear requirements for sustainable materials and procurement practices, ensuring alignment with our sustainability goals.
OUR AIMS	
<ul style="list-style-type: none">Initiate supply chain traceability to ensure ethical sourcing, and reduce environmental and social impacts.Increase use of sustainable materials to reduce embodied carbon and transportation emissions.Foster innovation by incorporating green materials and eco-friendly designs in all projects.Build internal sustainability expertise through continuous training and awareness programmes.	
OUR INITIATIVES AND PROGRESS	
SUSTAINABLE DESIGN POLICY	

MRCB's updated Sustainable Design Policy, introduced in 2024, establishes specific requirements for sustainable materials and procurement practices in the design and planning of all residential and commercial property developments. The policy emphasises local sourcing to minimise embodied carbon and reduce emissions associated with transportation.

Mandatory compliance with the Sustainable Design Policy is required, which integrates climate change considerations, embodied carbon, pollution control, resource management, and quality standards. The policy ensures sustainability is embedded throughout the design and development phases. We prioritise eco-friendly materials that reduce resource use, enhance reusability, and improve cost efficiency. Our teams are tasked with assessing embodied carbon during the design stage and monitoring the quantities of materials used in each project to ensure sustainable sourcing without compromising quality or durability.

OUR PERFORMANCE
ENVIRONMENTAL

BUILDING A SUSTAINABLE SUPPLY CHAIN

We are committed to promoting sustainable practices in our supply chain. In collaboration with the United Nations Global Compact (UNGC), we have conducted sustainability readiness assessments across our supply chain, including our SME suppliers. This inclusive approach enables us to evaluate their sustainability readiness and create strategies to support their progress. Our aim is to cultivate a sustainable construction ecosystem that benefits all stakeholders.

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none">• Sourcing green or alternative materials presents a challenge due to limited availability, higher costs, and the need for consistent quality that meets project specifications.• Managing the supply chain for sustainable materials is complex, requiring coordination across multiple suppliers, ensuring traceability, and overcoming logistical hurdles to minimise environmental impact.	<ul style="list-style-type: none">• The pursuit of green construction materials fosters innovation, driving the discovery and adoption of novel, environmentally friendly designs that align with sustainability goals.• Exploring sustainable materials challenges us to develop new, eco-friendly design solutions and implement more efficient procurement strategies, further enhancing the overall environmental impact of our projects.

OUTLOOK
<ul style="list-style-type: none">• We are focused on increasing internal awareness and building capacity around sustainable materials, practices, and procurement. By strengthening supply chain management, we aim to align all stakeholders with our environmental goals and drive more sustainable, efficient construction practices.



OUR PERFORMANCE

ENVIRONMENTAL

SC

SUSTAINABLE CONSTRUCTION

WHY IS THIS IMPORTANT

- The construction industry is a significant contributor to GHG emissions, resource depletion, and waste generation. Sustainable construction seeks to minimise these impacts by prioritising eco-friendly materials, reducing energy consumption, and implementing effective waste reduction strategies.

OUR APPROACH

- Adopt MRCB's Sustainable Design Policy that integrates sustainable practices, focusing on eco-friendly materials and energy efficiency.
- Prioritise green building and infrastructure to meet high environmental standards.
- Foster innovation through the adoption of new technologies and sustainable construction methods through our MRCB Building System (MBS).
- Ensuring waste minimisation and sustainable procurement to reducing waste and adopting responsible material sourcing.

OUR AIMS

- To apply the Sustainable Design Policy and meet requirements of the highest level of accreditation of green building accreditations (GBI, GreenRE, LEED or BCA) in the design and construction of all projects where MRCB exercises full authority and oversight.

OUR INITIATIVES AND PROGRESS

GREEN BUILDING

MRCB was among the first in Malaysia to have its buildings comply with Green Building certifications. In 2011, Platinum Sentral became Malaysia's first office building to be awarded the highest Green Building rating from Singapore's Building and Construction Authority (BCA), and Malaysia's Green Building Index (GBI).

We adopt a Green Building approach to reduce the environmental impact of our developments and enhance sustainability. By focusing on efficient energy and water use, selecting sustainable building materials, and incorporating design elements that minimise GHG emissions and waste, we aim to mitigate the built environment's effects on resource consumption and GHG emissions. We ensure compliance with Green Building certifications in our property development projects, aligning with five recognised Green Building rating systems to uphold high sustainability standards.



Malaysia's Green Building Index (GBI)



Malaysia's Green Real Estate (GreenRE)



Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCREST)



US-based Leadership in Energy and Environmental Design (LEED)



Singapore-based Building and Construction Authority (BCA) Green Mark

OUR PERFORMANCE ENVIRONMENTAL

Below is a list of MRCB developments that have received Green Building accreditation and have installed the Building Management System (BMS), smart metering, and solar photovoltaic systems:

Project	Sustainability Accreditation	Building Management System (BMS)	Smart Metering	Installation of Solar PV*
PLATINUM SENTRAL	GBI NRNC DA Certified and BCA Green Mark Platinum	Yes	Yes	Yes – Solar PV panel (23 x 2.304 kWp)
PJ SENTRAL – CELCOM TOWER	GBI NRNC DA Certified and LEED BD+C CS Gold	Yes	Yes	No
PJ SENTRAL – MBSB CORPORATE HQ	GBI NRNC DA Certified and LEED BD+C CS Gold	Yes	Yes	No
MENARA JLAND	GBI NRNC DA Gold	Yes	Yes	No
HARD ROCK HOTEL, DESARU	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
DESARU CONFERENCE CENTRE	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
WESTIN DESARU RESORT	GBI NRNC DA Certified and LEED BD+C NC Silver	Yes	Yes	No
VIVO 9 SEPUTEH (SOHO)	GBI RNC DA Certified	No	No	No
VIVO 9 SEPUTEH (RESIDENCES)	GBI RNC DA Certified	No	No	No
PJ SENTRAL – MYIPO CORPORATE HQ	GBI NRNC DA Certified	Yes	Yes	No
SENTRAL SUITES	MyCREST ONE STAR and GreenRE RNC DA Bronze	No	No	No
MENARA CIMB	GBI NRNC CVA Certified	Yes	No	No
SENTRAL RESIDENCES	GBI RNC CVA Gold	No	No	No
MENARA SHELL	GBI NRNC DA Silver, and LEED ID+C Commercial Interior Gold	Yes	Yes	No
MENARA SHELL & ASCOTT SENTRAL	LEED BD+C CS Platinum	Yes	Yes	No
Q SENTRAL	GBI NRNC DA Gold	Yes	Yes	Yes – Solar PV panel (total 120 kWp)
TRIA 9 SEPUTEH	GBI RNC DA Certified	No	No	No
EPF HQ, KWASA DAMANSARA	GreenRE NRNC Platinum	Yes	Yes	Yes – Solar PV panel (total 417 kWp)

Notes:

* Solar Photovoltaic (PV) - Specifications and features are determined by the client

BD+C	Building Design & Construction
ID+C	Interior Design & Construction
DA	Design Assessment
NRNC	Non-Residential New Construction
RNC	Residential New Construction
CVA	Certification and Verification Assessment
GBI	Green Building Index (Malaysia)
	For details on assessment criteria and rating scale: https://www.greenbuildingindex.org/
GreenRE	A green rating tool set up to promote sustainability in the property industry (Malaysia)
	For details on assessment criteria and rating scale: https://greenre.org/index.html

LEED	Leadership in Energy and Environmental Design (United States)
	For details on assessment criteria and rating scale: https://www.usgbc.org/leed
MyCREST	Malaysian Carbon Reduction and Environmental Sustainability Tool (Malaysia)
	For details on assessment criteria and rating scale: https://www.cidb.gov.my/eng/mycrest/
BCA Green Mark	Building and Construction Authority (Singapore)
	For details on assessment criteria and rating scale: https://www1.bca.gov.sg/buildsg/sustainability
Smart Metering	Smart metering refers to separate sub-meter for internal energy monitoring

OUR PERFORMANCE

ENVIRONMENTAL

MRCB BUILDING SYSTEM (MBS) / MODULAR CONSTRUCTION

The MRCB Building System (MBS) is an innovative approach to sustainable construction. The Prefabricated Prefinished Volumetric Construction (PPVC) allows most building components to be prefabricated off-site. By prefabricating modules off-site, the MBS reduces on-site construction activities, thereby minimising waste, energy consumption, and GHG emissions during construction. This system also improves project efficiency by shortening construction timelines by up to 50% and enhancing overall building quality. This also helps avoid weather delays and reduces on-site disruptions to surrounding areas and safety risks. The MBS offers adaptable modules that can be easily tailored and rearranged to meet varied project needs and future growth. This system has been licensed to companies in Hong Kong and Singapore, and patented in 49 countries. The first residential property in Malaysia to utilise the MBS construction technology is MRCB's Residensi Tujuh development.

MRCB's proprietary MBS system aligns with five UN SDGs



Enhanced Site Safety

- 85% of construction work done off-site at ground level significantly reduces injury risks associated with working at heights.



Skilled Local Labour

- Reduces reliance on unskilled foreign labour and attracts skilled local workers to the industry by eliminating the perception of 'dangerous, dirty, and difficult' (3D) jobs, elevating the status of working in the construction sector.

Efficient Construction Time

- Concurrent off-site component fabrication and on-site activities halve construction time.



High-Quality Assurance & Control

- Off-site construction in a controlled environment ensures higher quality control.



Reduced Material Wastage

- Adopting a manufacturing approach with streamlined processes and effective inventory management cuts down landfill waste.
- Achieve a 10% to 30% reduction in construction expenditures, enhancing financial performance through optimised material utilisation and improved design efficiency and scale.



Lower Environmental and Energy Impact

- Decreases noise, dust, and truck movements on-site, leading to a more efficient construction that consumes less energy compared to traditional methods.

OUR PERFORMANCE ENVIRONMENTAL

BUILDING INFORMATION MODELLING (BIM)

We utilise Building Information Modelling (BIM) to enhance our construction processes, using software for clash detection to address constructability issues and coordinate various disciplines before construction begins. This approach helps us reduce construction costs, waste, and energy usage. In line with our commitment to sustainability, we have transitioned from timber formwork to system formwork, which improves efficiency and shortens construction timelines.

INDUSTRIALISED BUILDING SYSTEMS (IBS) ADOPTION

We have adopted the Industrialised Building Systems (IBS) on our project sites to align with the criteria set by CIDB. Through the use of IBS, we aim to meet the CIDB IBS assessment score for our projects, which provides a structured and systematic method to consistently measure IBS usage. CIDB is promoting the adoption of IBS in private sector projects, particularly in new developments in the Klang Valley valued at RM50 million and above, to achieve a minimum IBS Score of 50. Our projects, such as TRIA 9 Seputeh, Sentral Suites, and the National Film Development Corporation Malaysia (FINAS) project have exceeded the minimum threshold, indicating higher productivity, reduced waste and site labour, and superior quality, as outlined in CIDB's guidelines.

Project	CIDB IBS Score
FINAS Headquarters	52.0
TRIA 9 Seputeh	51.1
Sentral Suites	51.4

CHALLENGES

- Return on investment (ROI) for sustainable construction can be challenging to quantify, as initial costs for eco-friendly materials and technologies may be higher than traditional methods.
- Sourcing sustainable materials can be difficult due to limited availability and higher costs, potentially impacting project budgets and timelines.
- Ensuring adherence to sustainability standards across all stages of construction requires additional resources and coordination, adding complexity to project management.

OPPORTUNITIES

- Increase adoption of MBS in projects such as Residensi Tujuh, leading to the development of sustainable construction methods that improve efficiency, deliver long-term cost savings, and strengthen MRCB's reputation for innovation.
- Opportunity to capitalise on MBS, an eco-friendly solution that reduces environmental impact and enhances sustainability in our projects.
- Provide MRCB with the opportunity to strengthen its market position by adopting sustainable practices that align with the growing demand for environmentally responsible buildings.

OUTLOOK

- We are committed to advancing our sustainable construction approach in our current and upcoming projects by incorporating innovative solutions such as green building practices, BIM, IBS, MBS, and other sustainable infrastructure approaches. These initiatives will enhance efficiency, reduce waste, and ensure we continue delivering high-quality, environmentally responsible developments across our portfolio.

OUR PERFORMANCE

ENVIRONMENTAL

W

WASTE

WHY IS THIS IMPORTANT

- In line with our net zero aspirations, effective waste management is crucial to conserving natural resources, reducing waste sent to landfills, and minimising environmental impact.
- By adhering to regulations and adopting best practices in waste management, we reinforce our commitment to sustainability and ensure responsible resource use across all stages of our projects.

OUR APPROACH

- Implementation of a systematic approach to identify, manage, reduce, and responsibly dispose of, or recycle waste across MRCB's operations.
- Our construction operations generate domestic and construction waste, which is managed through a third-party vendor for disposal in compliance with local regulations. In alignment with SDG 12, we aim to minimise resource use, reduce construction waste generation, and increase recycling efforts wherever possible.

OUR AIMS

- Reduction in waste generated year-on-year.
- Increase in waste diverted from landfill year-on-year.

OUR INITIATIVES AND PROGRESS

WASTE MANAGEMENT AND PERFORMANCE

We focus on recycling materials such as scrap metal, timber, and other recyclables to reduce reliance on virgin resources. Concrete waste is repurposed as crusher runs for access roads and pothole filling on-site. Unsuitable concrete is sent to licensed landfills for disposal. We also return wooden pallets to brick suppliers for reuse.

Scheduled waste management

- We manage scheduled waste according to the Environmental Quality (Scheduled Wastes) Regulations 2005, ensuring safe storage, labelling, and disposal by the Department of Environment's (DOE) licensed contractors.
- The contractors will safely carry out the waste treatment process before disposal, once it accumulates to a certain amount or over time.

3Rs strategy

- We implement the 3Rs (Reduce, Reuse, Recycle) at construction sites, by segregating recyclables and reusable waste to minimise landfill disposal.
- Scrap materials, including aluminium, power cables, and scrap metal, are sold to other companies for recycling.

Waste tracking and monitoring

- We are enhancing our waste tracking and monitoring systems across all project sites to further minimise waste production.

Our commitment to sustainability extends to green design practices in our building and infrastructure projects. By adhering to green building standards, managing energy and water consumption, and integrating sustainable practices, we aim to reduce environmental impact throughout the construction and operational phases of our developments.

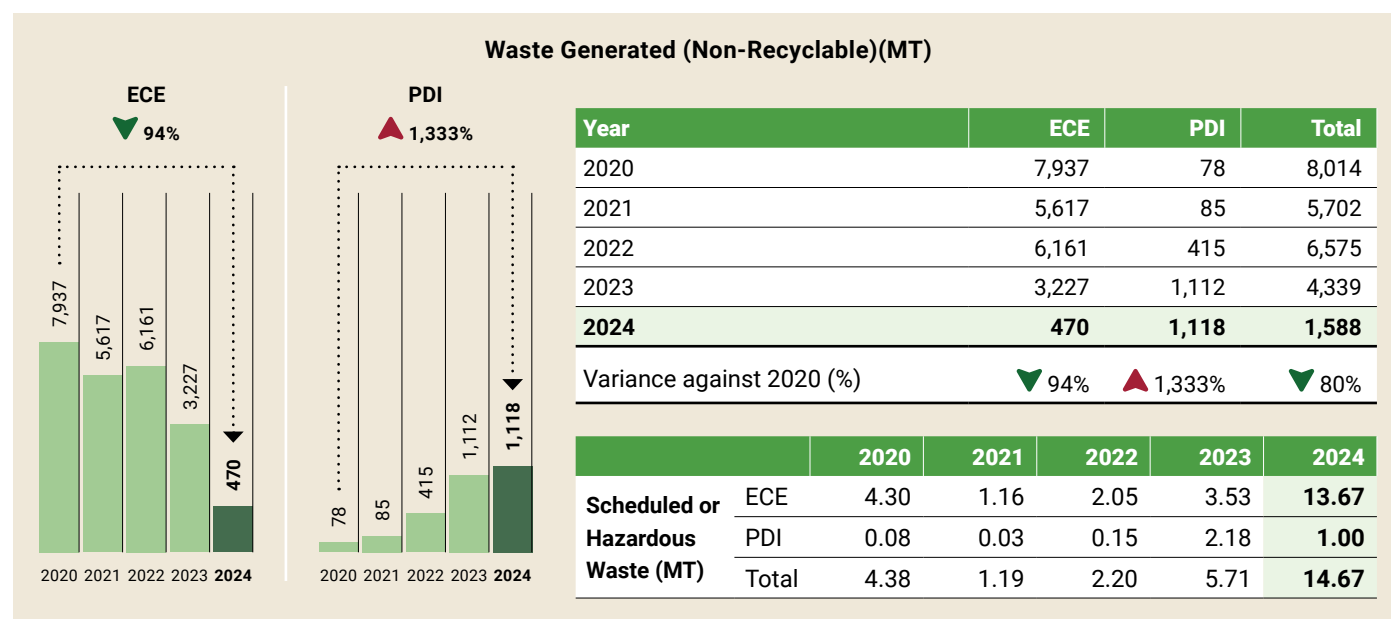
OUR PERFORMANCE ENVIRONMENTAL

Waste Generated

The year 2024 saw a reduction in active projects, consequently lowering waste disposal to landfills. The demolition works of the redevelopment of Stadium Shah Alam Project presented a significant waste stream, totaling 369,726 MT. However, only 65 MT (0.02%) of this waste was directed to landfill, while 6,744 MT (1.82%) was recycled, and the substantial remainder, 362,917 MT (98.16%) was reused. The majority of the reused material, concrete waste was crushed and repurposed for working platforms, access roads, backfilling, and stockpiling for future development.

Non-Recyclable Waste Disposal to Landfills

The following table and chart display the non-recyclable waste generated by our business segments and disposed of in dedicated landfills, over the past five years.



Note: Figures for the PDI Division reflect Waste Generated from project sites only. PDI acts solely as a client for these projects, and as such, they are not within our operational control boundary.

Waste Recycled and Diverted from Landfills

The following table shows the amount of waste recycled and/or diverted from landfills over the past four years.

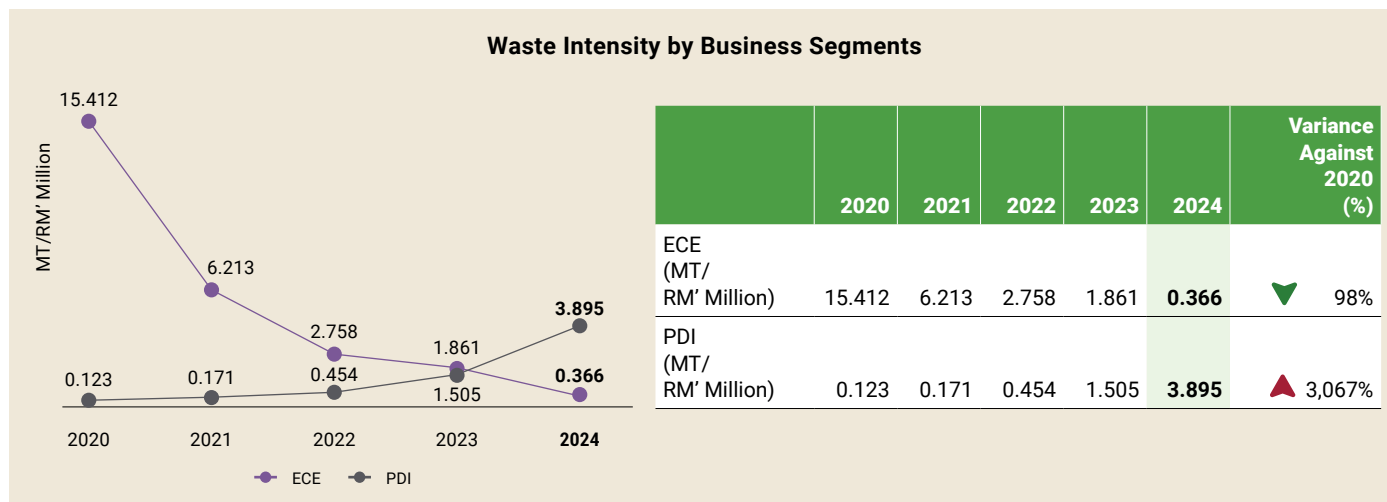
Type of Waste	2021	2022	2023	2024
Scrap Materials	97 tonnes	558 tonnes	383 tonnes	7,303 tonnes
Others	1 portable cabin	<ul style="list-style-type: none"> 16 portable cabins 17,208 m² of scrap formwork 	7 portable cabins	<ul style="list-style-type: none"> 362,905 tonnes of concrete 11 tonnes of plastic seats

OUR PERFORMANCE

ENVIRONMENTAL

Waste Intensity

The following table and chart show waste intensity by business segments over the last five years.



Note: The intensity for ECE and PDI is based on the segmental revenue.

CHALLENGES

- Collecting accurate data on waste generation and disposal remains challenging, impacting the ability to track progress and identify areas for improvement.
- Waste diversion and recovery efforts are hindered by limitations in recycling infrastructure and the complexity of managing diverse waste streams.
- Adopting and consistently implementing best practices for waste management across all projects requires ongoing training, coordination, and alignment with evolving regulations and industry standards.

OPPORTUNITIES

- Increase adoption of MBS in projects, leading to the development of sustainable construction methods, thereby minimising waste, and strengthening MRCB's reputation for innovation.
- Optimising design and planning can reduce material waste and minimise construction errors, leading to more efficient use of resources and lower environmental impact.
- Enhancing the recycling of construction and demolition (C&D) waste by separating materials such as concrete, metals, wood, and plastics for recycling and reducing landfill waste.
- Improving material procurement practices to more accurately estimate needs, minimise over-ordering, and prevent excess materials that contribute to waste.

OUTLOOK

- Looking ahead, we are focused on developing comprehensive waste management strategies across all our business units to ensure a unified approach to waste reduction. We aim to collaborate with specialised vendors who focus on recycling and waste recovery, enhancing our ability to divert waste from landfills and improve recycling efficiency.

OUR PERFORMANCE
ENVIRONMENTAL

WATER MANAGEMENT

Our construction activities rely on a consistent and effective water supply, primarily sourced from Air Selangor Sdn Bhd, which manages water from the Selangor River, Langat River, and Bernam River, before treating it to an acceptable standard for distribution. Therefore, we assume that all our water withdrawal comes from surface water.

Water supply disruptions, particularly in Selangor, are a key risk, with 83% of our assets potentially facing high water stress between 2030 and 2050, according to the WRI Aqueduct Water Risk Tool. While we currently do not operate in water-stressed regions, we continue to monitor and assess water availability in these areas.

Wastewater management	<ul style="list-style-type: none">• We implement control measures such as temporary drainage systems, silt traps, and grease traps to manage runoff and effluent at project sites.• We prohibit the direct discharge of untreated sewage into drains or waterways, and maintain our systems regularly to ensure their effectiveness.
Water quality monitoring	<ul style="list-style-type: none">• Regular testing at discharge points ensures compliance with regulatory standards, with zero water-related non-compliance fines in 2024.
Water recycling	<ul style="list-style-type: none">• We incorporate water recycling at project sites, using recycled water primarily for vehicle washing, to keep the construction environment clean and safe.



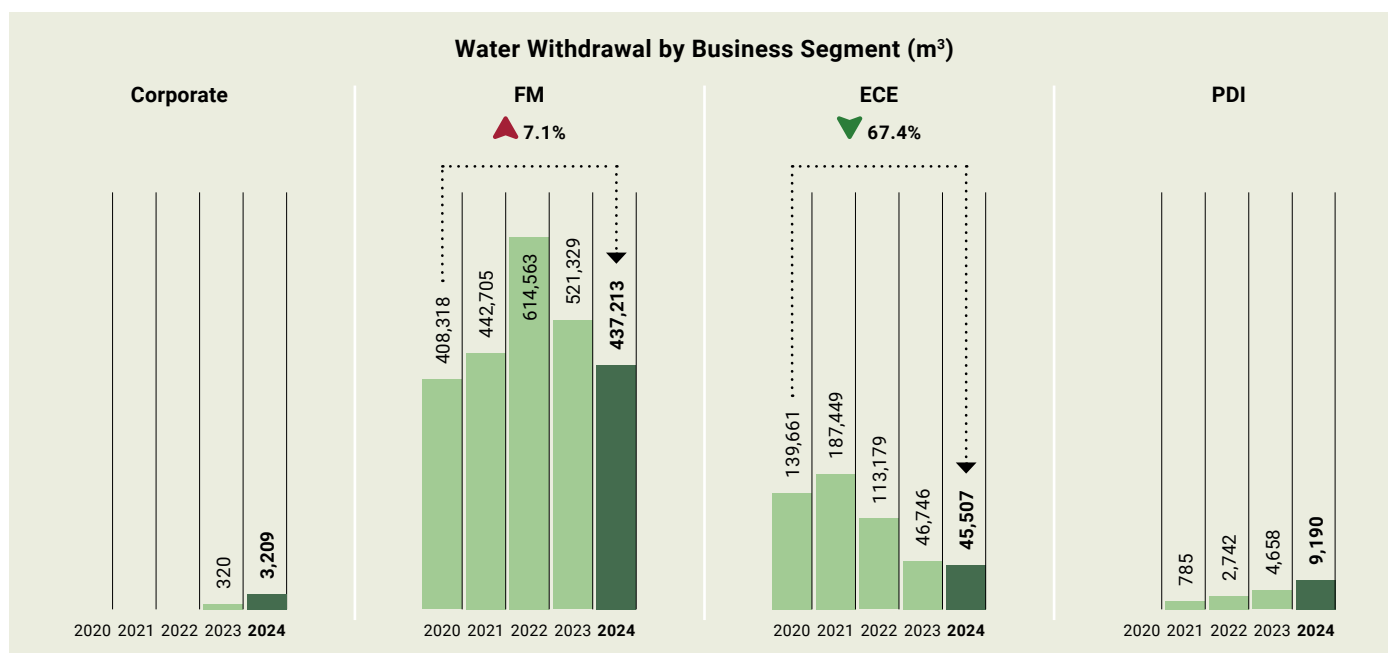
The Chiller System in DCS Kwasa Damansara Plant

OUR PERFORMANCE

ENVIRONMENTAL

Water Withdrawal

The ECE Division experienced a decrease in water consumption over the year. This reduction can be attributed primarily to the completion of several projects, which naturally led to a lower need for water in construction activities. The decrease in FM Division's water consumption is due to managing only two buildings in 2024, compared to four buildings in previous years. The following table and chart display the water withdrawal (m³) by our business segments over the past five years.



Year	Corporate	FM	ECE	PDI	Total
2020	-	408,318	139,661	-	547,979
2021	-	442,705	187,449	785	630,939
2022	-	614,563	113,179	2,742	730,484
2023	320	521,329	46,746	4,658	573,053
2024	3,209	437,213	45,507	9,190	495,119
Variance Against 2020 (%)	-	▲ 7.1%	▼ 67.4%	-	▼ 9.6%

Note: The changes in the water withdrawal (2020-2023) is due to the water withdrawal from the DCS Plants, update on PDI Division data to reflect on the operational control boundary and the restructuring of the water withdrawal data to our respective business segments.

OUR PERFORMANCE ENVIRONMENTAL

Water withdrawal revision breakdown for 2020-2023

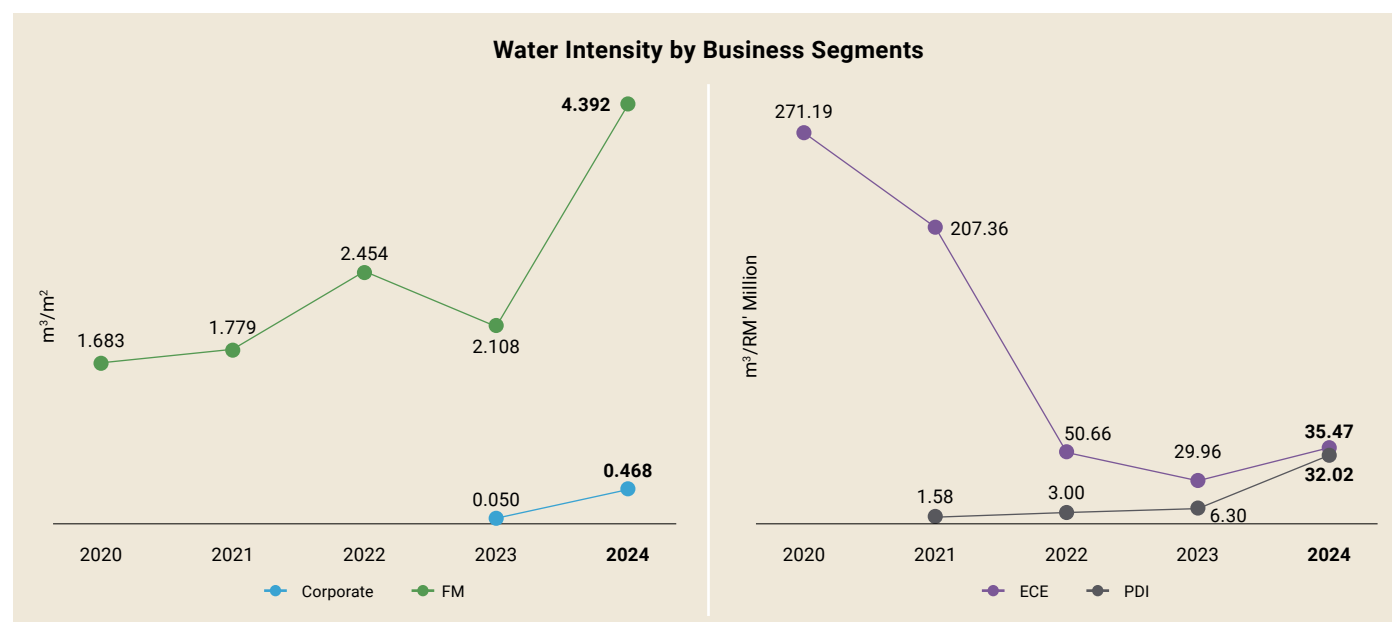
Water Withdrawal	Unit	2020	2021	2022	2023
Previously Reported	m ³	536,316	590,218	743,622	507,101
Total Variance	m ³	11,663	40,721	*-13,138	65,952
Total Water Withdrawal (Revised)	m ³	547,979	630,939	730,484	573,053

Note: The total variance in water withdrawal is from the District Cooling System (DCS) Plants and the update on PDI Division data to reflect on the operational control boundary.

* Includes changes for SSKL water withdrawal due to computation error.

Water Intensity

The following table and chart show water intensity by business segments over the last five years.



Business Segments	2020	2021	2022	2023	2024	Variance Against 2020 (%)
Corporate (m³/m²)	-	-	-	0.050	0.468	-
FM (m³/m²)	1.683	1.779	2.454	2.108	4.392	▲ 161%
ECE (m³/RM' Million)	271.19	207.36	50.66	29.96	35.47	▼ 87%
PDI (m³/RM' Million)	-	1.58	3.00	6.30	32.02	-

Note: The intensity for ECE and PDI is based on the segmental revenue.

OUR PERFORMANCE

ENVIRONMENTAL

ECOLOGICAL IMPACT

BIO

BIODIVERSITY

WHY IS THIS IMPORTANT

- Protecting biodiversity is crucial for maintaining ecosystem health and resilience. As a construction company, our activities can impact local ecosystems. MRCB is committed to minimising environmental harm through its activities and where possible, seeks to identify, assess, and manage, environmental and biodiversity impacts within our operations.

OUR APPROACH

- We integrate biodiversity considerations into our urban development process, ensuring that environmental impacts are identified, assessed, and mitigated effectively.

OUR AIMS

- Minimise environmental harm across all activities and where possible, implement measures to protect and enhance biodiversity throughout our operations.

OUR INITIATIVES AND PROGRESS

BIODIVERSITY MANAGEMENT

Our commitment to biodiversity is outlined in our Biodiversity Statement, available on our website. We focus on minimising environmental harm and protecting biodiversity throughout our urban development projects. By adhering to the Ramsar Convention and Malaysia's National Policy on Biological Diversity, we ensure our practices align with sustainable management principles. Environmental Impact Assessments (EIA) are conducted for relevant projects, and we continue to refine our strategies and policies to enhance biodiversity conservation.

We are committed to preserving protected areas by avoiding construction and development within them. Our developments are located in established urban or developed areas, ensuring that we do not contribute to habitat destruction or degradation in sensitive ecosystems. While we do not have specific biodiversity protection projects near our properties, we are exploring opportunities to enhance biodiversity in urban settings through sustainable practices.

CHALLENGES

- Conducting comprehensive biodiversity risk assessments for projects, particularly in areas with high ecological value, can be complex and resource-intensive.
- Meeting increasing disclosure standards, such as the Taskforce on Nature-related Financial Disclosures (TNFD), requires enhancing data collection, monitoring, and reporting practices to ensure transparency and accountability.

OPPORTUNITIES

- The TNFD presents an opportunity for us to take proactive steps in integrating nature-related risks into our business strategy, ensuring we are prepared for future reporting requirements.

OUTLOOK

- MRCB is committed to aligning our operations with the Ramsar Convention and Malaysia's National Policy on Biological Diversity. We recognise the importance of addressing any gaps in our current practices and will strive to close these gaps where feasible. Going forward, we will continue to review and update our relevant policies to ensure that our approach to biodiversity management remains robust, proactive, and aligned with national and international standards.



“ MRCB’s supportive environment and focus on continuous learning has allowed me to grow professionally, helping me excel in administrative and credit control roles.

”

Khairunnisa binti Zulhazmi
Credit & Admin Assistant
(Semasa Parking)

CONSERVING
THE HEART OF PAHANG:

THE MUARA SUNGAI PAHANG PHASE 3 FLOOD MITIGATION PROJECT





The Muara Sungai Pahang Phase 3 Flood Mitigation Project is a testament to our expertise in climate change adaptation infrastructure projects, drawing on our specialised skills in water-related projects such as flood mitigation. Located in the Pekan District of Pahang Darul Makmur, this RM380 million design-and-build, spearheaded by MRCB in partnership with the Department of Irrigation and Drainage (DID), represents an engineering marvel that blends infrastructure development with environmental stewardship.

SAFEGUARDING A VITAL ECOSYSTEM

The Muara Sungai Pahang Phase 3 Flood Mitigation Project spans five years, from June 2022 to June 2027. This project is designed to:



Mitigate coastal flooding risks, particularly for Pekan Town and nearby communities



Address siltation challenges at the river mouth to ensure seamless discharge of peak flows and secure navigation for fishing vessels



Create sustainable navigation channels and berthing zones



Provide robust defences against extreme wave activity



Since we started this project in June 2022, we have managed to work safely without having any serious injury that caused our man-hours to be reset to zero and in early November 2024, reaching 500,000 working man-hours without Lost Time Injury.





The project's specific scope includes the construction of 683.5 metres of the Northern Arm 1 breakwater and 682.55 metres of the Northern Arm 2 breakwater, along with four dykes, two beacon lights for maritime safety, and a navigational channel dug out to a depth of 2.5 metres below the low tide level (measured from Chart Datum, a standard reference point for water depths), promising safe passage for vessels and enhancing local economic prospects.

These interventions safeguard a river system that serves not only as a lifeline for the fishing industry, supporting over 1,000 local fishermen and contributing 20% of Pahang's total fish catch, but also serves as a growing hub for ecotourism.

STRENGTHENING FLOOD RESILIENCE AND RIVER FLOW

The effectiveness of the breakwater system is evident in its ability to mitigate coastal flooding and improve river flow dynamics. The 2014–2015 floods, one of Malaysia’s worst in decades, severely impacted upstream areas like Jerantut and Temerloh, yet Pekan Town experienced relatively milder flooding. This highlights the important role of maintaining an open and unobstructed river mouth.

By preventing sediment build-up and ensuring efficient water discharge, the newly constructed breakwaters and dykes under this project will further enhance flood resilience, safeguard communities, and support long-term environmental stability.

EXCELLENCE IN PROJECT EXECUTION

MRCB adheres to stringent Quality Assurance and Quality Control (QAQC) protocols in executing this project.

The QAQC measures begin with rigorous material selection and testing processes, including laboratory analyses of rock samples from multiple quarries to ensure durability and compliance with specifications. Continuous visual inspections, monthly compliance audits, and detailed site observations are conducted to maintain the highest quality standards.

From meticulous stone sampling to regular visual inspections, every aspect of the construction is monitored to ensure compliance with environmental and safety standards. The project also utilises advanced materials, such as non-woven geotextiles, and state-of-the-art rock layering techniques, which are meticulously installed to prevent soil erosion and fortify breakwaters and dykes through the strategic placement of core, underlayer, and armour rocks. The construction process involved intricate planning and execution, supported by advanced monitoring tools and techniques to ensure alignment with design specifications while minimising environmental disruptions.

Coordination among stakeholders is seamless, with regular reporting and reviews conducted to assess progress and address any challenges promptly. As of December 2024, the project has achieved 58.5% physical construction progress and was +3.8% ahead of schedule, reflecting MRCB’s proactive approach to risk mitigation and operational efficiency.

EMPOWERING COMMUNITIES AND THE ENVIRONMENT

Beyond the tangible infrastructure, the Muara Sungai Pahang Flood Mitigation Project symbolises hope for the surrounding communities. By mitigating flooding risks and safeguarding fisheries, it secures livelihoods while providing a foundation for sustainable economic activities. Furthermore, MRCB’s commitment to environmental management ensures minimal ecological disruption during the construction process.

The improved navigation channel facilitates trade and access for small-scale fishermen, enabling them to expand their operations and improve their incomes. Communities have also benefited from increased safety due to reduced flooding and clearer waterways, which have minimised the displacement of residents and damage to properties.

The Muara Sungai Pahang Flood Mitigation Project exemplifies MRCB’s vision of “Building Meaningful Places for a Better Tomorrow”. As we push the boundaries of engineering excellence, we simultaneously preserve natural ecosystems and empower local communities. Upon completion, this project will stand as a benchmark for integrated, sustainable development that harmonises progress with ecological care.





“MRCB has empowered me to lead with precision, innovate fearlessly and confidently deliver quality work.”

Nor Aini Mohd Arif

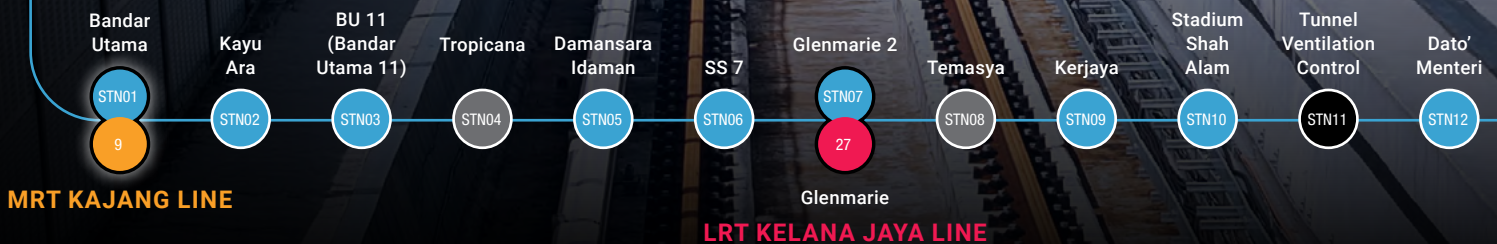
*Senior Engineer - Quality Assurance and Quality Control
(MRCB Builders)*

LRT SHAH ALAM LINE:

TRANSFORMING KLANG VALLEY CONNECTIVITY

Target Revenue Service Date:

30 September 2025



Legends:

- # LRT Shah Alam Line Station
- # LRT Shah Alam Line Provisional Station
- 8 Interchange Station
- # LRT Kelana Jaya Line Station
- # MRT Kajang Line Station
- Underground

QUICK FACTS

Caters to
> 2 MIL
population in the Western
Corridor of Klang Valley

Designed for
24,960
passengers per hour per
direction

86,700
anticipated ridership per
day in 1st year

126,100
anticipated ridership per
day by 5th year

20
elevated stations completed

5
reinstated stations planned for
completion by 2028

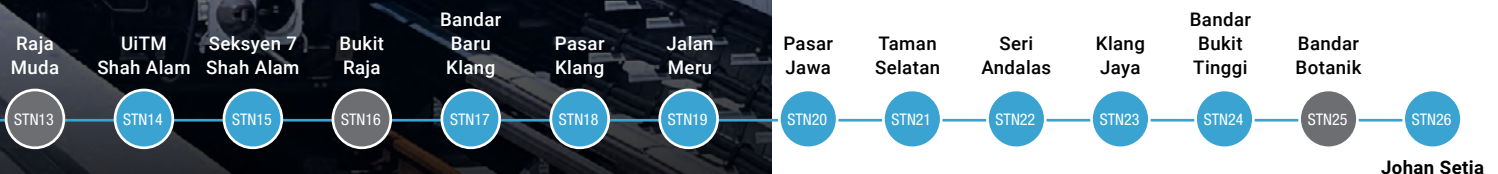


The LRT3 project, also known as the LRT Shah Alam Line, will connect two million people between Bandar Utama and Klang when it goes live in 2025.

The Line has **two integrated stations**, 'Glenmarie 2' and 'Bandar Utama', linking seamlessly with existing transit lines such as the MRT Sungai Buloh – Kajang line via the Bandar Utama Station and the LRT Kelana Jaya line via the Glenmarie 2 Station, enhancing accessibility and alleviating traffic congestion.

The LRT Shah Alam Line is set to transform daily commutes and has been designed to accommodate up to **24,960 passengers per hour per direction**, making it a highly efficient mode of transport, suitable for accommodating daily commuters in the Klang Valley.

The line prioritises speed and efficiency, boasting a **journey time of under 60 minutes from end to end**. With trains running at six-minute intervals during peak hours and **operating at speeds of 80 km/h**, commuters can expect faster, smoother, and more convenient travel.



37 KM in length (2km underground)	End-to-end journey time of <60 MINUTES at 6 minute frequency during peak hours	
2,300 parking bays at 6 stations	22 X 3-car trains	80 KM/H operational speed

1,461 PIERS varying height from 3 to 20 metres
34,748,976 MILLION working hours of construction activity without a reportable incident
Schedule to commence in 3RD QUARTER of 2025

A BLEND OF PAST AND PRESENT: THE AESTHETIC VISION OF LRT STATIONS

The design vision for the LRT Shah Alam Line stations was to create a minimalistic yet modern structure. The aim was to appeal to future generations and encourage them to embrace public transportation as a sustainable mode of commuting.

The station design was inspired by traditional Malay headwear, the *Tanjak*, which represents a level of prestige, history, and confidence. This incorporation of cultural elements into the design not only paid homage to the country's deep-rooted ethnic traditions but also adds a unique charm to the stations.

The folded and pleated *songket* of *Tanjak* translates into the two planes of the metal deck structure that wraps the elevated stations. Practical yet dynamic, the varied edges do not just create a non-streamline form but also function well in relation to the design's response to climatic needs. With the pitch design, we had left a portion of the centre section open to direct sunlight, representing the open central area of an actual *Tanjak*, which ensures not only efficient ventilation but also allows natural light to filter in, creating a pleasant and comfortable environment for commuters.

The stations' concept is not just about aesthetics, but also functionality, spanning over two floors and equipped with various amenities. The station is also designed to be fully accessible



to all users, including individuals with disabilities, reflecting our commitment to inclusivity in providing a seamless travel experience for all. These features include ramps for wheelchair users, elevators for easy movement between floors, wide doorways for accessibility, and tactile paving to guide visually impaired passengers. Amenities and services provided include accessible toilets, Braille signage and priority seating areas.

All buildings are designed appropriately to relate them to their surroundings and, where necessary, to stations and other public sections of the LRT system. Architectural finishes and materials for the main public spaces in the stations consider safety, comfort, durability, aesthetics, and long-term maintenance.

Implementing passive building design strategies into the project was a significant step towards creating a more sustainable built environment. These strategies prioritise natural elements such as optimising natural lighting, ventilation, and insulation. They reduce the reliance on energy-intensive mechanical systems, offering long-term benefits such as cost savings through reduced energy consumption, lower GHG emissions, and decreased maintenance requirements compared to active systems that rely on complex technologies. Hence, to have a more sustainable built environment and to create a lively and liveable city, the following strategies were implemented:



Internal building temperature management

01

- To allow a comfortable temperature for commuters, a jack roof system was implemented into the design. The system allows hot air to pass out from the internal building for internal temperature management. Roof materials are installed with energy-efficient rock wool insulation to help provide occupants with a more comfortable internal temperature.

Maximise usage of daylighting

02

- A slim and shallow building massing allows more natural daylight to penetrate the building. This reduces the internal lighting energy usage.

Façade as weather protection

03

- The general building façade has been slightly cantilevered and tapered to prevent rainwater from entering the station's concourse and platform areas.

Promote pedestrian urban connectivity

04

- There is pedestrian connectivity from both main directions. This allows easy connectivity for the public to enter the building and promotes public transportation usage. At the ground level, anti-climb fencing has also been introduced along the sidewalk to promote a safe environment for the building surroundings.

Water Efficient strategy

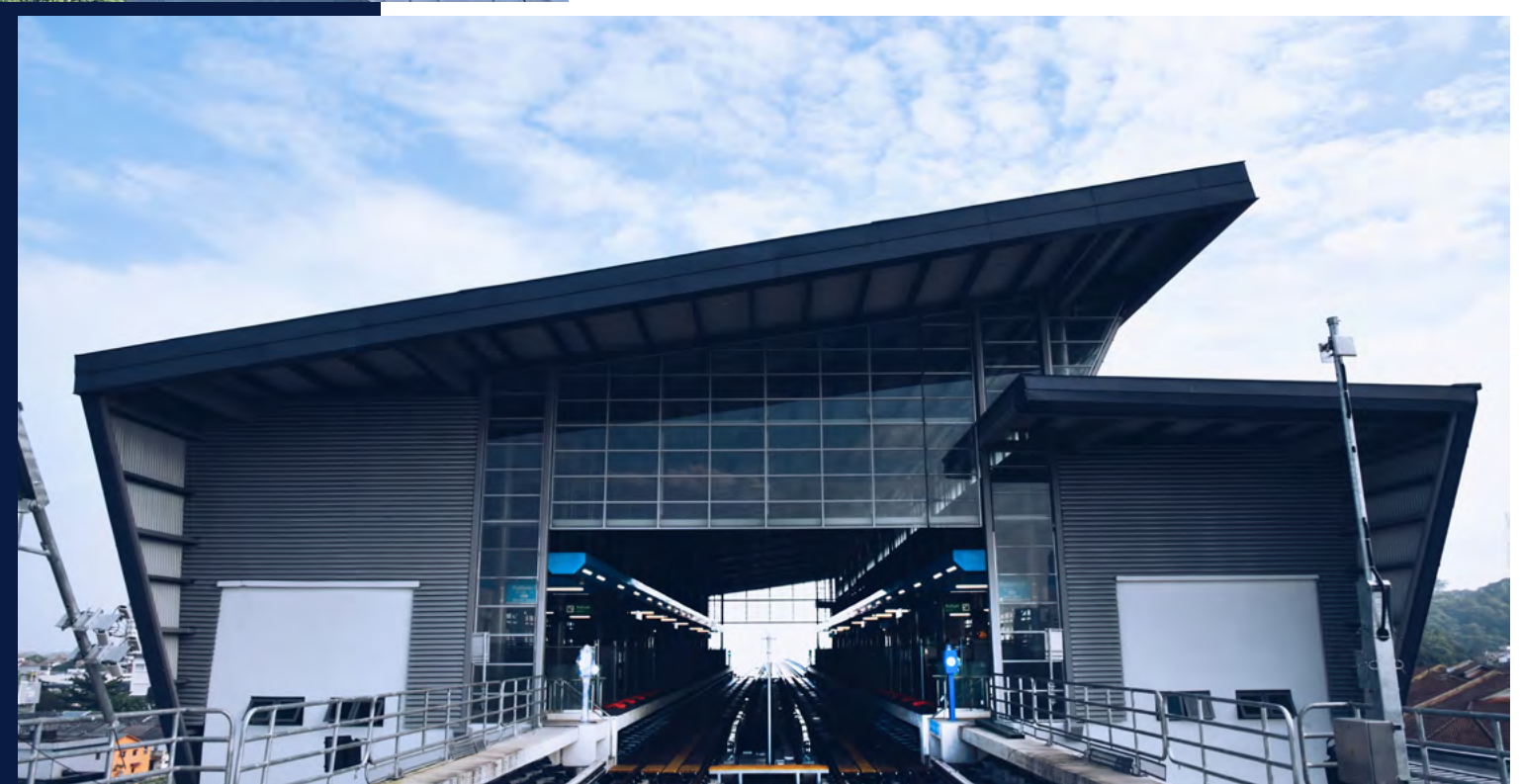
05

- Sanitary fittings for efficient water usage, such as water-saving dual-flush toilets and low-flow faucets, are installed.

Local Materials Usage

06

- Local building materials selection were prioritised as much as possible to reduce GHG emissions from transportation.





LRT SHAH ALAM LINE'S BACKBONE – THE DEPOT

The project also included the construction of the LRT Shah Alam Line's 147-acre Depot, a sprawling complex equivalent to 112 football fields, that will serve as the operational heart of the line. Strategically located in Johan Setia, south of Klang, this state-of-the-art facility houses 18 buildings and facilities, including:

1

Operation Control Centre



At the heart of the depot is the 34,091 sq. ft. Operation Control Centre (OCC). Inside is the Control Centre Room (CCR), which is vital for controlling, monitoring, and maintaining the trains once operations commence.

The control centre is designed to meet safety standards and complies with ISO 11064 to meet safety standards with specific ergonomic features to provide a comfortable working environment, including for people with disabilities.

The CCR has two levels with custom-built computer workstations for control operators and a large video wall that shows the entire line. The layout of the video wall and consoles considered the operators' horizontal and vertical viewing angles.

The room is also installed with an acoustic wall and soundproofing with absorptive material to eliminate sound reflection and reverberation. These measures prevent noise from outside the room from impacting the internal acoustics of the room and vice versa, allowing comfortable noise levels and easy communication between operators within the room.

2

Heavy & Light Maintenance Building

The Heavy & Light Maintenance Building, a substantial facility encompassing 594,343 square feet, equivalent to approximately 45 standard badminton courts, plays a pivotal role in the Line's operations. This dedicated space facilitates the comprehensive maintenance of trains, ensuring that every component, from wheels and brakes to hydraulics and on-board computer systems, undergo rigorous inspection and testing. The building's capacity enables the maintenance of up to fourteen Light Rail Vehicles (LRVs) simultaneously.

3

Stabling Yard

A stabling yard at the depot is a facility where trains are parked when they are not in service, similar to an airport's hangar for aeroplanes. This area acts as a 'home base' and is used for storing trains, typically during off-peak hours or overnight, ensuring that each train is securely stored and ready for its next journey. This facility accommodates six stabling tracks, each capable of storing four LRVs simultaneously.

Beyond just parking the LRVs on the tracks, the stabling yard may also be

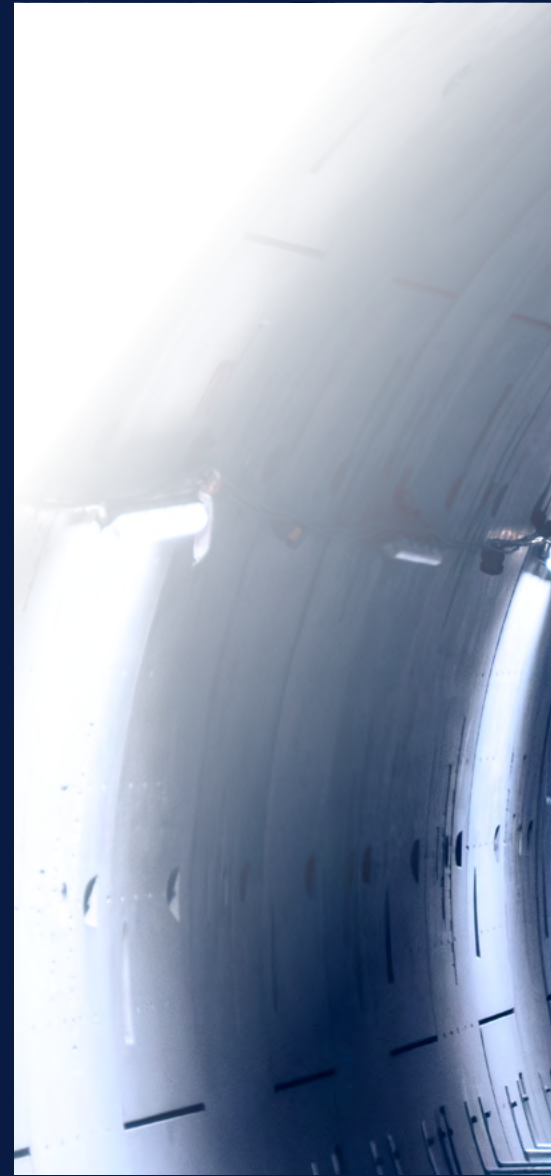
used for minor maintenance tasks, inspections, and cleaning of the train carriages, where minor checks and tune-ups are performed to keep the vehicles in top condition. It is an essential component of a train depot, helping to ensure that trains are properly managed, maintained, and ready for service when needed.

By keeping the trains organised and in optimal condition, the stabling yard plays a vital role in maintaining the punctuality and reliability of the LRT3 service.

4

Train Washing Plant

The train washing plant functions as a high-powered cleaning station. This plant was designed to handle the thorough cleaning of every train, similar to how a car wash services vehicles. This not only enhances the train's visual appeal for passengers but also promotes safety by removing debris that could obscure potential issues and extend the train's lifespan by preventing corrosion.



MRCB celebrated a major milestone in infrastructure development when it successfully excavated the first 2.3-kilometre twin tunnel using advanced Tunnel Boring Machines (TBMs) in Shah Alam, Selangor.



Located between Persiaran Hishamuddin & Persiaran Dato Menteri in Shah Alam, the twin tunnels, each boasting a spacious 5,800 mm inner diameter, wide enough to fit two full-sized cars side-by-side, showcases MRCB's commitment to cutting-edge technology. Each of the 19,632 precast segments that line the tunnels were meticulously designed and placed, ensuring the tunnel's stability and longevity. The construction of these complex tunnels involved a dedicated team of 270 personnel.



FIRST U-TROUGH TECHNOLOGY IN MALAYSIA

Another first was MRCB's use of innovative U-Trough Girder technology, which allowed construction components to be pre-fabricated, a method known worldwide for being efficient and cost-effective. This was the first project in Malaysia to utilise this groundbreaking technology, which not only puts Malaysia on the global map of infrastructure innovation but also sets a new standard for future railway projects in the country.

This technology features an integrated design with a built-in noise barrier, effectively minimising noise pollution during operation, making it an ideal solution for projects in densely populated areas.

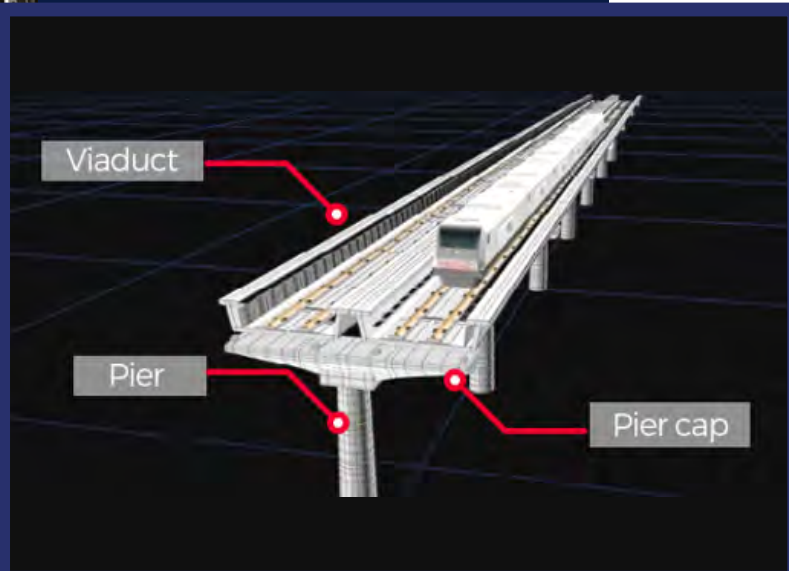
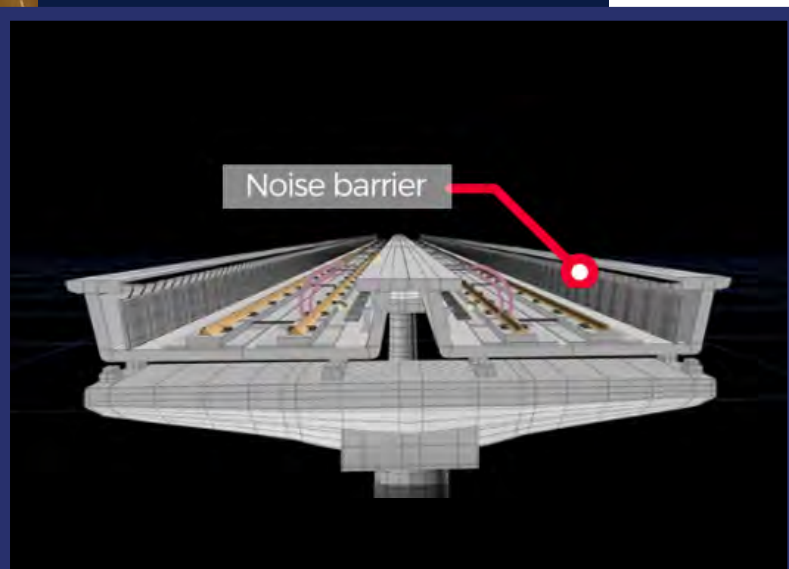
The use of the pre-fabricated U-trough technology also allowed for a quicker installation process. Unlike the traditional Segmental Box Girder (SBG) method, which takes three days to install one span, the U-Trough Girder technology could be installed within a day, reducing construction-related disruptions to local communities residing close to the project.

The U-Trough Girder technology was not just a construction method; it's an innovation in infrastructure development, paving the way for more efficient and effective construction projects. The LRT Shah Alam Line project was a testament to this, showcasing how innovative technologies and engineering can transform the way we build our cities.

The implementation of the U-Trough Girder project technology is one of the key initiatives under the Industrial Collaboration Programme (ICP), a government-driven initiative designed to leverage public sector procurement to stimulate local industry growth, technology transfer, and economic development.

This technology exemplifies MRCB's commitment to innovation, sustainability, and efficiency. It has not only enhanced our construction methodologies but also contributed to reducing material waste and accelerating project timelines, solidifying our position as a leader in responsible infrastructure development.

A total of 2,040 units of U-trough girders were cast and installed for the LRT Shah Alam line.



LONG-SPAN STRUCTURES FOR EFFICIENT TRANSIT



The project's long-span structures, a significant feature of the LRT Shah Alam Line, were strategically designed to optimise the alignment and minimise the number of piers required. The successful completion of 17 long-span structures, varying from 35m to 108m, are seamlessly integrated with U-trough girders employing advanced engineering techniques, ensuring the structural integrity and durability of these long-span structures.

LIGHT RAIL VEHICLES (LRV) WITH CUTTING-EDGE SUSTAINABILITY FEATURES



Green Technology Features



Inverter Air Conditioner & Smart Air-Cond System

Having Temperature Sensors and Load Sensors for ensuring energy efficiency



Regenerative Braking System & Recycle Power DC to AC System

Excess DC voltage will be inverted to AC and re-injected back into 33kV Network



LED Lights & Smart Interior Lighting System

Utilising natural sunlight for energy optimisation

Interior Accessibility Features

A



Perch Seat

D



Safety Belt

B



Cantilever & longitudinal seats arrangement

E



Wheelchair space in each car

C



LED Backlit LCD Panel

Upon the commencement of operations, a fleet of 22 three-car Light Rail Vehicles (LRVs) will be deployed to serve commuters travelling between Bandar Utama and Johan Setia. Each LRV has been meticulously assembled at Batu Gajah, Perak, with a length of approximately 60 metres and a width of 2.7 metres. These state-of-the-art vehicles offer ample passenger capacity, with 102 designated seats and a total carrying capacity of 624 passengers.

It has the first of its kind smart interior lighting system and LED lights that actively conserve energy. The LRVs also use asbestos-free friction brakes, significantly reducing air contamination. The regenerative braking system is another noteworthy feature which converts the dynamic

braking effect into electrical energy, reducing energy consumption and enhancing efficiency. Additionally, the LRVs are designed with a smart air conditioning system that is ozone-friendly, reducing the impact on the ozone layer.

The LRV, capable of reaching a maximum speed of 80 km/h, offers efficient end-to-end journeys in less than 60 minutes. Designed for a 30-year service life, these LRVs have undergone meticulous testing and maintenance at the LRT3 Depot in Johan Setia. Each LRV requires approximately two months to assemble and 45 days of rigorous factory testing. A fleet of 19 LRVs will operate simultaneously, when the service commences.

EMPOWERING COMMUNITIES THROUGH INDUSTRIAL COLLABORATION PROGRAMME (ICP)

The Industrial Collaboration Programme (ICP), is a Malaysian government initiative designed to boost national technology development by connecting local companies with government procurement needs. Launched in 2014 by the Ministry of Finance, ICP encourages technology transfer and local technology development and produces local expertise in public projects.

Linked to macroeconomic frameworks such as Malaysia's Vision 2020, Malaysia's Five-Year Development Plans, and the Industrial Masterplan, the ICP is designed to align businesses with the nation's economic goals. To be eligible for the ICP, businesses must meet a set of rigorous criteria. They must offer a unique product or service, conduct a feasibility study to forecast the impact of their product or services, and present an idea that has never been executed in Malaysia before. This ensures that only the most innovative and impactful businesses are selected.

As a leading urban property developer, MRCB has consistently demonstrated its dedication to creating sustainable and liveable environments. This commitment is evident in our involvement through the LRT3 project which we awarded 64 contracts for under the ICP, with a total value of RM20 million, all in the pursuit of excellence and innovation.

Each proposal sent to MRCB went through a meticulous filterisation process before being forwarded to the Technology Depository Agency to be filtered further. As of December 2024, a total of 45 projects have been completed.

A notable project is MRCB's collaboration with MAHSA University to introduce environmentally friendly mosquito control kits to combat the spread of Aedes mosquito and lower the levels of dengue in the community. Unlike traditional methods that rely on harmful pesticides, these kits use environmentally friendly means to control the mosquito population. This reduces the risk of dengue and minimises the impact on the environment.

The kits have been installed in most of the LRT Shah Alam Line project sites, including the Centralised Labour Quarters (CLQs) and nearby residences. This strategic implementation ensures that the kits have the maximum impact in areas where they are most needed.

MRCB assisted by providing financial support, ensuring compliance, facilitating stakeholder engagement and monitoring the progress to ensure the project was executed seamlessly.

ICP has also provided opportunities for various institutions, such as The Institute of Engineers Malaysia (IEM) to provide a comprehensive and standardised programme for local graduate engineers. This initiative is designed to facilitate progressive training to help these engineers attain a minimum level of professional competency and orientation.

The programme is not an alternative to existing Pre-Professional Engineer preparatory training programmes. Instead, it serves as a guideline to assist and facilitate graduate engineers in their pursuit of professional interviews for first-tier Professional Engineering qualifications.

The PROJECT'S Key Milestones



2016

24 August

Launch of
project

29 December

Tunnel Boring
Machine 2
Breakthrough

2023

23 January

Completion of the
viaduct's foundation
works (Pier works)

2024

June

Commencement
of LRV testing on
mainline

2017

1 March

Construction of
Depot commenced

2018

April

1st U-girder
installation

2020

10 February

CIDB 5-Star INFRASTAR
Certification awarded

2021

25 October

Tunnel Boring
Machine 1
Breakthrough

25 December

Deployment of
Tunnel Boring
Machine 2

2 November

Deployment of
Tunnel Boring
Machine 1

February

Power Supply to
Depot

March

Commencement of
LRV Testing at Depot

April

Completion of
U-girder Installation

December

Completion of Long
Span Works

October

Power Supply to
Track

10 May

Completion of LRV
Delivery to Depot

AWARDS & ACHIEVEMENTS

1



2



3



4



5



6



- MSOSH Gold Merit Award 2019** for Excellent Occupational, Safety and Health (OSH) Performance.
- Safety and Health Assessment System in Construction Industry (SHASSIC) 5-star certificate** and a score of 96% for meeting CIS 10: 2018 Safety and Health Assessment System in Construction.
- British Safety Council International Safety Award 2020** for demonstrating a strong commitment to good health and safety management for the year 2019.
- 5-star Sustainable INFRASTAR certification for the design phase of the project in 2020.** The LRT3 project is the first rail infrastructure project to receive a 5-star rating for Environmental Sustainability in Malaysia.
- Safety, Health, Environmental & Quality (SHEQ) Day Sustainable INFRASTAR 2022 Award** for the LRT3 project (design stage).
- Land Public Transport Agency (APAD) Railway Project Achievement Awards 2024** for safety management commitments and practices on the LRT3 project.



“ MRCB has supported my journey from Engineer to Manager, helping me to overcome challenges, refine my skills and continuously grow in the industry. ”

Atteyah Balqis
Trackworks Manager
(LRT3 Project)

BOARD AT A GLANCE

BOARD COMPOSITION

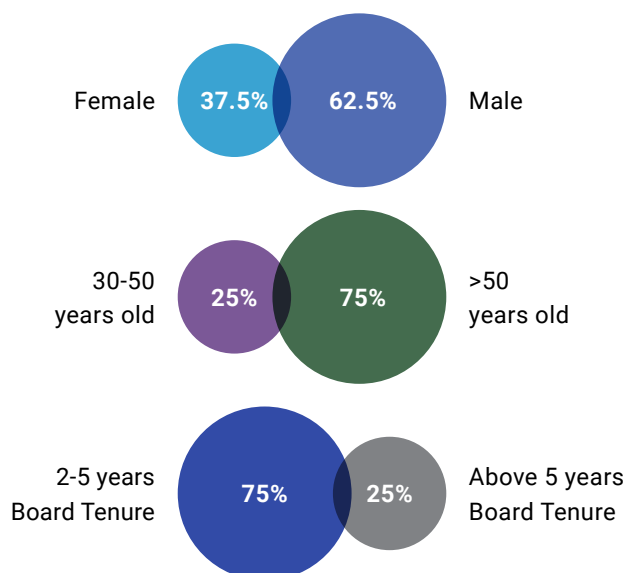
50%

Independent Director

50%

Non-Independent Director

Diversity



Board Of Directors' Key Capabilities



Dato' Mohamad Nasir Ab Latif
Non-Independent Non-Executive Chairman



Tan Sri Mohamad Salim Fateh Din
Executive Vice Chairman



Datuk Imran Salim
Group Managing Director



Mohamad Hafiz Kassim
Non-Independent Non-Executive Director



Dato' Wan Kamaruzaman Wan Ahmad
Senior Independent Director



Dato' Dr Junaidah Kamaruddin
Independent Director



Lim Fen Nee
Independent Director



Datuk Rashidah Mohd Sies
Independent Director

Leadership in MRCB



A visual representation of our upcoming VISTA
development in Gold Coast, Australia

GRI CONTENT INDEX

Statement of use	MRCB has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard(s)

GRI	Disclosures	Location	Notes & Omission
GRI 2: General Disclosures 2021			
2-1	Organisational details	4-5, 15, 263	
2-2	Entities included in the organisation's sustainability reporting	2, 15	
2-3	Reporting period, frequency and contact point	2-3	
2-4	Restatements of information	169, 232-237, 239, 241- 243, 252, 254-255	
2-5	External assurance	363-365	
2-6	Activities, value chain and other business relationships	6-12, 15 3, 157-166 of Financial Report	
2-7	Employees	173-174	
2-8	Workers who are not employees	176, 190, 196	
2-9	Governance structure and composition	264-272, 278	
2-10	Nomination and selection of the highest governance body	303-310 https://www.mrcb.com.my/corporate-governance.html	
2-11	Chair of the highest governance body	265	
2-12	Role of the highest governance body in overseeing the management of impacts	153-154, 281-286, 291, 311-316	
2-13	Delegation of responsibility for managing impacts	153-156, 274-275, 293-294	
2-14	Role of the highest governance body in sustainability reporting	153-154, 281	
2-15	Conflicts of interest	265-272, 281, 288, 328 https://www.mrcb.com.my/corporate-governance.html	
2-16	Communication of critical concerns	164, 192, 194, 281, 328	
2-17	Collective knowledge of the highest governance body	295-299	
2-18	Evaluation of the performance of the highest governance body	300-302 https://www.mrcb.com.my/corporate-governance.html	
2-19	Remuneration policies	307-309, 390	
2-20	Process to determine remuneration	307-308, 337-338, 390	
2-21	Annual total compensation ratio	308	
2-22	Statement on sustainable development strategy	20-37, 149-153	

GRI CONTENT INDEX

GRI	Disclosures	Location	Notes & Omission
2-23	Policy commitments	164, 191-192, 244-245, 280-281, 325-331	More policies and commitments can be found at https://www.mrcb.com.my/corporate-governance.html and https://www.mrcb.com.my/sustainability/sustainability-statements.html
2-24	Embedding policy commitments	164, 191-192, 244-245, 280-281, 325-331	
2-25	Processes to remediate negative impacts	192, 281	
2-26	Mechanisms for seeking advice and raising concerns	164, 194, 192, 281, 328	
2-27	Compliance with laws and regulations	189, 191, 208, 256	
2-28	Membership associations	58-59	
2-29	Approach to stakeholder engagement	48-57	
2-30	Collective bargaining agreements	189, 191	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	60, 64	
3-2	List of material topics	61-63, 65-67	
3-3	Management of material topics	142-256, 276-343	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	70-71, 103, 163	
201-2	Financial implications and other risks and opportunities due to climate change	216-231	
201-3	Defined benefit plan obligations and other retirement plans	137-138 of Financial Report	
201-4	Financial assistance received from government	151-152 of Financial Report	
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable	We will work towards this disclosure in our future reporting
202-2	Proportion of senior management hired from the local community	Not applicable	
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	196-207	
203-2	Significant indirect economic impacts	214	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	55, 58, 70-71	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related corruption	85, 161, 327	
205-2	Communication and training about anti-corruption policies and procedures	72, 85, 94, 161, 327	

GRI CONTENT INDEX

GRI	Disclosures	Location	Notes & Omission
205-3	Confirmed incident of corruption and actions taken	161, 327	
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	14 of the Code of Business Ethics	The Code of Business Ethics can be found at https://www.mrcb.com.my/assets/images/pages/pdf/cg/IDD-MRCB-CoBE_Final_16022022_v2.pdf
GRI 207: Tax 2019			
207-1	Approach to tax	Not applicable	We will work towards this disclosure in our future reporting
207-2	Tax governance, control, and risk management	Not applicable	
207-3	Stakeholder engagement and management of concerns related to tax	Not applicable	
207-4	Country-by-country reporting	Not applicable	
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Not applicable	We will work towards this disclosure in our future reporting
301-2	Recycled input materials used	Not applicable	We will work towards this disclosure in our future reporting
301-3	Reclaimed products and their packaging materials	Not applicable	Not relevant to our business operation
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	239-241	
302-2	Energy consumption outside of the organisation	240-241	
302-3	Energy intensity	242-243	
302-4	Reduction of energy consumption	240-242	
302-5	Reductions in energy requirements of products and services	240-242	
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	253-255	
303-2	Management of water discharge-related impacts	253-255	
303-3	Water withdrawal	254	
303-4	Water discharge	Not applicable	We will work towards this disclosure in our future reporting
303-5	Water consumption	254	
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	256	
304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable	No project located in high biodiversity value outside protected areas
304-3	Habitats protected or restored	Not applicable	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

GRI CONTENT INDEX

GRI	Disclosures	Location	Notes & Omission
GRI 305: Emission 2016			
305-1	Direct (Scope 1) GHG emissions	233-237	
305-2	Energy indirect (Scope 2) GHG emissions	233-237	
305-3	Other indirect (Scope 3) GHG emissions	238-239	
305-4	GHG emissions intensity	237	
305-5	Reduction of GHG emissions	233-237	
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	We will work towards this disclosure in our future reporting
305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions	Not applicable	We will work towards this disclosure in our future reporting
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	250-252	
306-2	Management of significant waste-related impacts	250-252	
306-3	Waste generated	250-252	
306-4	Waste diverted from disposal	251	
306-5	Waste directed to disposal	251	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Not applicable	Developing environmental criteria in our pre-qualification process
308-2	Negative environmental impacts in the supply chain and actions taken	Not applicable	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	175-176	
402-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	177-178	
401-3	Parental leave	177	
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Not applicable	We will work towards this disclosure in our future reporting
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	163-164	
403-2	Hazard identification, risk assessment, and incident investigation	165-166, 171	
403-3	Occupational health services	168	
403-4	Worker participation, consultation, and communication on occupational health and safety	167-168	
403-5	Worker training on occupational health and safety	168	
403-6	Promotion of worker health	168	

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GRI	Disclosures	Location	Notes & Omission
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	164	
403-8	Workers covered by an occupational health and safety management system	167-172	
403-9	Work-related injuries	167-173	
403-10	Work-related ill health	167-174	
GRI 404: Training & Education 2016			
404-1	Average hours of training per year per employee	180-181	
404-2	Programs for upgrading employee skills and transition assistance programs	181-183	
404-3	Percentage of employees receiving regular performance and career development reviews	183	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	264	
405-2	Ratio of basic salary and remuneration of women to men	188	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	189-192	
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	189	More information on our right to freedom of association and collective bargaining can be found at https://www.mrcb.com.my/assets/images/pages/pdf/MRCB_PG_Human%20Rights%20Policy_v1.pdf
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	189	We adhere to the minimum working age in all of our locations
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	189	We adhere to national wage and working hour requirements in all of our locations
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	167	

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GRI	Disclosures	Location	Notes & Omission
GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable	We will work towards this disclosure in our future reporting
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	195-207	
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable	We will work towards this disclosure in our future reporting
GRI 414: Supplier Social Assessment 201			
414-1	New suppliers that were screened using social criteria	Not applicable	Developing social criteria in our pre-qualification process
414-2	Negative social impacts in the supply chain and actions taken	Not applicable	
GRI 415: Public Policy 2016			
415-1	Political contributions	15 of the Gifts, Hospitality, Donations & Similar Benefits Policy	The Gifts, Hospitality, Donations & Similar Benefits Policy can be found at https://www.mrcb.com.my/assets/images/pages/pdf/cg/Gifts,Hospitality,Donations&SimilarBenefitsPolicy.pdf
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	193	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	169	
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	Not applicable	Not relevant to our business operation
417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable	
417-3	Incidents of non-compliance concerning marketing communications	Not applicable	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	163, 194	

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IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

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Governance		
(27)(a)(i)	How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	153
(27)(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities;	154
(27)(a)(iii)	How and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities;	153-154
(27)(a)(iv)	How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	153-154
(27)(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets (see paragraph 51), including whether and how related performance metrics are included in remuneration policies.	155-156
(27)(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee	155-156
(27)(b)(ii)	Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	324
Strategy		
(30)(a)	Sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	322
(30)(b)	The time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur;	213
(30)(c)	The definitions of 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	213
(32)(a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain;	We will work towards this disclosure in our future reporting
(32)(b)	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	We will work towards this disclosure in our future reporting

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Disclosures		Page number
Strategy		
(33)(a)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;	153-154
(33)(b)	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information;	We will work towards this disclosure in our future reporting
(33)(c)	Trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	153-154
(34)(a)	The effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects);	213
(34)(b)	The anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	213
(35)(a)	Quantitative and qualitative information about how sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	213
(35)(b)	Quantitative and qualitative information about the sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	We will work towards this disclosure in our future reporting
(35)(c)(i)	Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	213
(35)(c)(ii)	Its planned sources of funding to implement its strategy; and	213
(35)(d)	Quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	We will work towards this disclosure in our future reporting
(41)	A qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon.	We will work towards this disclosure in our future reporting

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Disclosures		Page number
Risk Management		
(44)(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	215, 324
(44)(a)(ii)	Whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks;	324
(44)(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	322
(44)(a)(iv)	Whether and how the entity prioritises sustainability-related risks relative to other types of risk	323
(44)(a)(v)	How the entity monitors sustainability-related risks; and	156, 322
(44)(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	322
(44)(b)	The processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities	322
(44)(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	322
Metrics and Targets		
(46)(a)	Metrics required by an applicable IFRS Disclosure Standards for each sustainability-related risk and opportunity that could reasonably be expected to affect an entity's prospects	323
(46)(b)	Metrics the entity uses to measure and monitor sustainability-related risk or opportunity and its performance in relation to that, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation	165
(50)(a)	How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than the IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source	165
(50)(b)	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green - or RAG - status)	165
(50)(c)	Whether the metric is validated by a third party, and, if so, which party	165, 363-365
(50)(d)	The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made	171

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Disclosures		Page number
Metrics and Targets		
(51)(a)	The metric used to set the target and to monitor progress towards reaching the target	165
(51)(b)	The specific quantitative or qualitative target the entity has set or is required to meet	165
(51)(c)	The period over which the target applies	165
(51)(d)	The base period from which progress is measured	We will work towards this disclosure in our future reporting
(51)(e)	Any milestones and interim targets	165
(51)(f)	Performance against each target and an analysis of trends or changes in the entity's performance	165
(51)(g)	Any revisions to the target and an explanation for those revisions	We will work towards this disclosure in our future reporting
Industry-based Guidance		
Engineering & Construction Services		
(IF-EN-160a.1)	Number of incidents of non-compliance with environmental permits, standards, and regulations	169, 208
(IF-EN-160a.2)	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	244
(IF-EN-250a.1)	Amount of defect- and safety-related rework costs	We will work towards this disclosure in our future reporting
(IF-EN-250a.2)	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	169
Home Builders		
(IF-HB-160a.1)	Number of (1) lots and (2) homes delivered on redevelopment sites	We will work towards this disclosure in our future reporting
(IF-HB-160a.2)	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	We will work towards this disclosure in our future reporting
(IF-HB-160a.3)	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	208
(IF-HB-160a.4)	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	244

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Disclosures		Page number
Governance		
(6)(a)(i)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	153-156, 212
(6)(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	154
(6)(a)(iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	153-154
(6)(a)(iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	153-154
(6)(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)).	155
(6)(b)(i)	Disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee;	156
(6)(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	155, 324
Strategy		
(9)(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	216-231, 324
(9)(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	216-231
(9)(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	216-231
(9)(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning.	216-231
(9)(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	210, 213

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Disclosures		Page number
Strategy		
(10)(a)	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	216-231
(10)(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	216-231
(10)(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur;	216-231
(10)(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	213
(13)(a)	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain;	216-231
(13)(b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	222, 324
(14)(a)(i)	Disclose information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about: Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	210, 213
(14)(a)(ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);	210, 221, 230-231
(14)(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);	We will work towards this disclosure in our future reporting
(14)(a)(iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies;	We will work towards this disclosure in our future reporting
(14)(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.	210-211

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Disclosures		Page number
Strategy		
(14)(b)	How the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	213
(14)(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	233-243
(15)(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects);	219-230
(15)(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	219-230
(16)(a)	Quantitative and qualitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	219-230
(16)(b)	Quantitative and qualitative information about the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	216-231
(16)(c)(i)	Specially, an entity shall disclose quantitative and qualitative information about how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	211, 213
(16)(c)(ii)	Its planned sources of funding to implement its strategy; and	213
(16)(d)	An entity shall disclose quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	216-231
(21)(a)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: explain why it has not provided quantitative information;	We will work towards this disclosure in our future reporting
(21)(b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and	We will work towards this disclosure in our future reporting
(21)(c)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall: provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	We will work towards this disclosure in our future reporting

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Disclosures		Page number
Strategy		
(22)(a)(i)	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis.	216-231
(22)(a)(ii)	The significant areas of uncertainty considered in the entity's assessment of its climate resilience.	216-231
(22)(a)(iii)(1)	The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;	213, 216-231
(22)(a)(iii)(2)	The entity's ability to redeploy, repurpose, upgrade or decommission existing assets;	We will work towards this disclosure in our future reporting
(22)(a)(iii)(3)	The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience.	210-211
(22)(b)(i)(1)	How and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, including: which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	216-231
(22)(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios;	216-231
(22)(b)(i)(3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	216-231
(22)(b)(i)(4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	216-231
(22)(b)(i)(5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	216-231
(22)(b)(i)(6)	The time horizons the entity used in the analysis; and	213, 218-219
(22)(b)(i)(7)	What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	218-219, 224
(22)(b)(ii)(1)	The key assumptions the entity made in the analysis, including assumptions about: Climate-related policies in the jurisdictions in which the entity operates;	222-231
(22)(b)(ii)(2)	Macroeconomic trends;	222-231
(22)(b)(ii)(3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources).	222-231
(22)(b)(ii)(4)	Energy usage and mix; and	We will work towards this disclosure in our future reporting

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Strategy		
(22)(b)(ii)(5)	Developments in technology; and	214
(22)(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out.	216-231, 324
Risk Management		
(25)(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	216-231
(25)(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	323-324
(25)(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	216-230, 322
(25)(a)(iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk	322-324
(25)(a)(v)	How the entity monitors climate-related risks; and	322-324
(25)(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period;	322-324
(25)(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	323-324
(25)(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	323-324
Metrics and targets		
(29)(a)(i)(1)	An entity shall disclose information relevant to the cross-industry metric categories of greenhouse gases—the entity shall: disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent (see paragraphs B19–B22), classified as Scope 1 greenhouse gas emissions;	233-237
(29)(a)(i)(2)	Scope 2 greenhouse gas emissions; and	233-237
(29)(a)(i)(3)	Scope 3 greenhouse gas emissions;	238-239
(29)(a)(ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25);	232-243
(29)(a)(iii)(1)	Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including: the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	232-243
(29)(a)(iii)(2)	The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	232-243
(29)(a)(iii)(3)	Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	232-243
(29)(a)(iv)(1)	Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: The consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and	232-237

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Disclosures		Page number
Metrics and targets		
(29)(a)(iv)(2)	Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries).	232
(29)(a)(v)	Location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	232
(29)(a)(vi)(1)	Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57: The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and	232
(29)(a)(vi)(2)	Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63).	We will work towards this disclosure in our future reporting
(29)(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	222-231
(29)(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	216-221
(29)(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;	229-231
(29)(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	213
(29)(f)(i)	Internal carbon prices—the entity shall disclose an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and	230
(29)(f)(ii)	Internal carbon prices—the entity shall disclose the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	We will work towards this disclosure in our future reporting
(29)(g)(i)	Remuneration—the entity shall disclose a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and	155
(29)(g)(ii)	Remuneration—the entity shall disclose the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	155
(33)(a)	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: the metric used to set the target (see paragraphs B66–B67);	232-233
(33)(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	232-233
(33)(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	232-233

IFRS S2 DISCLOSURE INDEX

Disclosures		Page number
Metrics and targets		
(33)(d)	The period over which the target applies;	232-233
(33)(e)	The base period from which progress is measured;	232-233
(33)(f)	Any milestones and interim targets;	232-233
(33)(g)	If the target is quantitative, whether it is an absolute target or an intensity target; and	232-233
(33)(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	We will work towards this disclosure in our future reporting
(34)(a)	Whether the target and the methodology for setting the target has been validated by a third party;	We will work towards this disclosure in our future reporting
(34)(b)	The entity's processes for reviewing the target;	155-156
(34)(c)	The metrics used to monitor progress towards reaching the target; and	155-156
(34)(d)	Any revisions to the target and an explanation for those revisions.	215
(35)	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	233-243
(36)(a)	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: which greenhouse gases are covered by the target.	233-243
(36)(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	232-239
(36)(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68–B69).	232-239
(36)(d)	Whether the target was derived using a sectoral decarbonisation approach.	We will work towards this disclosure in our future reporting
(36)(e)(i)	"The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70–B71: The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	We will work towards this disclosure in our future reporting
(36)(e)(ii)	Which third-party scheme(s) will verify or certify the carbon credits;	We will work towards this disclosure in our future reporting
(36)(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	We will work towards this disclosure in our future reporting
(36)(e)(iv)	Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	We will work towards this disclosure in our future reporting

IFRS S2 DISCLOSURE INDEX

Disclosures		Page number
Industry-based Guidance		
Engineering & Construction Services		
(IF-EN-410a.1)	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	246-247
(IF-EN-410a.2)	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	215
(IF-EN-410b.1)	Amount of backlog for (1) hydrocarbonrelated projects and (2) renewable energy projects	We will work towards this disclosure in our future reporting
(IF-EN-410b.2)	Amount of backlog cancellations associated with hydrocarbon-related projects	We will work towards this disclosure in our future reporting
(IF-EN-410b.3)	Amount of backlog for non-energy projects associated with climate change mitigation	We will work towards this disclosure in our future reporting
Home Builders		
(IF-HB-410a.1)	(1) Number of homes that obtained a certified HERS® Index Score and (2) average score	We will work towards this disclosure in our future reporting
(IF-HB-410a.2)	Percentage of installed water fixtures certified to a water efficiency standard	We will work towards this disclosure in our future reporting
(IF-HB-410a.3)	Number of homes delivered certified to a third-party multi-attribute green building standard	246-247
(IF-HB-410a.4)	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	244-246
(IF-HB-420a.1)	Number of lots located in 100-year flood zones	We will work towards this disclosure in our future reporting
(IF-HB-420a.2)	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	215

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT INDEX

Global Compact Principle		Reference
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	24, 64, 147-148, 191
Principle 2	Make sure that they are not complicit in human rights abuses.	147, 191-192
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	189-192
Principle 4	The elimination of all forms of forced and compulsory labour;	150, 189-192
Principle 5	The effective abolition of child labour; and	150, 189-192
Principle 6	The elimination of discrimination in respect of employment and occupation.	189-192
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	208-256
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	208-256
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	214, 246-249
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	160-161, 277, 281, 327

INDEPENDENT ASSURANCE OPINION STATEMENT

For Malaysian Resources Corporation Berhad



Malaysian Resources Corporation Berhad (MRCB) Integrated Annual Report 2024

To the Directors of Malaysian Resources Corporation Berhad,

Holds Statement No.: SRA 823915

The British Standards Institution (BSI) has conducted a **reasonable assurance** engagement on the sustainability information (described in the "Scope") in the Integrated Annual Report 2024 of Malaysian Resources Corporation Berhad (MRCB).

Scope

The scope of engagement agreed upon with MRCB covers the information of the following subject matters in the MRCB's Integrated Annual Report for the year 2024 are:

1. Scope 1 Emissions:
 - Fuel consumption from stationary combustion
 - Fuel consumption from mobile combustion, i.e., company-owned vehicles
 - Refrigerant, i.e., district cooling system
2. Scope 2 Emissions: Electricity consumption (owned and managed assets)
3. Scope 3 Emissions:
 - Category 3 – Fuel- and Energy-Related Activities
 - Category 6 – Business Travel
 - Category 7 – Employee Commuting
 - Category 13 – Downstream Leased Assets
4. Energy Consumption
5. Water Withdrawal
6. Health and Safety Data:
 - Safety Matrix/Performance – Incident Rate, Rate of Recordable Work-Related Injuries, Lost Time Incident Rate & Fatality Rate
 - Number of employees trained on health and safety standards
7. Employment (GRI 401)
8. Diversity and Equal Opportunity (GRI 405)
9. Training and Education (GRI 404)
10. Anti-corruption (GRI 205)
11. Customer Privacy (GRI 418)

INDEPENDENT ASSURANCE OPINION STATEMENT

For Malaysian Resources Corporation Berhad

Opinion Statement

We have conducted a **reasonable assurance** engagement on the sustainability information described in the “Scope” above (Sustainability Information).

In our opinion, the accompanying Sustainability Information is fairly presented, in all material respects, in accordance with the Global Reporting Initiatives (GRI) and Bursa Malaysia Sustainability Reporting Guide (3rd edition).

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019 for GHG statement. Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to MRCB's policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on MRCB's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- Interviews with staff involved in sustainability management, report preparation and provision of report information were carried out.
- Document review of relevant systems, policies, and procedures where available.
- Review of the findings of internal assurances.
- Review of supporting evidence for claims made in the reports.
- Visit of the Headquarters of MRCB to confirm the data collection processes, record management and practices.

Responsibility

MRCB is responsible for the preparation and fair presentation of the sustainability information and reports in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

INDEPENDENT ASSURANCE OPINION STATEMENT

For Malaysian Resources Corporation Berhad

Independence, Quality Control and Competence

BSI is independent of MRCB and has no financial interest in the operation of MRCB other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of MRCB only for the purposes of verifying its statements relating to its environmental, social and governance (ESG), more particularly described in the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by MRCB. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by MRCB is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and GHG inventory and management systems and processes.

Issue Date: 4th April 2025

For and on behalf of BSI:



Wan Muqtadir Wan Abdul Fatah
Lead Assurer



Evelyn Chye
Managing Director BSI Malaysia

PERFORMANCE DATA TABLE

From Bursa Malaysia's ESG Reporting Platform

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Total employee	Percentage	98.40	98.70
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.17
Bursa C5(c) Number of employees trained on health and safety standards	Number	873	1,653
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	Percentage	0.00	0.00
Senior Management Between 30-50	Percentage	48.00	46.00
Senior Management Above 50	Percentage	52.00	54.00
Middle Management Under 30	Percentage	0.00	0.00
Middle Management Between 30-50	Percentage	76.00	75.00
Middle Management Above 50	Percentage	24.00	25.00
Executive Under 30	Percentage	15.00	13.00
Executive Between 30-50	Percentage	78.00	78.00
Executive Above 50	Percentage	7.00	9.00
Non-Executive Under 30	Percentage	32.00	28.00
Non-Executive Between 30-50	Percentage	58.00	62.00
Non-Executive Above 50	Percentage	10.00	10.00
Gender Group by Employee Category			
Senior Management Male	Percentage	80.00	79.00
Senior Management Female	Percentage	20.00	21.00
Middle Management Male	Percentage	66.00	65.00
Middle Management Female	Percentage	34.00	35.00
Executive Male	Percentage	48.00	46.00
Executive Female	Percentage	52.00	54.00
Non-Executive Male	Percentage	79.00	79.00
Non-Executive Female	Percentage	21.00	21.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	71.00	62.50
Female	Percentage	29.00	37.50
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	29.00	25.00
Above 50	Percentage	71.00	75.00

Internal assurance

External assurance

No assurance

(*)Restated

PERFORMANCE DATA TABLE

From Bursa Malaysia's ESG Reporting Platform

Indicator	Measurement Unit	2023	2024
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	882	1,655
Middle Management	Hours	2,498	7,966
Executive	Hours	4,876	20,985
Non-Executive	Hours	628	10,055
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	76.00	43.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	9	10
Middle Management	Number	71	75
Executive	Number	206	221
Non-Executive	Number	96	106
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.60	98.10
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
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	5,321,522.00	2,203,500.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	102,044	158,220
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO₂e	Metric tonnes	7,870.00 *	8,793.00
Bursa C11(b) Scope 2 emissions in tonnes of CO₂e	Metric tonnes	27,339.00 *	20,274.00
Bursa C11(c) Scope 3 emissions in tonnes of CO₂e (at least for the categories of business travel and employee commuting)	Metric tonnes	19,194.00 *	233,779.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	49,362.78 *	50,974.17
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	3,610.00 *	7,773.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	383.00 *	7,303.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	3,227.00 *	470.00
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	573.053000 *	495.119000

Internal assurance

External assurance

No assurance

(*)Restated



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