



VALUE DRIVEN INNOVATION

DELIVERING SOLUTIONS. EXTENDING

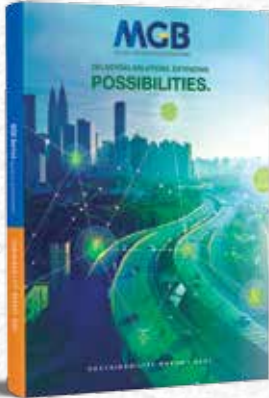
**POSSIBILITIES.**



SUSTAINABILITY REPORT 2021



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## DELIVERING SOLUTIONS. EXTENDING POSSIBILITIES.

MGB Berhad is pursuing innovative and sustainable solutions to set new standards in enriching lives through delivery of holistic solutions. We are driven to provide sustainable end-to-end solutions for the building sector anchored on Environmental, Social and Governance principles. This is what defines us as Malaysian Generations Builder (“MGB”).

This year's strong conceptual cover conveys the boldness and strength of our vision. Imbued with glowing green tones, a modern urban development is portrayed with buildings and infrastructure to reflect the Group's business focus. Patches of greenery lushly abound to indicate the sustainable balance we bring to every project. The interlinked graphic icons capture the sustainable drivers of MGB's strategies.



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# Directors' and Management's **Statement of Commitment**

The Board of Directors and Senior Management of MGB recognise the importance of prioritising sustainability as part of its overall approach to value creation.



A strategic and concerted approach to addressing environmental, social and governance ("ESG") topics based on an inclusive perspective of the Group and its stakeholders mitigates business and operational risks and supports continued financial and non-financial value creation across the short, medium and long-term perspectives.



## **SUSTAINABILITY VISION**

To create a future of sustainable living spaces that enrich the quality of life for all



## **SUSTAINABILITY MISSION**

To be the force of transformation in the construction industry through sustainable and innovative solutions that are proactively responsive to the economy, environment and society needs

# Sustainability Journey and Milestones

2016

- Development of strategies for sustainability

2017

- Inaugural sustainability report based on GRI

2018  
↓  
2019

- Invited to take part in FTSE4Good Index
- Formalised Group-wide Sustainability Policy

2020

- Appointed Formalising Adequate Procedures and strengthened risk management
- Developed Group ABC Policy

2021  
&  
Beyond

- Developed first standalone sustainability report aligned to GRI and SASB frameworks
- Performed comprehensive materiality assessment exercise



# MGB Sustainability Highlights

MGB Sustainability Pillars	Highlights and Achievements	Future Plans/ Commitments, Targets and Pledges	UN SDGs
 <b>Governance</b>	<ul style="list-style-type: none"> <li>Zero cases for corruption within the Group</li> <li>Zero fines and penalties for non-regulatory compliance pertaining to occupational safety and health ("OSH")</li> <li>Zero fines for environmental or social non-compliance including infringement of labour welfare and human rights</li> <li>First standalone sustainability report aligned to GRI and SASB frameworks</li> <li>100% of suppliers expressed acknowledgement and commitment to abide by MGB's Anti-Bribery and Corruption ("ABC") Policy</li> <li>100% of project sites ISO 45001:2018 certified</li> </ul>	<ul style="list-style-type: none"> <li>Continued high level of certification status for project sites</li> <li>Improved oversight and training on anti-corruption</li> <li>Greater gender diversity and an increase in number of independent directors on the Board</li> <li>Undertaking internal corruption audit as well as on the supply chain</li> </ul>	
 <b>Economic</b>	<ul style="list-style-type: none"> <li>RM593.76 million Group revenue</li> <li>RM39.98 million pre-tax earnings</li> <li>RM30.1 million paid out to employees in salaries and bonuses</li> <li>RM13.40 million paid out in taxes</li> <li>RM5.54 million repayment to financiers</li> <li>RM26.62 million retained economic value</li> <li>100% local procurement</li> <li>High scores for quality and design of homes including IBS score exceeding 90</li> </ul>	<ul style="list-style-type: none"> <li>Continued growth in revenue and earnings</li> <li>Future returns to shareholders through dividends</li> <li>Continued support for local vendors and suppliers</li> <li>Increased use of IBS within the business model</li> <li>Identify RE segments i.e. waste-to-energy for future business diversification</li> </ul>	  
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>Identification of climate change risks and opportunities</li> <li>19.69% reduction in electricity consumption and Scope Two emissions respectively</li> <li>31.16% reduction in water consumption</li> <li>Zero sites in, adjacent or near to areas of high biodiversity value</li> </ul>	<ul style="list-style-type: none"> <li>Reduce GHG emissions by 10% by 2023, and to achieve 45% reduction by 2030 (Baseline year FY2018)</li> <li>Reduce water consumption by 10% in 2030 (Baseline year FY2018)</li> </ul>	  
 <b>Social</b>	<ul style="list-style-type: none"> <li>Zero non-conformance reports for non-compliance with regard to training and development activities</li> <li>26.49% of workforce comprising women, diverse workforce in terms of age, gender and ethnicity</li> <li>38.03% of executive level staff comprising women</li> <li>83.66% Malaysian workforce</li> <li>112 new hires, 39 women</li> <li>119 turnovers, 48 of which were women</li> <li>81% of employees appraised</li> <li>100% rate of return for men post parental leave</li> <li>75% rate of return for women post parental leave</li> <li>Compliance to minimum Wage Act</li> <li>1,168 training hours, 0.5 training days per employee</li> <li>Zero LTIs, fatalities and lost days</li> </ul>	<ul style="list-style-type: none"> <li>Ensure each employee receives at least 8 hours of training per annum</li> <li>Diverse workforce in terms of age, gender and ethnicity</li> <li>Zero fatality and zero LTI</li> </ul>	 



# Industry Awards and Market Recognition

1. **13th MOSHPA OSH Excellence Award 2017**  
Gold Platinum Award
2. **14th MOSHPA OSH Excellence Award 2018**  
Platinum Award
3. **15th MOSHPA OSH Excellence Award 2019**  
Platinum Premier Award
4. **16th MOSHPA OSH Excellence Award 2020**  
Platinum Diamond Award
5. **2021 MOSHPA OSH Diamond Award**
6. **Environmental Management System ISO 14001:2015**  
(MGB Construction & Engineering Sdn. Bhd.)
7. **Quality Management System ISO 9001:2015**  
(MGB Sany (M) IBS Sdn. Bhd.)
8. **Occupational Health and Safety Management System ISO 45001:2018**  
(MGB Construction & Engineering Sdn. Bhd.)
9. **Quality Management System ISO 9001:2015**  
(MGB Construction & Engineering Sdn. Bhd.)
10. **Construction Industry Development Board (CIDB) Malaysia – Certificate of Registration – Grade 7**  
(MGB Sany (M) IBS Sdn. Bhd.)
11. **Construction Industry Development Board (CIDB) Malaysia – Certificate of Registration – Grade 7**  
(MGB Sany (M) IBS Sdn. Bhd.)
12. **Construction Industry Development Board (CIDB) Malaysia – Certificate of Achievement – 5 Star SCORE rating**





# About this Report



## Introduction

MGB Berhad ("MGB" or "the Group") is pleased to present its inaugural standalone sustainability report ("SR2021") as part of its continued efforts to strengthen disclosures on the Group's environmental, social and governance ("ESG") performance for financial year ended 31 December 2021 ("FY2021").

The publishing of the first standalone report is aimed towards providing a more comprehensive account of the Group's collective focus and efforts in creating both financial and non-financial values. In addition, SR2021 also presents the collective efforts of MGB towards addressing material environmental and social topics as well as impacts to stakeholders.



## Frameworks Applied

This sustainability statement has been prepared in reference to the following frameworks and guidelines:

- Bursa Malaysia's Sustainability Reporting Guide Second Edition
- Global Reporting Initiative ("GRI") Standards: Core Option
- FTSE4Good Bursa Malaysia Index
- SASB Sector Specific Disclosures
- TCFD Disclosures
- United Nations Sustainable Development Goals ("UN SDGs")



## Reporting Scope & Boundary

The content for SR2021 is scoped to the holding company of MGB as well as relevant operating companies and subsidiaries. The full list of companies is provided in MGB's Corporate Structure.

However, where meaningful and accurate data is available, MGB has endeavoured to provide disclosures on its value chain which comprise suppliers, business partners, contractors, vendors and service providers. The Group has also attempted to include, where relevant, information on associate companies and parties within the value chain.

We exercise a "local-where-we-operate" practice.



## Determination of Content

Content for inclusion has been determined by the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness, as well as the GRI content principles of stakeholder inclusiveness, sustainability context, materiality and completeness.



Data and information provided is based on the Group's ability to collect and present meaningful data, which has been derived from official company sources and records. Measurements and metrics used conform to common industry practices and best practices as recommended by the aforementioned reporting frameworks.

Specific ESG topics for inclusion are based on the Group's materiality as determined by a materiality assessment exercise. Topics for inclusion have also been selected by referencing the aforementioned sustainability reporting frameworks.



## Reporting Period

SR2021 covers the reporting period from 1 January 2021 to 31 December 2021 ("FY2021"). The Group has sought to provide 3-year performance data (FY2019-FY2021) where such data is available. This is towards presenting trendlines that can indicate general performance trends for key material topics.



## Statement of Use

The Board of Directors of MGB, which is the Group's highest decision-making body, acknowledges responsibility for the following statement of use: The information reported by MGB for FY2021 has been prepared in accordance with the GRI Standards.

This report is made in accordance with a resolution of the Board of Directors dated 11 April 2022.



## Assurance

Financial data presented in this report has been independently audited and assured by an External Auditor. MGB contracts an independent certification body to verify its operational environmental data.



## Forward-Looking Statements

Any forward-looking statements such as targets, future plans, operations and forecast figures are based on reasonable current assumptions. Readers are advised not to place undue reliance on such statements as our business is subject to risks and uncertainties beyond our control. Actual results may differ.



## Membership of Associations

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

- Malaysian Employer Federation (MEF)
- Construction Industry Development Board (CIDB)
- Master Builders Association Malaysia (MBAM)
- Real Estate & Housing Developers' Association (REHDA)
- Listed on Bursa Malaysia Securities Berhad – Main Market



## Distribution & Feedback

We welcome questions, feedback and suggestions towards improving our sustainability disclosures and performance. Suggestions for improvements or comments can be sent to the MGB Sustainability Committee Chairman, Mr Lim Kim Hoe at [scr@mgbgroup.com.my](mailto:scr@mgbgroup.com.my).



# SUSTAINABILITY COMMITTEE CHAIRMAN'S MESSAGE

FY2021 witnessed MGB continue to make encouraging progress on its sustainability journey. Both the Board and Management are fully committed to embedding ESG within its business operations and to increasingly adopt a triple bottomline perspective towards value creation.



**Mr Lim Kim Hoe**  
Deputy Chief Executive Officer  
Chairman, Sustainability Committee



**Throughout the building process; from design, ideation, construction, completion and project management, MGB's VaDTech can promote reduced carbon emissions, reduced resource and energy consumption and reduced waste generation across the project lifecycle.**

### Our Targets



Reduce GHG emissions by  
**10%** by 2023,  
and **45%** by 2030  
(Baseline year FY2018)



Reduce water consumption by  
**10%** by 2030  
(Baseline year FY2018)

We are aware that the construction and property development industries consume a significant quantity of resources and also produce a wide range of environmental and social impacts. Hence, our continued drive to play our part in driving new solutions, aided by technology and innovation for a greener, more sustainable industry.

Amidst the continued effects of the COVID-19 pandemic, the world continues to awaken to the growing urgency for stronger commitment and concerted action to drive sustainability.

The recent COP26 summit in Glasgow, United Kingdom upped the urgency for all industries and economic sectors to play their part if the world is to remain on track in ensuring that global warming does not exceed 1.5°C.

The role that builders play in driving infrastructure development and economic growth is vital to creating prosperity and a wide range of much-needed socio-economic impacts. However, this must be achieved through more sustainable approaches.

MGB's VaDTech solutions, which stands for value driven technology, provides new solutions for many of the challenges faced by the industry and project owners/clients. Throughout the building process; from design, ideation, construction, completion and project management, MGB's VaDTech can promote reduced carbon emissions, reduced resource and energy consumption and reduced waste generation across the project lifecycle.

Our FY2021 Sustainability Report charts our continued growth and achievements in driving sustainability within the Group and increasingly, to our value chain. We have provided a comprehensive account on our material topics, which encompasses our management approach, performance or results achieved and earmarked improvements especially in terms of realising ESG targets.

Pertaining to targets, MGB had set the following for FY2021:

- Reduce GHG emissions by 10% by 2023, and to achieve 45% reduction by 2030 (Baseline year FY2018).
- Reduce water consumption by 10% in 2030 (Baseline year FY2018).

MGB shall continue to balance financial growth and success with focus on environmental and social performance. The three are interconnected. Caring for people, planet and profit is a prerequisite towards ensuring long-term business and operational sustainability as well as sustained financial and non-financial value creation.





## Reshaping Tomorrow's Possibilities

Beyond typical building infrastructure capabilities, MGB offers a unique value proposition to clients centred on its inherent technological capabilities.

MGB is able to function in multiple roles to best support clients' specific requirements. This includes providing turnkey solutions, operating as an Engineering, Procurement and Construction ("EPC") partner or even as a project delivery partner who provides Private Finance Initiative ("PFI") options.

Through MGB's Value Driven Technology ("VaDTech") approach, the Group develops innovative approaches to develop cost-effective, faster to market, high-quality, engineering and building solutions for clients. The Group plans to further leverage on VaDTech going forward, to develop and offer more comprehensive end-to-end solutions for clients.

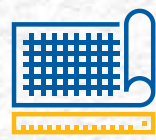
### Powered by a Robust Group Structure



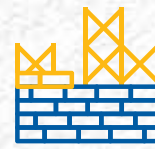
Leading solutions provider for construction and property development



Affordable homes specialist



Completed over 18,000 units of properties with estimated Total Work Value of RM6 billion



No. of ongoing contracts: >22

**RM1.9 billion**  
Order Book



Financially robust



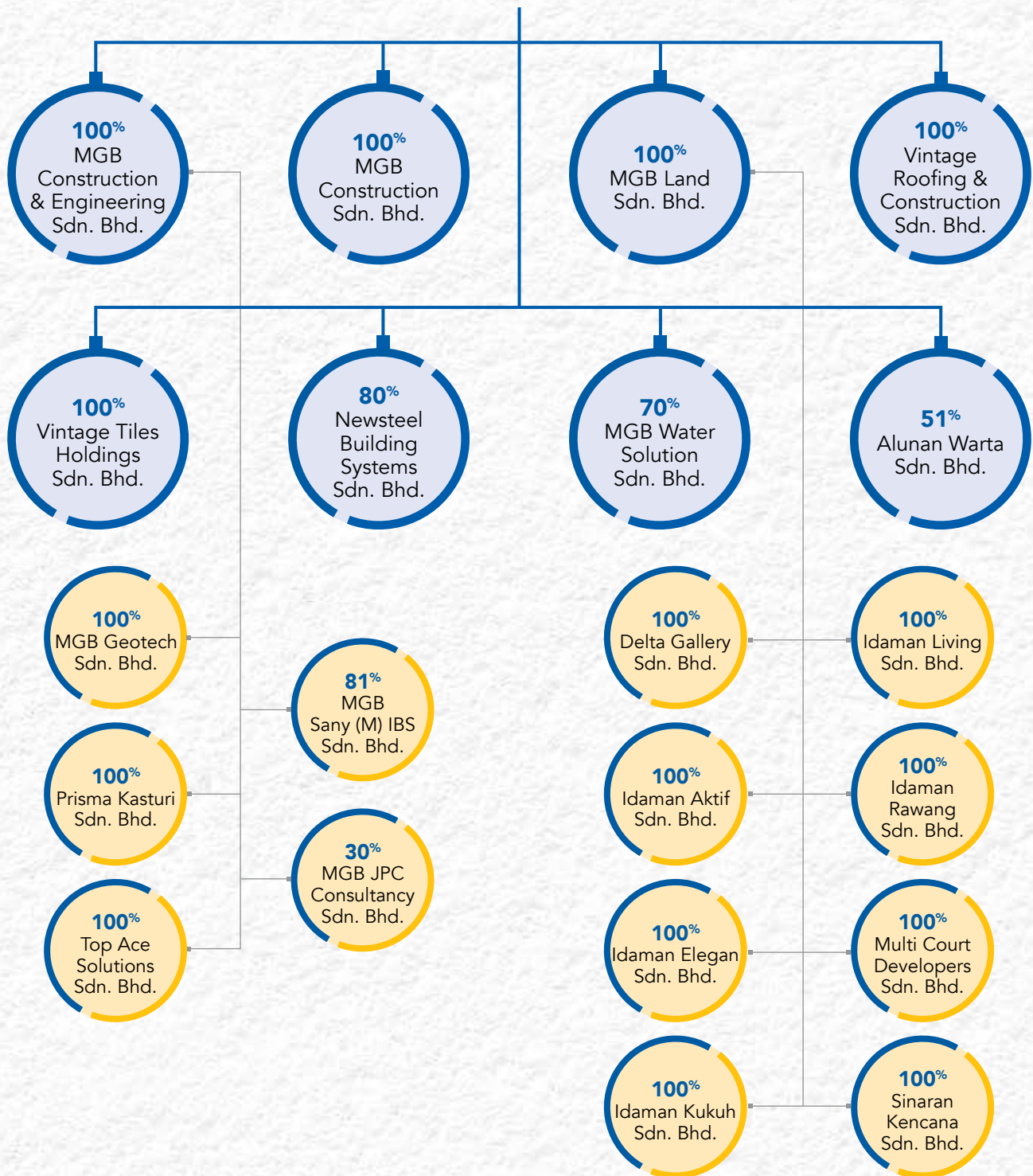
Excellent health and safety track record



Committed to improving environmental performance



## Our Corporate Structure



While technology is a core MGB competency, the Group's value proposition is also realised through its comprehensive corporate structure. This structure powers the Group's capabilities – bringing together diverse skillsets, industry knowledge and experience to create value for clients.



# Governance of Sustainability at MGB

Sustainability in MGB is driven by a robust and comprehensive sustainability governance structure that enables direct Board and Senior Management oversight on material topics as well as the overall sustainability strategies.

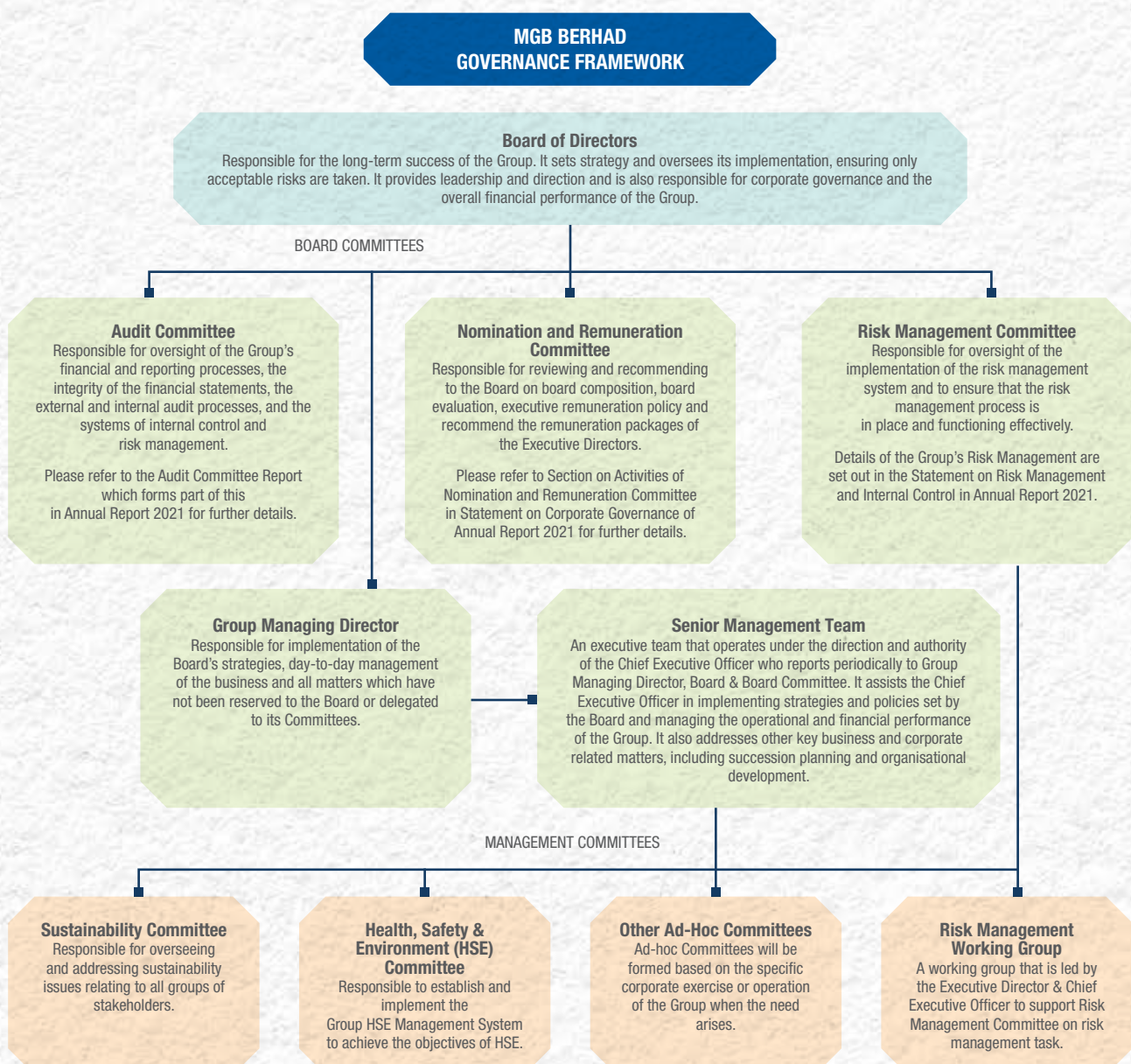
The governance structure enables ESG related matters to be brought to the attention of the highest decision-making levels of the organisation. This includes timely reports on the performance and progress of the Group on ESG matters.

ESG topics such as environmental monitoring, OSH, climate change, energy and resource consumption and others (that are material to the Group's business and operations) are periodically cascaded to the Board and Senior Management for their review, deliberation and decision making.

In this way, the Board and Senior Management constantly have a strong grasp of on-ground realities and are better positioned to make strategic decisions that enable working level personnel to effectively pursue set KPIs and targets towards achieving continuous ESG improvements.

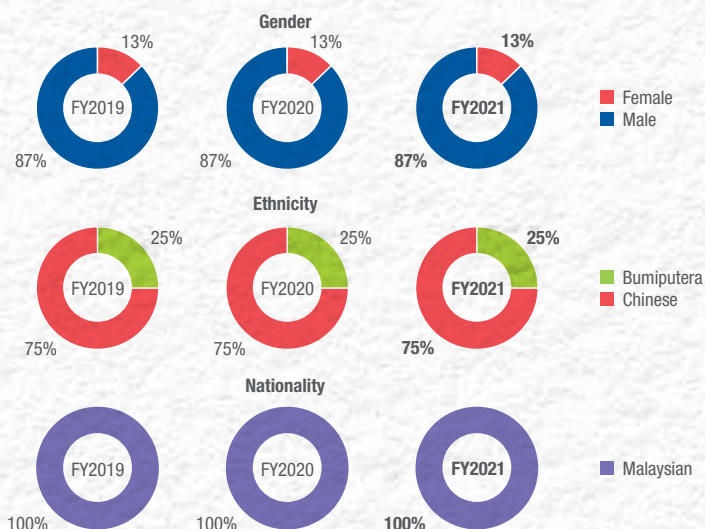
In MGB, sustainability governance is integrated with the Group's overall governance structure. The strategic rationale of this approach is to ensure that sustainability is progressively embedded within the overall strategic planning and management of the Group.

The Board and Management are of the view that the ESG agenda should not be disparate from the overall risk management approach, given the growing importance of ESG matters to the business model and stakeholder value creation.



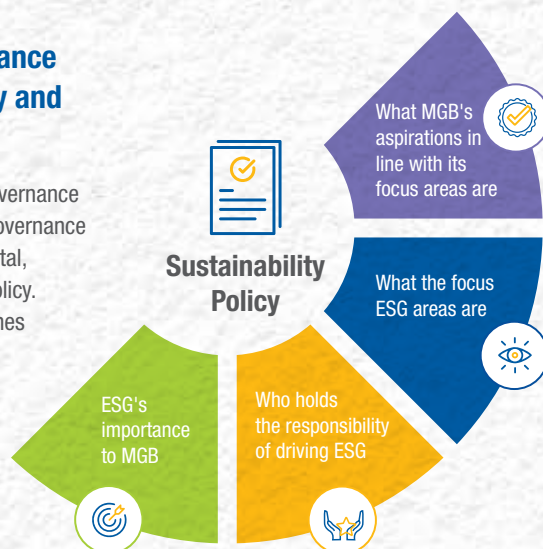


### Board of Directors Breakdown



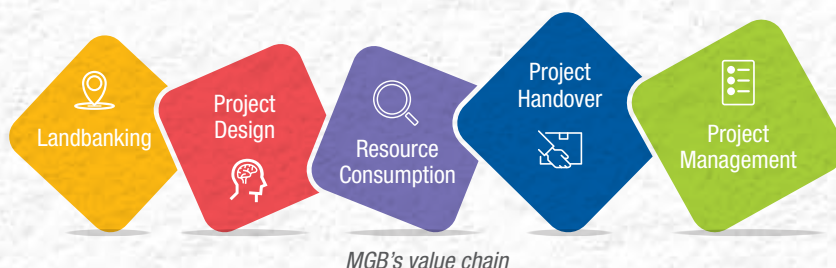
### Strengthening Governance through the ESG Policy and Sustainability Policy

Aside from the sustainability governance structure, MGB's approach to governance is also driven by its Environmental, Social & Governance ("ESG") Policy. The ESG Policy essentially outlines the following:



MGB's ESG Policy and Sustainability Policy can be viewed here: <https://mgbgroup.com.my/sustainability/>.

Given the Group's business model, the Policies invariably focus on driving sustainability across the design and building processes as well as post construction and property management. The Policies advocate the continuous search for opportunities to improve environmental and social performance across the value chain.



### Risk Management and Internal Control

MGB has implemented a robust, triple tier risk management framework that provides effective risk control mechanisms to manage and mitigate potential risks. Risks are identified at the operational, management and strategic levels with risk owners established to monitor risks and to subsequently develop and implement risk mitigation plans.

The Group's risk comprises strategic, financial, business and operational risks. Increasingly, material ESG topics are being progressively considered within the overall approach for risks. This is due to the inherent connection between ESG matters and the consequent impact to the creation of financial and non-financial values.

The Board and Senior Management are cognisant that ESG issues such as climate change, labour rights, occupational safety and health and other issues can impact access to financing, business reputation, and lead to regulatory non-compliance and possibly significant disruption to business operations.

All of the above would have serious ramifications on business performance including productivity, revenue and earnings. Specific information on MGB's Risk Management and Internal Controls are provided in the Statement of Risk Management and Internal Control in the Annual Report 2021.

Increasingly, MGB is looking to embed circular construction concepts into its business process towards achieving a higher degree of sustainability across its operations. It is also a leading proponent for the use of Industrialised Building System ("IBS"), having designed and built over 4,000 units of properties using the system.



# Governance of Sustainability at MGB

## Supporting Governance Policies

In addition to its main Sustainability Policy, MGB has also established the following policies. All new staff are informed of the Company's policies as part of their induction process.

Directors' Code of Conduct	Anti-Bribery and Corruption Policy	Whistleblowing Policy
Board Charter	Remuneration Policy	HSE Policy
Code of Conduct and Business Ethics	Gift, Entertainment and Hospitality Policy	Succession Planning Policy
Dividend Policy	Company Constitution	External Auditors Policy
ESG Policy	Human Rights Policy	Sustainability Policy
Human Resources Learning Development Policy	Workplace Harassment Policy	Donations and Sponsorships Policy

All policies can be viewed here: <https://mgbgroup.com.my/investor-relations/> or <https://mgbgroup.com.my/sustainability/>.

The Group had implemented Gift, Entertainment & Hospitality Policy in April 2022. Essentially, the Policy shall provide governance on the receipt and giving of gifts and incentives, as well as providing controls for entertainment and hospitality provided by or received by any Board member, Senior Management personnel or employees.

Further information on MGB's management approach to gifts, entertainment and hospitality are provided in the Gift Giving and Receiving subsection.

## Code of Conduct and Business Ethics

Corporate integrity, accountability, ethical conduct and good corporate governance are an intrinsic part of MGB's approach to conducting business. These are also essential in developing a desired organisational culture centred on professional excellence, meritorious performance and equal opportunity.

In reinforcing desired behaviour and sustaining professionalism and ethical conduct across the Group's operations, MGB is guided by its Code of Conduct and Business Ethics, which lays the foundation for high levels of integrity and professionalism across the organisation. MGB's Director's Code of Conduct can be viewed here: <https://mgbgroup.com.my/investor-relations/>.

The Code of Conduct and Business Ethics is to be complied with by all levels of the organisation; from the Board of Directors to all employee levels. There are no exceptions to the coverage of the Code. The Code is

also extended to the Group's supply chain comprising contractors, suppliers of goods and services, business partners and anyone who has a business dealing with the Group.

In this way, corporate integrity, ethical conduct and professionalism is continuously instilled within the Group and also across the value chain.

There is no set period for review of Code of Conduct. However, changes will be made as and when required in tandem with market best practices and as required by law. The Board and Management are of the view that the present Code of Conduct is satisfactory and is consistent with regulatory requirements and market standards.

There were no fines or settlements incurred by the company arising out of ESG issues. Any issues regarding unethical conduct or behavior can be reported through the Group's formal Whistleblowing Channel.



## Driving Anti-Corruption across the Group and Value Chain

MGB's zero tolerance stance on corruption is exemplified in its group-wide Anti-Bribery and Corruption ("ABC") Policy, which was formally adopted in FY2020. The ABC Policy can be viewed here: <https://mgbgroup.com.my/investor-relations/>.

The Policy was developed in compliance to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and the ISO 37001:2016 Anti-Bribery Management System ("ABMS").

The ABC Policy explicitly defines what are constituted as acts of corruption, which are to be avoided and what action is to be taken, especially by staff when such incidents occur. The Policy entails key measures and guided points for the organisation in managing and addressing any risk or circumstances pertaining to bribery and corruption.

The Policy works in tandem with the Group's Whistleblowing Policy and mechanism towards preventing corruption in any forms within the organisation or in dealings with stakeholders, especially with its value chain partners.

The ABC Policy is communicated to all suppliers prior to the awarding of contracts or commencement of any business dealing including tender participation. All suppliers are notified of the ABC Policy in writing.

Suppliers and subcontractors are required to provide written acknowledgement of complying with MGB's ABC Policy to remain in contention to bid for contracts. As of 31 December 2021, 100% of suppliers have expressed their acknowledgement and commitment to abide by MGB's ABC Policy.

## Board Oversight on Anti-Corruption

MGB's Board of Directors have oversight on all anti-bribery and anti-corruption matters. This is achieved via the prior mentioned Sustainability Governance structure where ABC matters are brought to the Board's attention for further deliberation and decision-making. This may be in the form of whistleblowing reports or via informal reports/complaints made by employees or other stakeholders.

At the operational level, MGB's Investigating Team deals with matters involving regulators and any internal investigations or revisions are handled by Human Resources Department and the Group Legal Department. Anti-corruption data is verified by Audit Committee and further report to the Board.

## Whistleblowing Channel and Policy

In accordance with the Whistleblower Protection Act 2010 ("Act 711"), Companies Act 2016 and Capital and Market Services Act 2007, MGB has implemented its Whistleblowing Channel.

An Investigating Team comprising Three (3) Independent Non-Executive Directors and supported by administrators selected from both Human Resources Department and Group Legal Department, conduct a thorough investigation on all reports received with the findings and recommended action presented to the Group Managing Director and/or Board of Directors. The approach is consistent as per the supporting Whistleblowing Policy which can be viewed here: <https://mgbgroup.com.my/investor-relations/>.

The Whistleblowing Policy was formalised and approved by the Board in June 2020, and subsequently revised by the Board on 17 January 2022. It enables a fair and objective avenue for all parties to disclose any improper conduct as well as to establish the necessary procedures in handling such circumstances impartially.

Following are some of the key features of MGB's Whistleblowing Policy:





# Governance of Sustainability at MGB

Via its Whistleblowing Policy and mechanism, MGB aims to provide a secure, fair and confidential avenue for incidents of suspected corruption or unethical conduct to be brought to the attention of the Board and Management. This enables appropriate action to be taken.

Both also serve as an effective deterrent in preventing corrupt or unethical acts from occurring within the Group. In FY2021, there were zero cases involving staff, suppliers or other stakeholders for corruption either reported through the whistleblowing mechanism or any other communication channel.

## Gift Giving and Receiving

In principle, MGB, consistent with its ISO37001:2016 ABMS framework, does not allow for the giving, receiving and soliciting of gifts. Gifts may be in the form of cash or cash equivalents, favours, entertainment, incentives, travel or other forms of gratification.

However, on rare occasions, exceptions can be made for corporate gifts that are provided in a transparent manner. Such gifts should not have a significant monetary value and must be declared by the receiving individual to his/her higher authority.

All gifts received or provided must be recorded by Management with pertinent details such as the value of said gifts and who is the giver and receiver. Gifts received or provided cannot be perceived as to having an impact on actions or decisions or leading to the expectation of favours to be granted.

## Identified Higher Risk Operations for Corruption

As part of its overall approach in reducing exposure to corruption, MGB continues to identify aspects of its operations that are susceptible to a higher risk. For FY2021, these remain the same as in previous years, which are: Procurement, Human Resources ("HR"), Corporate Communications (CSR & Donation activities), regulatory compliance and supply chain facing departments or units.

Additional anti-corruption training and safeguards have been implemented, including a clearly defined process for the calling of, evaluation and awarding of contracts, clear criteria and multi-stakeholder perspective for recruiting and rewarding employees, and also clear Standard Operating Procedures ("SOPs") for the giving of corporate donations and gifts as well as receipt of the same. FY2021 saw no complaints or reported incidents of corruption or unethical conduct from these identified departments.

## ESG Governance of the Supply Chain

Increasingly, MGB shall strengthen the ESG criteria/requirements for suppliers. Suppliers who wish to remain on MGB's preferred list of vendors will need to provide written acknowledgement of their commitment to comply with all relevant policies of the Group.

Failure to provide written acknowledgement or to comply, will see vendors being first provided opportunities to take the necessary rectification actions. If no action is taken, said vendor or vendors will be expunged from the preferred supplier list. MGB, where necessary, shall report such parties to the regulatory authorities for enforcement action.

Presently, engagement with relevant stakeholders continues to be a priority to enable them to obtain a clear understanding of MGB's motivations and objectives; and the importance of developing a more sustainable supply chain. Thus far, the response received has been positive from most suppliers.

MGB is also encouraging its suppliers to report on their ESG performance, particularly on measures taken to reduce environmental and social impacts.

MGB shall continue as much as possible to assess its supply chain for ESG risks. This exercise would include both potential and existing suppliers. Assessment may be undertaken through physical or desktop audits. The prevalence of the COVID-19 pandemic impacted the Group's ability to conduct actual site visits due to social distancing and other challenges.

However, the Group will continue to assess on a best effort basis and will support this where possible with an increased focus on desktop audits as well as online interviews with suppliers, selected at random.

## Political Views and Contributions

MGB is an apolitical privately owned company and hence does not favour or promote the agenda of any political party. Neither is the Group affiliated to any political organisation. The Group has not made any donations to any political parties.

However, the Group from time to time may participate in charitable or nation-building events organised by the government of the day or its ministries and agencies. The Group may also support Corporate Social Responsibility ("CSR") events or programmes that could see the involvement of political parties or politicians.

## Safeguarding Data

In the course of its business operations, MGB collects a significant amount of data including customer data, most of which is confidential in nature.

MGB adheres to the Personal Data Protection Act ("PDPA 2010"). All confidential data is collected only with the consent of data owners and such data is only used for the purpose of the engagement with said customer.

Data is not provided or sold to 3rd parties save to enforcement authorities such as the police department or the government. There were zero cases of data breach in FY2021.






# Stakeholder Engagement

Stakeholder engagement remains a crucial aspect of MGB's approach to sustainability. By engaging stakeholders, a more inclusive and accurate perception of sustainability has been developed by the Board and Management. This includes a more precise understanding and prioritisation of significant material topics.

Hence, MGB in FY2021 continued to actively engage stakeholders using multiple communication channels and platforms. Due to COVID-19 and other reasons, online communication became increasingly the *norm de rigour* for engaging a wide range of stakeholders.





As in previous years, stakeholders are defined as individuals, groups or entities that have the influence or power to impact MGB's business operations and its reputation, as well as the creation of financial and non-financial values.

Conversely, stakeholders also include individuals, groups or entities that are impacted or can be impacted by the Group's business operations, presence and processes. Following is a snapshot of stakeholder engagement activities for FY2021:

Stakeholder	Engagement Channels	Concerns, Aspirations & Perspectives	Relevant Material Matter
 <b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Annual report</li> <li>• Quarterly results</li> <li>• Analyst briefings</li> <li>• Engagement sessions through meetings and site visits</li> <li>• Extraordinary general meetings</li> <li>• Regular shareholder communication</li> <li>• Announcement on Bursa Securities and corporate websites</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Corporate governance</li> <li>• Dividend returns</li> </ul>	<ul style="list-style-type: none"> <li>• Direct Economic Performance</li> <li>• Regulatory Compliance</li> <li>• Financial and ESG Risks Management</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Annual performance appraisal</li> <li>• Employee engagement surveys</li> <li>• Career development and trainings</li> <li>• Events, celebrations &amp; sports</li> <li>• Management meetings</li> <li>• Townhalls</li> </ul>	<ul style="list-style-type: none"> <li>• Career progression</li> <li>• Competitive remuneration and benefits</li> <li>• Health &amp; Safety</li> <li>• Professional and personal development</li> </ul>	<ul style="list-style-type: none"> <li>• COVID-19 Pandemic Management</li> <li>• Occupational Health and Safety</li> <li>• Talent &amp; Human Resource Management</li> <li>• Ethics and Integrity</li> <li>• Indirect Economic Values Created</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Emails, phone calls, hotlines and surveys</li> <li>• Website and social media</li> <li>• Product launches and roadshows</li> <li>• Marketing and promotional programmes and events</li> </ul>	<ul style="list-style-type: none"> <li>• Product delivery</li> <li>• Product quality</li> <li>• Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Build Quality</li> <li>• COVID-19 Pandemic Management</li> <li>• Digitalisation and Technology</li> </ul>



# Stakeholder Engagement

Stakeholder	Engagement Channels	Concerns, Aspirations & Perspectives	Relevant Material Matter
 <b>Government/ Regulators</b>	<ul style="list-style-type: none"> <li>• Official meetings and visits</li> <li>• Industry events and seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Nation-building</li> <li>• Socio-economic multiplier effects</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory Compliance</li> <li>• Labour Rights (construction workers' rights)</li> <li>• COVID-19 Pandemic Management</li> <li>• Occupational Health and Safety</li> <li>• Indirect Economic Values Created</li> <li>• Digitalisation and Technology</li> </ul>
 <b>Suppliers/ Contractors</b>	<ul style="list-style-type: none"> <li>• Product launches and roadshows</li> <li>• Regular meetings and site visits</li> <li>• Supplier assessment system</li> <li>• Subcontractor performance evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Business integrity</li> <li>• Ethical procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Labour Rights (construction workers' rights)</li> <li>• Local Procurement and Supply Chains</li> <li>• Indirect Economic Values Created</li> <li>• Digitalisation and Technology</li> <li>• Raw Materials Consumption</li> </ul>
 <b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Charitable contributions</li> <li>• Website and social media</li> </ul>	<ul style="list-style-type: none"> <li>• Community Outreach</li> </ul>	<ul style="list-style-type: none"> <li>• Indirect Economic Values Created</li> <li>• Climate Change</li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Website and social media</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Product delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Direct Economic Performance</li> <li>• Ethics and Integrity</li> <li>• Indirect Economic Values Created</li> </ul>



# Approaching Materiality

A thorough Materiality Assessment Exercise ("MAE") was undertaken in FY2021 to determine what are the Group's top ESG topics. The assessment saw the participation of Board and Management and was cascaded accordingly across the Group.

The involvement of the highest decision-making levels of the Group is a reflection of MGB's commitment towards ensuring that material topics have been appropriately identified, assessed and prioritised in accordance with recommended best practices.

The Board and Management are of the view that an accurate assessment of material topics will enable the most strategic and effective use of resources to address the most pertinent ESG matters towards yielding optimum results.

The topics for the MAE were drawn from the given economic, environmental and social ("EES") topics as provided by the following reporting frameworks: GRI, Bursa, FTSE4Good, TCFD and SASB.

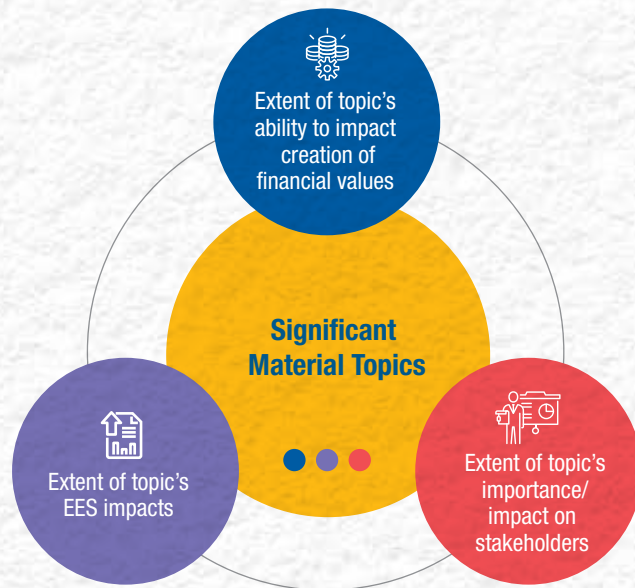
**BURSA SUSTAIN**  
MOVING BUSINESS FORWARD  
Corporate Governance | Sustainability | Responsible Investment



Accounting for a Sustainable Future

**TCFD** | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The topics were assessed using a detailed ranking and ratings system supported by a weightage system allotted to topics based on the following criteria:



*Criteria for identifying and selecting most significant material topics*

As part of the process, a materiality assessment workshop was conducted by an external ESG Guidance and Advisory Firm for management staff. The objective of the workshop was to enable respondents to improve their understanding of the topic of materiality while supporting greater participation in the materiality assessment survey.



*MGB, LBS and the ESG Guidance and Advisory Firm at the Materiality Assessment Briefing Session*



# Approaching Materiality

In FY2021, MGB developed the following matrix, which was presented to, and approved by the Board.



Going forward, the aim is to include more external stakeholders in the materiality assessment exercise towards developing richer and more inclusive insights on MGB's ESG topics.



MGB Berhad 19th AGM



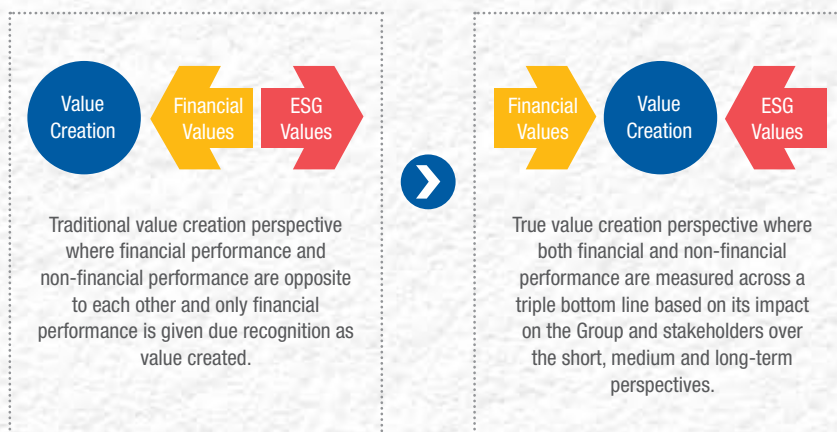
# Economic Values Created for Stakeholders

MGB creates both direct and indirect economic values through its business model. As per all businesses, the generation of financial values, customarily reflected in revenue and profits, is imperative towards sustaining operations and also in driving ESG performance.

Sustainability strategies, projects and action plans often require considerable financial support. Hence, financial health of the organisation, reflected in growing revenues and earnings, strong cashflow and a growing asset base is vital in ensuring the continued successful pursuit of the ESG agenda.

Conversely, the focus on sustainability can also lead to improvements in financial performance as the former supports greater operational efficiency, improved productivity and cost savings, especially in the medium to long-term.

Improved financial performance enables a greater distribution of wealth to stakeholders, including shareholders and investors, employees, charitable organisations, non-governmental organisations and others. Increasingly, MGB is adopting an integrated values perspective, where value creation is viewed from a dual lens of financial and non-financial values created.



*Continued transition from a conventional to an integrated value creation perspective*

Financial Year Ended 31 December	2019* (RM'000)	Restated 2020 (RM'000)	2021 (RM'000)
Revenue	756,146	563,274	<b>593,759</b>
Profit/(Loss) Before Tax	20,905	23,373	<b>39,977</b>
Profit/(Loss) After Tax and Non-controlling Interests	12,481	14,003	<b>26,578</b>
Share Capital	388,186	388,186	<b>388,186</b>
Equity Attributable to Owners of the Parent	456,713	470,618	<b>497,702</b>
Net Tangible Assets	200,190	215,576	<b>243,007</b>
Basic Earnings per share (sen)	2.71	2.86	<b>5.18</b>
Net Assets per share (sen)	91.04	93.81	<b>84.12</b>
Net Tangible Assets per share (sen)	39.91	42.97	<b>41.07</b>
Total Assets	968,580	963,482	<b>937,398</b>
Total Borrowings	159,375	175,485	<b>86,583</b>
Net Gearing Ratio	0.28	0.22	<b>0.09</b>
Market Capitalisation	326,074	300,992	<b>428,948</b>

\* The comparative figures have not been restated following the adoption of IFRIC Agenda Decision.



# Economic Values Created for Stakeholders

## Value in Terms of Economic Impact vs Environmental Footprint

For FY2021, MGB introduced the measurement of its economic performance against environmental performance. This is towards gauging efficiency of business operations against selected environmental metrics. For example, revenue against energy consumption or carbon emissions.

For FY2021, MGB established the following efficiency measurements using revenue, electricity and diesel consumption as well as carbon emissions:

Absolute Figures	2019	2020	2021
Revenue (RM'000)	756,146	563,274	<b>593,759</b>
Electricity Consumption (kWh)	562,590	584,636	<b>469,512</b>
Carbon Emissions (CO <sub>2</sub> e) (Tonne)	4,557	4,668	<b>5,532</b>
Water Consumption (M <sup>3</sup> )	25,166	20,545	<b>14,144</b>

Intensity Ratios	2019	2020	2021
Electricity Consumption (kWh per RM'million revenue)	744.02	1,037.92	<b>790.75</b>
Carbon Emissions (CO <sub>2</sub> e) (Tonne per RM'million revenue)	6.03	8.29	<b>9.32</b>

## Economic Values Distributed to Stakeholders

The socio-economic multiplier effects generated from MGB's business model and operations leads to multiple positive outcomes for stakeholders. Among these include job and wealth creation, the creation of entrepreneurship, development of local supply chains and more. Other effects include the transformation of urban landscapes through property development that ushers prosperity and economic and infrastructure development.

The aforementioned are in line with several UN SDGs, namely SDGs 1, 8, 9, 10 and 16.



	FY2019 (RM'000)	FY2020 (RM'000)	FY2021 (RM'000)
Economic Value Generated	758,784	568,079	<b>595,654</b>
Economic Value Distributed	744,035	552,679	<b>569,035</b>
(a) Total Monetary Value/ Spend on Procurement (Operating Cost)	696,107	509,230	<b>519,981</b>
(b) Total Payout to Employees in Salaries and Benefits	29,776	25,845	<b>30,100</b>
(c) Taxes Paid to Government	8,425	9,370	<b>13,400</b>
(d) Repayments to Financiers	9,701	8,085	<b>5,536</b>
(e) Dividend Returns to Shareholders	-	-	-
(f) Community Investments	26	150	<b>19</b>
Economic Value Retained	14,749	15,400	<b>26,619</b>



### Committed to Local Procurement and Local Supply Chains

MGB has always adopted a Locals First stance with regard to procurement. MGB's commitment is that unless there is no local vendor who can provide a particular product or service, or who can provide the product and service at the desired quality, all departments and business of the Group must use local procurement.

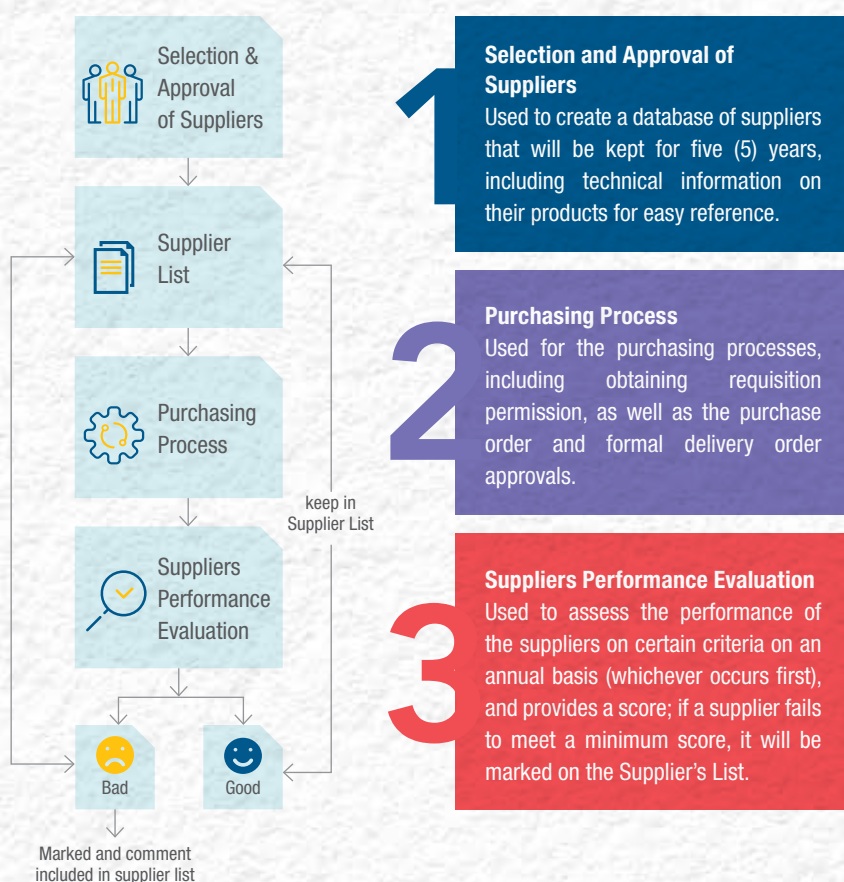
Beyond supporting local businesses, the Locals First approach provides better operational and cost control, affords a lower environmental footprint and usually equates to faster response times. MGB defines local procurement as in procuring goods and services from Malaysia-based suppliers/vendors.

Indirect benefits include job creation, increasing contribution to national taxes and promoting national development.

As at end FY2021, MGB continued to maintain a 100% local procurement rate for both total number of suppliers as well as total procurement spend.

### Committed to Fair Competition

MGB's approach to securing goods and services is via tender, with vendors registered with the Group being invited to submit their bids. The most competitive bid based on set criteria will be awarded the contract. Procurement is a centralised function managed by MGB's Procurement Department. Procurement processes are developed based on ISO 9001: 2015 parameters.

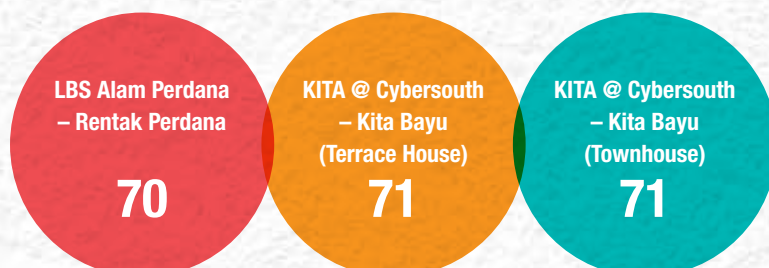


### Quality and Customer Satisfaction

Through the use of BIM and IBS, MGB was able to deliver a greater consistency in product quality. The Group's finished buildings generally had lower defects and customer satisfaction was on the uptrend.

MGB also assesses quality based on the ISO 9001:2015 system via internal & external audits. The external audit is conducted by an independent certification body.

Quality is viewed from both tangible and intangible perspectives. The latter includes customer service and response times, and more. For FY2021, MGB's products continued to register high scores under the CIDB's QLASSIC scoring system as indicated below:





# Environmental Performance

MGB continues to adopt measures to manage and reduce its environmental footprint. The Group has long adopted the ISO 14001:2015 best practice which is reinforced by the practice of the 3R principle: Reuse, Reduce & Recycle. The 3R principle is applied to all business processes across MGB's operations.

All project sites are ISO 14001:2015 certified. MGB also has established an ISO 14001:2015 certified environmental management system ("EMS"). Details of the system can be viewed here: <https://mgbgroup.com.my/sustainability/>.

An Environmental Management Plan ("EMP") is developed for each project site.

The EMP enables the monitoring and assessment of environmental practices throughout the lifecycle of the project. This includes practices for potential environment impacts, mitigation measures, roles and responsibilities of HSE representatives, timeline and cost mitigation considerations.



## MGB's EMP Approach for all project sites



MGB continues to engage key stakeholders in relation to environmental performance. It continues to collaborate with government agencies and ministries, to mitigate environmental impacts and share its insights towards improving the environmental footprint of the construction and property development industries.

MGB also works with, and through the relevant industry bodies towards encouraging greater use of BIM and IBS technologies in design and construction with the aim of reducing environmental impacts.

MGB's commitment to managing its environmental impacts is driven by the realisation that the construction and property development consume significant resources and produce various types of waste as well as carbon emissions.

MGB received zero fines and/or penalties for FY2021. MGB's future aspirations regarding environmental performance include:

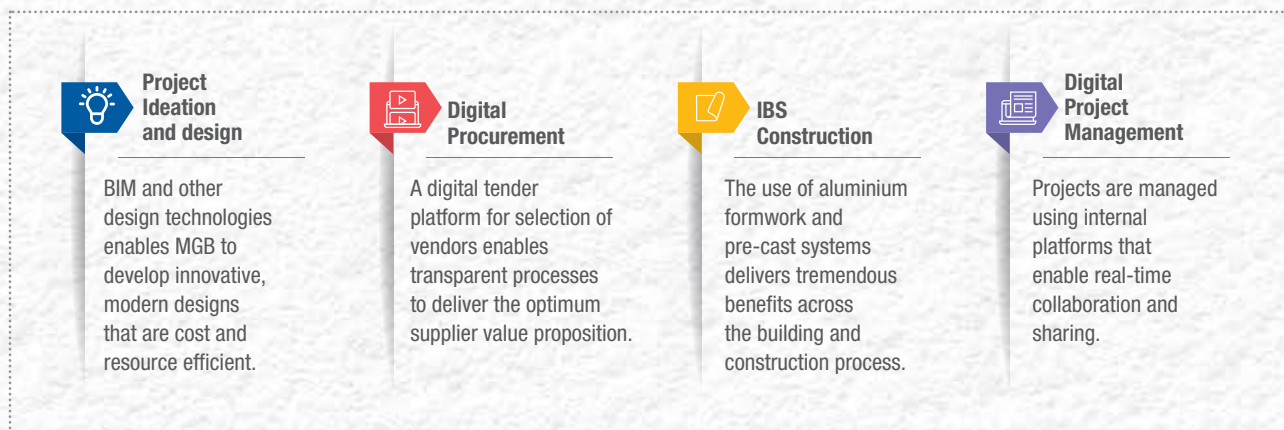
### Future Commitments and Targets:

- Continue refining existing methods to measure emissions.
- Reduce GHG emissions by 10% by 2023, and to achieve 45% reduction by 2030 (Baseline year FY2018).
- Reduce water consumption by 10% in 2030 (Baseline year FY2018).
- Continue embedding low carbon and sustainability considerations in the design and construction of buildings and infrastructure.
- Continue the adoption and improvement of IBS Precast Concrete.
- Identify RE segments i.e. waste-to-energy in particular, for future business diversification.
- Ensure each employee receives at least 8 hours of training per year.



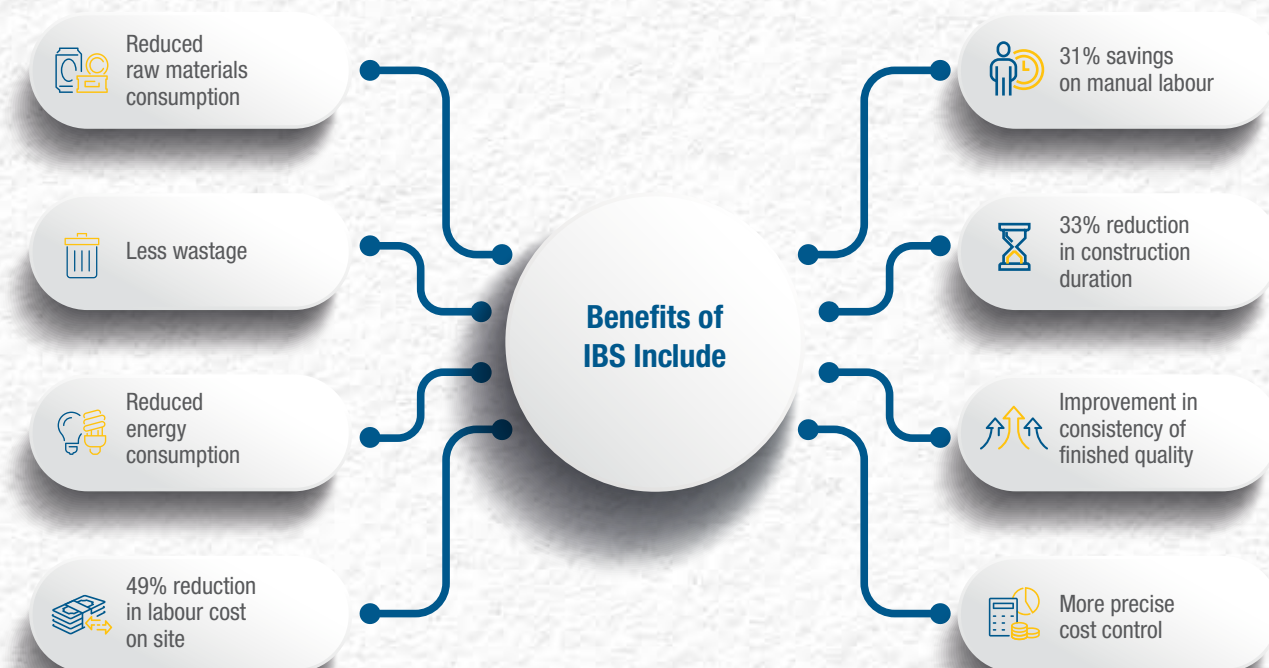
## Reshaping the Construction Landscape through VadTech

MGB as a VadTech Specialist, is introducing new technologies and approaches that are reshaping conventions for the building and construction industry.



## Driving Positive Change through IBS

Specifically, MGB's IBS capabilities and its track record in undertaking such projects have distinguished the Group amidst a highly competitive industry. MGB launched its first precast concrete fabrication mobile IBS plant in 2018 at Alam Perdana. In 2019, IBS operations were expanded to include a permanent precast concrete plant in Nilai, Negeri Sembilan. The expansion has augmented MGB's IBS capabilities.



Cumulatively, the two IBS manufacturing plants power MGB's ability to build more than 6,000 units of properties per annum comprising of affordable landed properties, high-rise condominiums and apartments, commercial lots as well as other infrastructures.



# Environmental Performance

Projects using IBS Precast Concrete system:

2019	No. of Units
<b>RENTAK PERDANA @ LBS ALAM PERDANA</b> Double Storey Terrace House	856 units
<b>KITA BAYU, KITA @ CYBERSOUTH</b> TownHouse	416 units
<b>KITA BAYU, KITA @ CYBERSOUTH</b> Double Storey Terrace House	379 units
2020	No. of Units
<b>KITA HARMONI, KITA @ CYBERSOUTH</b> Double Storey Terrace House	674 units
<b>KITA IMPIAN, KITA @ CYBERSOUTH</b> Serviced Apartment	964 units
2021	No. of Units
<b>RITMA PERDANA @ LBS ALAM PERDANA</b> Double Storey Terrace House	901 units
<b>KITA RIA, KITA @ CYBERSOUTH</b> Serviced Apartment	812 units

MGB continues to set the benchmark for IBS in Malaysia – by achieving high scores for undertaken projects. In FY2021, IBS scores awarded by CIDB are as follows:

Project	IBS Score
LBS Alam Perdana - Irama Perdana	84.00
LBS Alam Perdana - Rentak Perdana	82.00
KITA @ Cybersouth - Kita Bayu	63.60
KITA @ Cybersouth - Kita Harmoni	91.54
KITA @ Cybersouth - Kita Impian	65.80

## Climate Change and Emissions

The continued and intensifying impacts of climate change in Malaysia and across the world necessitates businesses to address their carbon emissions. As mentioned prior, the construction and property development industries are some of the biggest contributors to carbon emissions and greenhouse gases.

MGB is supportive of the targets and aspirations set at COP26, which is centred on reducing carbon emissions through a strategic and concerted approach. MGB also supports UN SDG 13: Climate Action reflected through its ongoing efforts to reduce carbon emissions by improving efficiency in energy and resource consumption as well as in waste management. This also expresses support for UN SDG 12: Responsible Consumption and Production.

MGB has also embarked on various measures to reduce its emissions by reducing diesel and fuel consumption throughout its business operations. Beyond reduction, substituting fossil fuels or even present electricity consumption with RE alternatives is also being explored. Through its 3R principle, the Group is also looking to reduce resource consumption and to reduce wastes, both of which indirectly contribute to carbon emissions.

MGB targets to reduce GHG emissions by 10% by 2023, and to achieve 45% reduction by 2030 (Baseline year 2018).

The Group's position on climate change is on par with that of related industry and trade associations such as CIDB. Where possible, it continues to promote the use of IBS systems across the industry; to clients, industry peers and its supply chain towards reducing environmental impacts that contribute to climate change.



## Board and Management Oversight on Climate Change (Governance)

The material topic of climate change comes under the direct oversight of the Board and Management. Both have deliberated and identified present/future impacts of climate change on the MGB business model and its ability to create value. This could include physical, transitional and legal as well as reputational risks. The Board and Management have also pledged their support and are progressively aligning to the TCFD recommendations.

Climate change is a Board discussed agenda and is regularly deliberated upon at Board meetings, along with Scope One and Scope Two energy consumption.

At present, the Group is yet to establish linkages between Board or Senior Management Executive's remuneration with climate change performance indicators. The Board and Senior Management are presently considering the development of suitable models for such linkage, based on an incentives system.

Further information will be provided when an effective and equitable model can be developed and implemented. A key aspect is to ensure that any performance rewards from the successful realisation of KPIs and/or targets is also distributed to all staff who have directly or indirectly played a role in improving ESG performance.

Governance was further strengthened through MGB's adoption of the Task Force for Climate-related Financial Disclosures ("TCFD") recommendations in 2021. The adoption of TCFD was driven by the Board and Senior Management's consensus to be consistent with the global movement combating climate change, whilst developing a strategic internal framework to provide the necessary impetus and roadmap for MGB to effectively address the issue.

The TCFD recommendations serve as the basis for MGB to develop climate-related risk management processes. MGB is one of several Malaysian companies, among a group of 1,700 organisations worldwide who have pledged support to the TCFD recommendations. TCFD aims to realise a carbon neutral world by 2050.

## Climate Change Risks and Opportunities

In essence, climate change poses both risks and opportunities to MGB's business model as follows:

### Opportunities

- Greater awareness and urgency on climate change supports the use of IBS and "green" related technologies such as rainwater harvesting, reclaim water, new building designs and more.
- Greater adoption of BIM and IBS technology among project owners.
- Increased acceptance among homeowners for water and energy saving features within their homes.
- Increased focus on green building development.
- Stronger focus on project ideation and design towards reducing environmental impacts across the project lifecycle.
- Improved access to financing as more investors reward companies who take steps to combat climate change and mitigate their environmental footprint.

### Risks and Impacts

- Rising ambient temperatures necessitate new building design approaches to mitigate heat and to ensure comfort of occupants which may lead to increased building costs as well as requirement for air-conditioning (which leads to increased energy consumption and emissions). Hotter climates also affect the productivity and health of workers, especially construction workers on site.
- Changing weather patterns such as torrential rain may delay works on project sites or disrupt supply chains. OSH may also be impacted as rainy weather increases the risks of incidents.
- Increased preventive measures required to prevent flash floods or cater for drought-like conditions, which increase costs.
- Water scarcity and rising temperatures may impact landbank strategies.
- Projects at coastal areas may need to include rising sea water level scenarios within the overall planning and design.
- Physical damages due to climate change related impacts would lead to extra business costs.



# Environmental Performance

## Costs of Climate Change to Business Model and Operations

Given the above identified risks and impacts, it is evident that the financial costs of climate change can be significant. The Group is working to quantify the more extensive impacts of climate change using various scenario models and timeframes. The latter include short, medium and long-term horizons.

Costs include not just costs of impacts, but also expenditure for developing new solutions and innovations, for developing realistic and practical mitigation plans and the cost of transition.

## Climate Change Mitigation Plans and Scenario Planning

Beyond managing its energy consumption and emissions, MGB is actively adopting measures to ensure business and operational sustainability in the event of adverse impacts arising from climate change.

The Group's business plans include adaptation to the 2-degree scenario and other scenarios include new design approaches in response to rising ambient temperatures, ensuring water sufficiency due to water shortages as well as strengthening flood mitigation measures such as reserving land for larger water retention ponds to reduce the risks of flash floods.

Going forward, MGB has identified the RE and waste-to-energy ("WTE") segments as future climate resilient businesses. In its present business operations, MGB will look to increase the use of IBS components in its projects going forward.



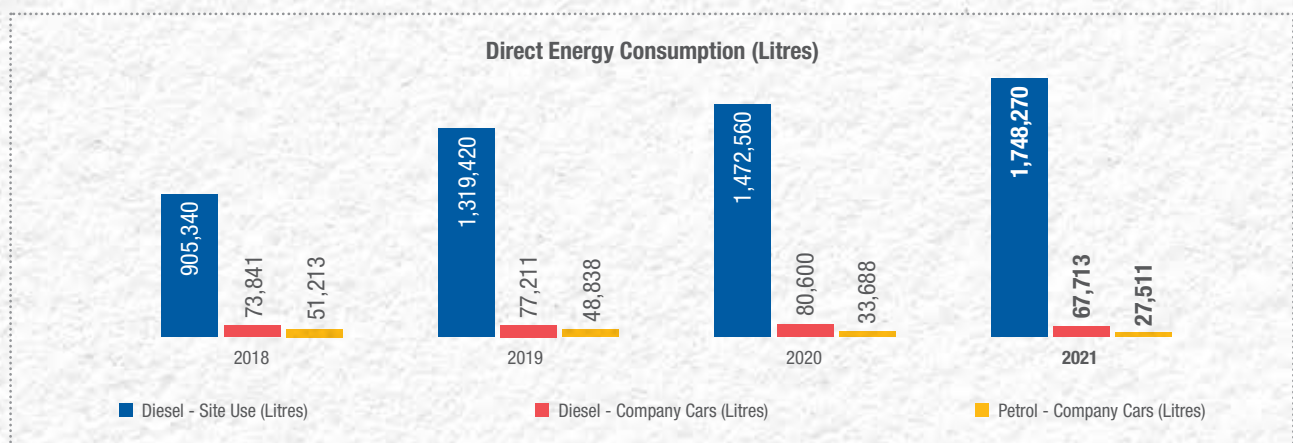
## Energy Consumption Management

As mentioned prior, energy consumption is linked to carbon emissions and therefore climate change. Other impacts of energy consumption include excess heat generated, operating costs and increased water consumption (to cool machinery, etc).

MGB is developing a comprehensive Energy Management System ("EnMS"), which together with the long established 3R principle serves as the foundational basis to optimise energy consumption.

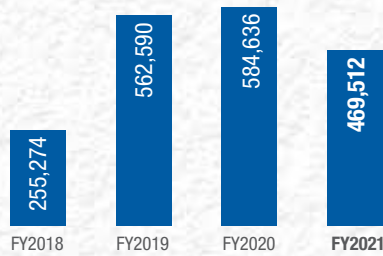
The Group regularly improves the awareness of staff on good environment practices which include effective energy management practices. This is effected via regular training courses and toolbox talks regularly to educate site workers and employees on efficient energy usage, and to ensure compliance to the Environmental Quality Act 1974.

For FY2021, MGB has disclosed its direct and indirect energy consumption and Scope 1,2 and 3 emissions data:

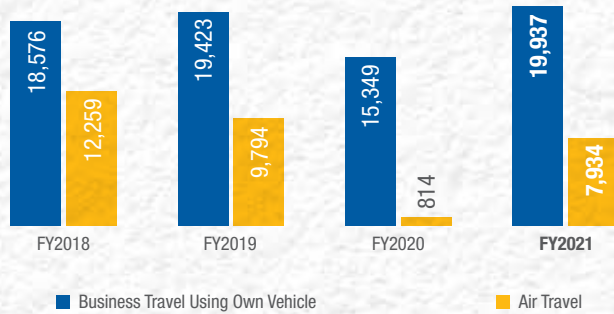




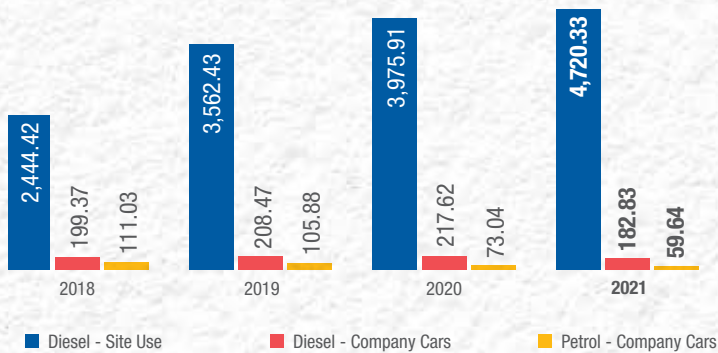
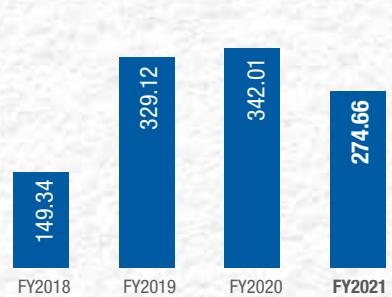
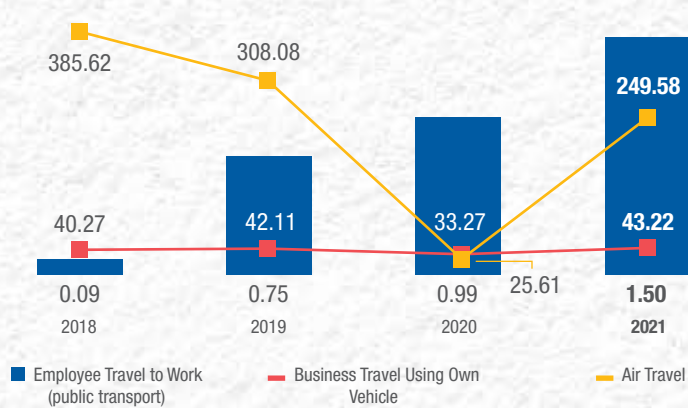
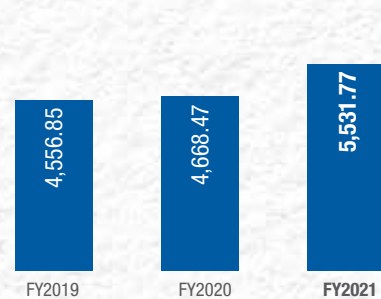
TNB Electricity Consumption (kWh)



Work Related Travel (Litres)



## Direct and Indirect Emissions

Scope One Emissions (Co<sub>2</sub>e Tonnes)Scope Two Emissions (Co<sub>2</sub>e Tonnes)Scope Three Emissions (Co<sub>2</sub>e Tonnes)Total Emissions (Co<sub>2</sub>e Tonnes)



# Environmental Performance

## Volatile Organic Compounds

MGB continues to adopt measures to reduce Volatile Organic Compounds ("VOC") released from its business processes. In particular, the use of low VOC or VOC free paint and emulsions have enabled a significant reduction over the years. VOC resides in a wide range of construction materials and applications used (beyond paint).

Description	Year			
	2018	2019	2020	2021
Paint (litre)	529,620	322,520	377,720	620,980
VOC Content (kg)	1,530	932	1,092	1,795

*Note: External paints: VOC content of 5.62g/l. Internal paints: VOC content of 0.15g/l.*

## Water Consumption Management

Water is a finite resource and therefore, must be carefully used and preserved. Water is a shared resource between the Group and its stakeholders and must be consumed in ways that enable continued availability of the resource going into the future. Access to safe water is a basic human right and therefore must be upheld at all times.

Consistent with UN SDG 6, MGB is committed to consuming water in a more sustainable manner group-wide. In reducing overall water consumption, MGB has set a target of 10% reduction by 2030 against the FY2018 baseline.

### Interaction with Water Bodies and Sources of Water

MGB's main water source is from municipal potable water, which is monitored and recorded based on monthly water bills. For non-critical works such as dust suppression and road cleaning, water from silt traps and nearby lakes (if available) are used. The latter is only tapped with the explicit, written approval of local municipal authorities.

MGB consumes water in its offices and worksites, which include landscaping, toilet flushing, road-cleaning works, etc. The Group sources 100% of its water from municipal sources. It does not operate in or adjacent to water stressed areas.

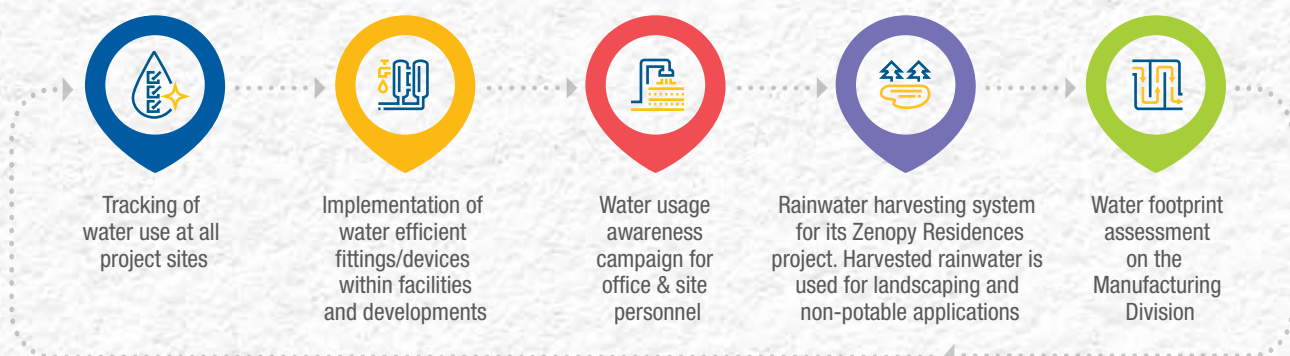
MGB's interaction with water sources and water consumption is centred on the 3R approach. The goal is to progressively reduce the quantity of potable water required, by using recycled water, and to ensure that any discharge from operational sites into water bodies always complies with regulatory requirements as stipulated by the DOE. This will ensure that water bodies are not polluted, and the water supply system is not disrupted.

MGB is also embarking on increased adoption of rainwater harvesting and plans to make this a requirement for all new project worksites, mainly for toilet use and irrigation. This helps to address water shortage risks, due to sudden cuts in supply.

Beyond its own operations, MGB is also looking at encouraging water consumption efficiency throughout the lifecycle of development projects. This is realised through VaDTech, where valued driven technology concepts and methods are employed to provide savings in water consumption.

### Efforts and Measures to Reduce Water Consumption

Innovative building designs, water-saving fixtures, rainwater harvesting, and other features deliver significant water consumption savings to clients.





## Water Consumption Data

MGB continues to actively engage with regulatory stakeholders as well as state water operators towards ensuring sufficient water supply for operations as well as on how the Group, as a responsible organisation, can play a role in supporting water operators towards achieving optimum and more sustainable use of water for the benefit of all stakeholders.

MGB's target is to reduce overall water usage by 10% in 2030, compared to its water usage in FY2018 as a baseline.

## Future Measures: Water Management Plan

The company targets to establish a water management plan for all project sites by 2025. This will enable the identification of alternative water sources (as opposed to municipal sources) to reduce dependency on potable water.

Going forward, beyond its own construction and property development operations, MGB is also exploring how to make a positive impact in contributing to ensuring sustainable water supply.

This includes investments in water treatment and wastewater treatment plants, either under a Build and Operate model or a takeover/refurbish and operate model, based on long-term concessions.

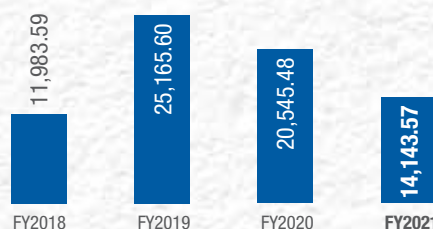
## Effluent Discharge

At all project sites, MGB actively monitors effluent, surface runoffs, silt and other discharges into water bodies. The Group ensures compliance to the regulations set by the DOE.

As stipulated by the regulations, periodic measurement of effluents and discharge is conducted. Chemical and Biochemical oxygen demand as well as total suspended solids and other criteria are assessed. Where necessary, such effluents are treated prior to discharge.

Thus far, all operating sites have achieved compliance with DOE's regulations. Effluent data shall be provided in future reporting.

Group Water Consumption (M<sup>3</sup>)



## Materials Consumption

MGB is cognisant that efficient use of resources is not only key to reducing OPEX but also vital in reducing environmental impacts. The production, transport, consumption and disposal of materials used in the construction process does contribute to increase energy consumption, carbon and GHG emissions, as well as waste.



# Environmental Performance

Based on the aforementioned 3R approach, MGB continues to adopt measures to reduce, reuse and recycle resources at all project sites. The major construction materials consumed by MGB are as follows:

Description	Unit	2019	2020	2021
1. Concrete	RM	23,517,190	11,453,148	15,499,582
	KG	315,635,902	172,950,092	227,021,211
2. Reinforcement Bar	RM	14,557,646	7,379,697	16,726,145
	KG	6,452,529	3,457,944	5,334,578
3. Diesel (Industrial Grade 5)	RM	2,161,165	2,023,635	3,220,752
	LITRE	996,960	1,243,240	1,502,570
4. Cement	RM	1,540,272	554,402	112,522
	KG	3,014,875	928,650	190,250
5. Sand	RM	612,559	161,601	90,260
	KG	18,006	4,695	3,061
6. Aggregate	RM	30,064	1,431	2,314
	KG	800,210	41,000	78,100
7. Bricks	RM	144,002	14,613	15,570
	KG	1,689,719	193,157	176,186
8. Paint	RM	1,618,780	1,951,772	3,135,893
	LITRE	322,520	377,720	620,980

The 3R approach is also supported via the use of BIM and IBS to further reduce consumption of raw materials in the building process.

MGB utilises BIM, IBS and adopts circular economy concepts to be economical (while ensuring building quality) on resource consumption.

MGB's commitment to reducing resource consumption is reflected in its high use of IBS across its projects. IBS promotes more accurate estimations on resources required, and less wastage, both of which promote efficient use of raw materials. This approach is provided for in its Sustainability Policy, which calls for IBS use to promote more efficient and responsible sourcing and use of building materials as well as the reduction in waste produced.

Specific targets have yet to be developed as consumption of materials is determined largely by the size and type of client projects. Hence, it remains a challenge to set resource consumption targets.

However, MGB is looking at setting an IBS target for projects; based on the following:

- Increase in the number of projects adopting IBS methodologies
- Increase in the level of IBS components in each project

MGB will continue to pursue this agenda in line with its Sustainability Policy and will look to develop specific targets going forward.

In addition, as prior mentioned, MGB continues to work with CIDB and other industry bodies and associations to promote IBS use in construction projects towards delivering a larger cumulative reductive impact for resource consumption.



## Waste Management and Recycling

With regard to waste management, MGB's focus is to reduce the amount of waste generated and also ensure safe disposal of such wastes. Wastes produced from project sites comprise hazardous and non-hazardous wastes.

Hazardous Wastes	Non-Hazardous Wastes
<ul style="list-style-type: none"> <li>• Paints and solvents.</li> <li>• Automotive wastes (used motor oil, antifreeze, etc.)</li> <li>• Pesticides (insecticides, herbicides, fungicides, etc.)</li> <li>• Mercury-containing wastes (thermometers, switches, fluorescent lighting, etc.)</li> <li>• Aerosols / Propane cylinders</li> </ul>	<ul style="list-style-type: none"> <li>• Garbage</li> <li>• Paper</li> <li>• Food waste</li> <li>• Food related wastes (such as: used paper plates or boxes, paper towels, or paper napkins)</li> <li>• Plastics</li> <li>• Packing peanuts and bubble wrap</li> <li>• Windows and mirrors</li> <li>• Ceramics and kitchenware</li> <li>• Human wastes</li> </ul>

As much as possible, waste is recycled or repurposed for use on sites to reduce the total amount of waste requiring disposal (sent to landfills or incinerators).

Where waste cannot be recycled, DOE licensed 3rd party waste disposal specialist companies are hired to collect, transport and dispose waste as certified landfills only. All hazardous wastes are treated before being disposed or treatment is performed by the aforementioned 3rd party waste disposal firms.

At this point, the company has just started to monitor waste usage records in 2019 & 2020 on non-recycled waste. The company is committed to start monitoring waste usage for recycled waste as well.

Both hazardous and non-hazardous waste is collected via site separated and commingled methods. In the latter, the hauler sorts everything off-site. This makes it easier for the field staff to manage waste on-site. Commingled recycling requires little storage space and is the best option for sites that are tight on space.

Waste is also managed via hybrid storage methods, where for example, one container is used for wood and another concrete and another for non-recyclable waste.

The Group's Sustainability Policy also explicitly states a focus on addressing waste produced, particularly from construction operations. Waste shall be addressed based on a 3R approach of Reduce, Reuse and Recycle. Specific targets have yet to be set but the Group aims to establish waste reduction targets going forward, either for total waste produced or by specific projects. Targets could also be set for recycling of wastes.

## Product Lifecycle Analysis

At all operating sites, MGB implements the lifecycle analysis system as part of its waste management approach.

Stages	Scope of Contract (A/NA)	Inputs	Works/Process	Outputs	Environmental Aspects
Site Acquisition	NA	-	-	-	-
Design	NA	-	-	-	-
Transportation	A	<ul style="list-style-type: none"> <li>• Petrol</li> <li>• Diesel</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Smoke</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of resources</li> <li>• Air emission</li> </ul>



# Environmental Performance

Stages	Scope of Contract (A/NA)	Inputs	Works/Process	Outputs	Environmental Aspects
Construction - Structural Work	A	<ul style="list-style-type: none"> <li>• Rebar</li> <li>• Fuel</li> <li>• Lubricant</li> </ul>	<ul style="list-style-type: none"> <li>• Cutting and bending of rebar</li> <li>• Installation of rebar</li> </ul>	<ul style="list-style-type: none"> <li>• Construction waste</li> <li>• Scheduled waste</li> <li>• Noise &amp; vibration</li> <li>• Minor and major spillage/leakage</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of resources</li> <li>• Generation of noise and vibration</li> <li>• Generation of waste</li> <li>• Disposal of waste</li> <li>• Ground spillage and leakage</li> <li>• Fire and explosion</li> <li>• Potential spillage/leakage</li> </ul>
	A	<ul style="list-style-type: none"> <li>• Metal from work</li> </ul>	<ul style="list-style-type: none"> <li>• Installation of formwork</li> </ul>	<ul style="list-style-type: none"> <li>• Construction waste</li> <li>• Noise &amp; vibration</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of resources</li> <li>• Generation of noise and vibration</li> <li>• Generation and disposal of waste</li> </ul>
	A	<ul style="list-style-type: none"> <li>• Formwork oil</li> </ul>	<ul style="list-style-type: none"> <li>• Apply on formwork</li> </ul>	<ul style="list-style-type: none"> <li>• Minor and major spillage/leakage</li> </ul>	<ul style="list-style-type: none"> <li>• Potential spillage/leakage</li> </ul>
	A	<ul style="list-style-type: none"> <li>• Ready mix concrete</li> </ul>	<ul style="list-style-type: none"> <li>• Concreting</li> </ul>	<ul style="list-style-type: none"> <li>• Construction waste</li> <li>• Noise &amp; vibration</li> <li>• Minor and major spillage/leakage</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of resources</li> <li>• Generation of noise and vibration</li> <li>• Generation and disposal of waste</li> <li>• Potential spillage/leakage</li> </ul>
	A	<ul style="list-style-type: none"> <li>• Curing compound</li> </ul>	<ul style="list-style-type: none"> <li>• Apply during concreting</li> </ul>	<ul style="list-style-type: none"> <li>• Scheduled waste</li> <li>• Minor and major spillage/leakage</li> </ul>	<ul style="list-style-type: none"> <li>• Generation and disposal of waste</li> <li>• Potential spillage/leakage</li> </ul>
	A	<ul style="list-style-type: none"> <li>• Equipment</li> </ul>	<ul style="list-style-type: none"> <li>• After concreting</li> </ul>	<ul style="list-style-type: none"> <li>• Construction waste</li> <li>• Noise &amp; vibration</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of resources</li> <li>• Generation &amp; disposal of non-scheduled waste</li> <li>• Generation of noise and vibration</li> </ul>
Construction - Architectural Works	A	<ul style="list-style-type: none"> <li>• Sand/clay bricks</li> <li>• Cement</li> <li>• Sand</li> </ul>	<ul style="list-style-type: none"> <li>• Brickworks</li> </ul>	<ul style="list-style-type: none"> <li>• Construction waste</li> <li>• Noise &amp; vibration</li> <li>• Dust</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of resources</li> <li>• Generation &amp; disposal of non-scheduled waste</li> <li>• Generation of noise and vibration</li> <li>• Air emission</li> </ul>
	A	<ul style="list-style-type: none"> <li>• Tiles</li> <li>• Adhesive cement</li> <li>• Bonding agent</li> </ul>	<ul style="list-style-type: none"> <li>• Tiling works</li> <li>• Screeding works</li> <li>• Plastering works</li> </ul>	<ul style="list-style-type: none"> <li>• Construction waste</li> <li>• Noise &amp; vibration</li> <li>• Dust</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of resources</li> <li>• Generation &amp; disposal of non-scheduled waste</li> <li>• Generation of noise and vibration</li> <li>• Air emission</li> </ul>
	A	<ul style="list-style-type: none"> <li>• Paint</li> <li>• Chemical admixture</li> <li>• Solvent</li> </ul>	<ul style="list-style-type: none"> <li>• Painting works</li> <li>• Waterproofing works</li> </ul>	<ul style="list-style-type: none"> <li>• Construction waste</li> <li>• Scheduled waste</li> <li>• Spillage/leakage</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of resources</li> <li>• Generation &amp; disposal of non-scheduled waste</li> <li>• Potential spillage/leakage</li> <li>• Generation &amp; disposal on scheduled waste</li> </ul>



Stages	Scope of Contract (A/NA)	Inputs	Works/Process	Outputs	Environmental Aspects
Construction - Architectural Works	A	<ul style="list-style-type: none"> <li>Ceiling board</li> <li>Metal roof</li> </ul>	<ul style="list-style-type: none"> <li>Ceiling work</li> <li>Roofing work</li> </ul>	<ul style="list-style-type: none"> <li>Construction waste</li> <li>Noise &amp; vibration</li> <li>Dust</li> </ul>	<ul style="list-style-type: none"> <li>Consumption of resources</li> <li>Generation &amp; disposal of non-scheduled waste</li> <li>Generation of noise and vibration</li> <li>Air emission</li> </ul>
	A	<ul style="list-style-type: none"> <li>Floor board</li> <li>Timber skirting</li> <li>Adhesive</li> </ul>	<ul style="list-style-type: none"> <li>Timber flooring</li> </ul>	<ul style="list-style-type: none"> <li>Construction waste</li> <li>Scheduled waste</li> <li>Spillage/leakage</li> <li>Noise &amp; vibration</li> <li>Dust</li> </ul>	<ul style="list-style-type: none"> <li>Consumption of resources</li> <li>Generation &amp; disposal of non-scheduled waste</li> <li>Generation &amp; disposal of scheduled waste</li> <li>Generation of noise and vibration</li> <li>Air emission</li> <li>Potential spillage/leakage</li> </ul>
Construction (Mechanical & Electrical Works)	A	<ul style="list-style-type: none"> <li>Materials</li> </ul>	<ul style="list-style-type: none"> <li>Installation work</li> </ul>	<ul style="list-style-type: none"> <li>Construction waste</li> <li>Recyclable waste</li> <li>Noise &amp; vibration</li> </ul>	<ul style="list-style-type: none"> <li>Consumption of resources</li> <li>Generation &amp; disposal of non-scheduled waste</li> <li>Generation of noise and vibration</li> </ul>
	A	<ul style="list-style-type: none"> <li>Equipment</li> </ul>	<ul style="list-style-type: none"> <li>Hacking work</li> <li>Coring work</li> </ul>	<ul style="list-style-type: none"> <li>Construction waste</li> <li>Noise &amp; vibration</li> </ul>	<ul style="list-style-type: none"> <li>Consumption of resources</li> <li>Generation &amp; disposal of non-scheduled waste</li> <li>Generation of noise and vibration</li> </ul>

Note: "A" – applicable, "NA" – not applicable

### MGB Sany Precast Factory - Recycled & Non-Recycled Waste

Material		Unit	Year			
			2018	2019	2020	2021
Non-Recycled	Cement	Tonne	220	393	307	237
	Sand	Tonne	587	1,006	2,224	743
	Aggregate	Tonne	696	1,131	1,120	738
Recycled	Steel Bar	Tonne	92	163	95	76
	BRC	PC	2,526	5,525	3,455	2,530



# Environmental Performance

## Environmental Performance Monitoring

As mentioned prior, MGB monitors its environmental performance to ensure compliance to standards set out by the DOE.

Monitoring is performed at the required intervals by an independent 3rd party or by department enforcement officials. Monitoring is performed for noise levels, quantity and types of effluent discharge and air emissions.

Save for a few exceptions for noise levels at night, MGB achieved compliance. On the occasions, where noise levels exceeded set decibel parameters, MGB had taken remedial action cautioning workers on site to ensure no construction works were conducted at night and that only housekeeping works were allowed.

The Group was not been fined or served with notices of site shutdown due to poor environmental performance in FY2021.

## Biodiversity

None of MGB's project sites are categorised as sites with high biodiversity value. However, the Group potentially may be operating close to sites with high biodiversity value.

MGB undertakes a Biodiversity Management Plan for all sites. Prior to commencement a thorough biodiversity assessment is undertaken, where required, to identify sensitive or high-value flora and fauna species.

If the site is found to be of high biodiversity value or contains rare or endangered flora or fauna, MGB will then proceed to alert the authorities and follow prescribed SOPs for biodiversity management prior to commencement of site works.

Only if the authorities provide approvals, would works be carried out. Sans relevant approvals, MGB will not undertake construction works on sites deemed to be of high conservation value or biodiversity critical sites.

Following are the results from recent biodiversity assessments conducted at active project sites:

Future and Current Project	Key Biodiversity Area	Type of KBA	Biodiversity Trigger	Detail on Proximity	Status of Management Plan
LBS Alam Perdana, Selangor	North-Central Selangor Coast	Important Biodiversity Area	Possibility of endangered flora/mangrove species and habitat for migratory birds	Not Within 5km Range	Step 1 – Physical Proximity to Biodiversity Areas Assessment
Idaman BSP, Selangor	North-Central Selangor Coast	Important Biodiversity Area	Possibility of endangered flora/mangrove species and habitat for migratory birds	Not Within 5km Range	Step 1 – Physical Proximity to Biodiversity Areas Assessment
LBS SkyLake Residence, Selangor	North-Central Selangor Coast	Important Biodiversity Area	Possibility of endangered flora/mangrove species and habitat for migratory birds	Not Within 5km Range	Step 1 – Physical Proximity to Biodiversity Areas Assessment
Bukit Jalil, Selangor	Hulu Gombak-Sungai Lalang Forest	Important Biodiversity Area	Possibility of endangered flora/mangrove species and habitat for migratory birds	Not Within 5km Range	Step 1 – Physical Proximity to Biodiversity Areas Assessment
KITA @ Cybersouth, Selangor	Hulu Gombak-Sungai Lalang Forest	Important Biodiversity Area	Possibility of endangered flora/mangrove species and habitat for migratory birds	Not Within 5km Range	Step 1 – Physical Proximity to Biodiversity Areas Assessment
Idaman Sari, Selangor	Hulu Gombak-Sungai Lalang Forest	Important Biodiversity Area	Possibility of endangered flora/mangrove species and habitat for migratory birds	Not Within 5km Range	Step 1 – Physical Proximity to Biodiversity Areas Assessment
Taman Molek, Johor	Panti Forest And Ubin-Khatib	Important Biodiversity Area	Possibility of endangered flora/mangrove species and habitat for migratory birds	Not Within 5km Range	Step 1 – Physical Proximity to Biodiversity Areas Assessment
Laman Bayu, Johor	South-West Johor Coast	Important Biodiversity Area	Possibility of endangered flora/mangrove species and habitat for migratory birds	Not Within 5km Range	Step 1 – Physical Proximity to Biodiversity Areas Assessment



The Group views biodiversity to be material given its importance to sustaining, healthy environments and for food security. Biodiversity is also linked to local culture, traditional livelihoods and traditional medicine. Hence, biodiversity loss is a serious problem and while not directly material, remains material to MGB and its stakeholders from a larger context.

All sites existing and new will continue to be assessed for biodiversity risks as well as value. MGB aims to adopt a policy of neutral if not positive biodiversity impact. The Group will explore ways to offset any negative impacts arising from its projects. In particular, planting of mangroves as well as introduction of endangered plants into its development appears as viable alternatives.

Other methods include transplanting trees of a certain size and age, rather than felling those trees completely. Thus far, no IUCN Red List flora or fauna have been identified at any of MGB's sites.

The Board and Management continue to explore ways for MGB to integrate a biodiversity agenda into its strategic planning.

Beyond making donations that support biodiversity causes, MGB is also considering the feasibility of conducting biodiversity audits, of reviving local flora species by planting them in MGB's property projects. These will be driven by collaborating with local NGOs and other bodies. Efforts may also be made to directly engage local communities such as the Orang Asli or indigenous people of Malaysia.



*Landscape @ Zenopy Residences*



# Social Performance

Equally significant to MGB is the Group's social performance with the focus on the following material topics: talent management and retention, local community development, labour and human rights. In essence, the Group's impacts on society at large, the communities in which MGB has a business presence in as well as its employees.

Beyond employees, the oversight on the workforce, also includes workers who are not directly employed by MGB but work on sites controlled by the Group. These primarily comprise 3rd party construction workers, a labour force that is provided by subcontractors to MGB.

The following section provides a detailed account of MGB's performance and highlights in addressing the abovementioned social material topics.

## Talent Management and Retention

Amidst a competitive market for talent, MGB and for that matter, all industry players continue to vie for talent. Across the industry, there is an urgent need to recruit and retain high-calibre, competent professionals.

Looking specifically at the construction and property development industries, there is a requirement for a wide range of skillsets and capabilities to ensure smooth operations. These include technical skills and professional expertise, as well as soft skills such as branding, marketing, public relations, strategy planning, sustainability, risk management and more.

The proliferation of digitalisation and technology in operations and processes, necessitates an increased focus on talent who are tech savvy and able to champion the Industry 4.0 drive across the organisation.

In meeting its talent management requirements, MGB has adopted a comprehensive approach to talent management that encompasses recruitment, rewarding, promotion, development and retention of talent, and also promotes the development of a conducive organisational culture centred on merit and equal opportunity.

This all-encompassing approach continues to be cascaded across the Group to all employees and all new employees are briefed on the policies during their orientation process.

Supporting policies developed include:

**1** Policy supporting the employment of under-privileged groups.

**2** Policy promoting trainee programmes and on-the-job stints to enable employed youths to gain meaningful work exposure and experience.

## Compliance to Labour Laws

MGB complies with the Malaysian Employment Act 1955, which prohibits the use of child or forced labour. Thus far, there have been no recorded incidents of child or forced labour in MGB since the commencement of its operations.

MGB's explicitly prohibits the employment or use of child or forced labour and contains provisions that prohibit discrimination based on race, religion, gender, disabilities and nationality.

MGB strictly adheres to the local labour laws that stipulate that no employee should work more than 104 hours per week. Instead, employees are encouraged to always strive for a healthy work-life balance with the Group also organising various activities and programmes towards enabling the workforce to achieve a balanced lifestyle.







CNY Celebration via Zoom



Dress-Up Friday



## Organisational HR Champion

MGB's approach to talent recruitment, retention and professional development comes under the purview of Management and is helped by the Chief Executive Officer ("CEO"). This effectively places talent management under the strategic oversight of the highest executive decision-maker of the Group.

The Human Resources (HR) department together with Heads of Departments ("HODs") drive and coordinate efforts across the business units to ensure constant professional development of the workforce.

## Employee Workforce Data

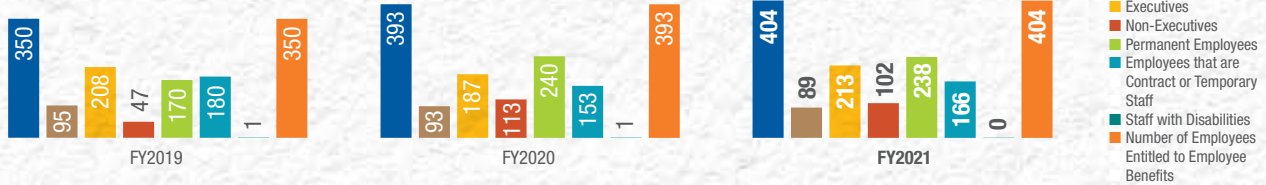
MGB adopts a non-discriminatory approach, where talents are judged purely on the competence, qualifications, experience and professional contributions. No discrimination is condoned based on race, religion, gender or any other demographic factor.

Given many of the jobs in the construction and property development industry require manual labour or working on project sites which are more physically demanding, there is a natural skew towards more men in the Group's workforce. However, in office and management related positions, there is closer gender parity in the workforce.

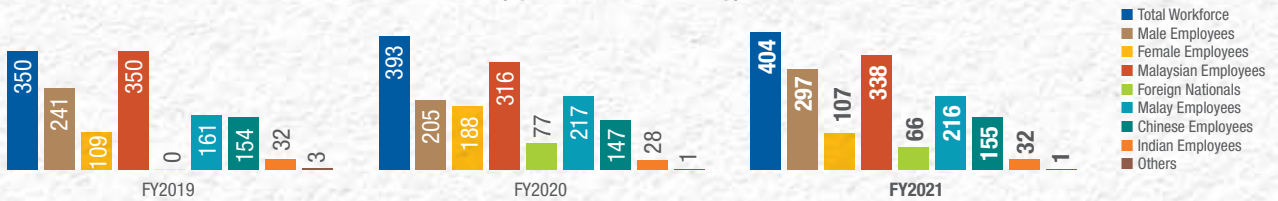


# Social Performance

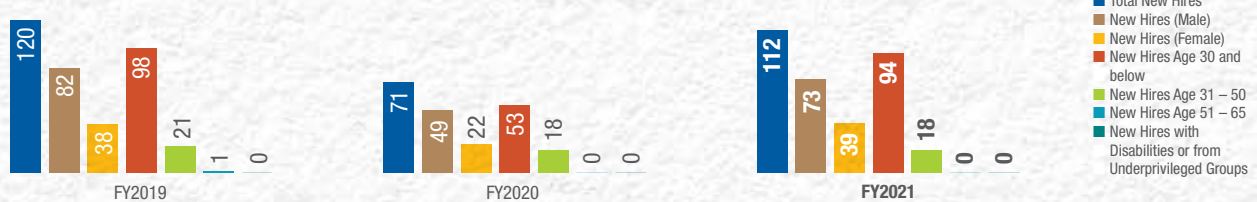
## General Workforce Data (By Position)



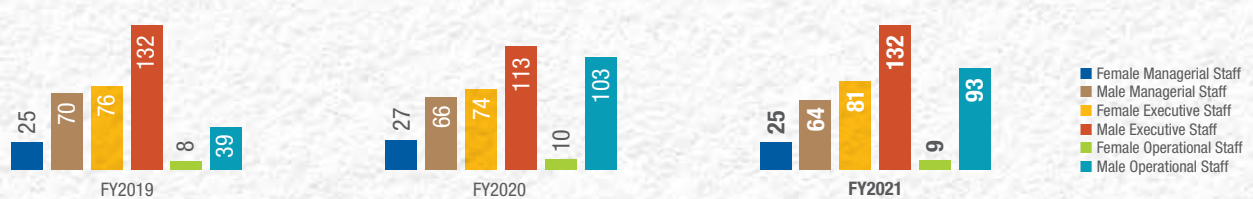
## Workforce Data (By Gender and Ethnicity)



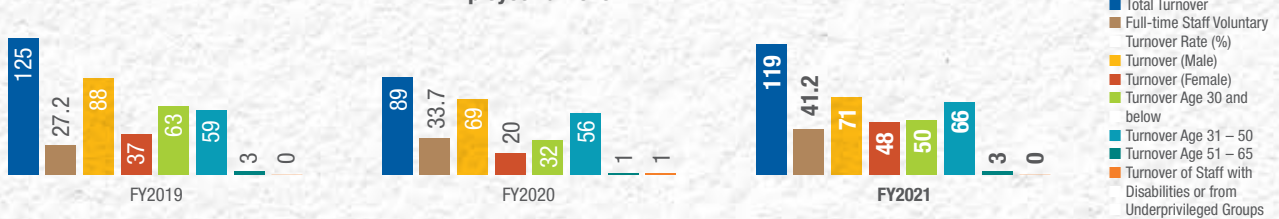
## New Hires



## Gender Breakdown Based on Employment



## Employee Turnover





## Formal Appraisal Process

All employees in MGB receive a formal appraisal at least once a year. The process serves to guide annual increments, performance bonuses and to also identify performance gaps, which can then be addressed through training.

The appraisal process is conducted in a transparent manner with the employee having a formal, two-way assessment with his/her Head of Department. The process facilitates, continuous professional development to drive career advancement and employee satisfaction and retention.

In FY2021, 81% of employees received a formal appraisal.

## Employee Grievance Mechanism

Employees have unfettered access to a formal grievance mechanism, in which they may use to express any form of dissatisfaction. For example, disagreements with findings from the appraisal, disciplinary measures taken by superiors or perhaps disagreements with decisions made on employee benefits.

The mechanism can also be used in the event of sexual harassment or any other untoward incident or development. HR will investigate all reports and where relevant, will maintain the confidentiality of the complainant.

In FY2021, there were zero cases brought up through the grievance mechanism.

## Formal Employee Induction and Exit

As prior mentioned, MGB implements a formal orientation process for all employees. Incoming Board members are also provided with an induction process. This is towards enabling new talents to acclimatise to the MGB work culture, processes and to enable them to perform at optimum levels.

The induction is also a channel to inform employees of their rights under employment laws, and their right to voice grievances through available mechanisms such as the whistleblowing mechanisms.

Special focus is also placed on reminding employees of MGB's stance of being an equal opportunity employer based on merit and the zero-tolerance approach on corruption and OSH.

Employees are briefed on what constitutes corrupt acts as well as sexual harassment, ethnic or gender discrimination and other unethical and illegal conduct.

An exit process has also been instituted for employees resigning from the Group. The process is centred on obtaining honest employee feedback towards fuelling continuous improvement of work-related processes, decisions and other matters.

The exit sessions are held in an open and transparent manner with a structured set of questions asked and the departing employee is provided every opportunity to share any feedback or dissatisfaction as they deem fit. All feedback is considered and where relevant, used to drive improvements within the Group.

## Minimum Notice Periods for Changes

Employees are given up to one (1) month's notice on changes in accordance to Malaysian labour law.

For example, changes to employees' benefits or any changes in employment conditions is conveyed to employees one month prior to actual implementation. The one-month period provides sufficient time for employees to seek clarification or to voice their disagreements/suggestions for improvement to the proposed change.

## Freedom of Association and Collective Bargaining

MGB respects the right to freedom of association in Malaysia and the right of collective bargaining. Both come under statutes of the International Labour Organisation ("ILO") and the Universal Declaration of Human Rights. Employees are free to join any political body, trade association, NGO or religious/cultural group of their choosing so long as these groups are not illegal.

Presently, MGB's employees have not established or requested Management to establish a union to represent their interests. Even so, HR continues to be a champion of employees' rights and welfare. Though employees work in a non-unionised environment, they are always kept informed of their rights via official communication channels.

There have been no reported infringements on the rights of any persons, adult or child, nor any incidence of forced or compulsory labour. Neither has there been any violation of human rights involving the rights of indigenous people at any time in the Company's history.



# Social Performance

## Safeguarding 3rd Party Workers' Rights

While it does not have direct control on the welfare of third-party workers, MGB believes that as a responsible organisation, it can play a role in ensuring such workers are accorded their right to decent work and welfare. This includes working in safe and secure conditions without being overworked, the right to healthcare and to receive their wages, in compliance to minimum wage, the right to decent accommodation, where relevant, and also the right to retain their identification documents such as passports.

MGB's concern is that these workers are provided humane living conditions and that they are accorded their basic human rights as provided for in the UN Guiding Principles on Business and Human Rights and the UN Global Compact.

We continue to remind subcontractor companies that MGB will not hire illegal workers or those working under forced labour or modern slavery conditions. Such 3rd party companies will be dismissed immediately and shall be reported to the relevant authorities for enforcement action.

All workers must be granted their basic human rights such as access to medical care, freedom of movement and association, be provided decent living conditions including accommodation, food and be paid a fair wage. This also includes the right to return to their countries upon expiry of their contracts.

MGB's whistleblowing mechanism functions as a grievance mechanism for any worker or party to whistleblow on any incident or non-compliance to human rights provisions. Thus far, no reports have been received on such incidents.

MGB has requested all 3rd party labour contractors to provide documented evidence of compliance with all labour laws set out by the government. Going forward, the Group may adopt more on-ground measures such as physical inspection of workers' quarters, interviewing workers and more.

Day-to-day responsibility of human rights comes under the OSH Committee of the respective work site, while overall human rights oversight comes under the purview of Management.

The present risk assessment shows no incidents of non-compliance for FY2021.

## Employee Remuneration and Benefits

MGB continues to provide competitive remuneration to employees as benchmarked against industry standards.

The compensation package includes salaries, bonuses, allowances (where appropriate) as well as various employment benefits. Benefits provided comply to the Employment Act as well as additional benefits and perks, which serve to motivate or reward employees.

Full time MGB employees are entitled to the following benefits:

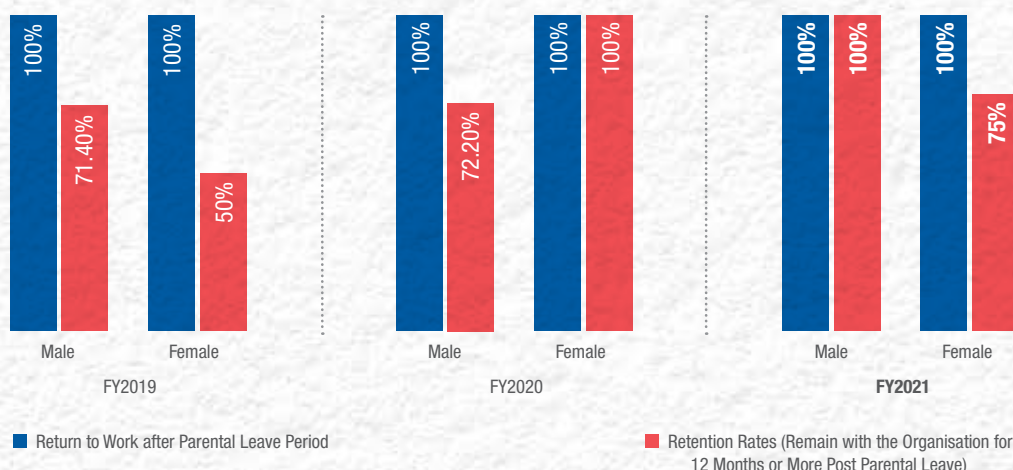
Leave	
<ul style="list-style-type: none"> <li>Annual Leave</li> <li>Sick Leave</li> <li>Hospitalisation Leave</li> <li>Prolonged Illness</li> <li>Marriage Leave</li> </ul>	<ul style="list-style-type: none"> <li>Paternity Leave</li> <li>Maternity Leave</li> <li>Examination leave</li> <li>Compassionate Leave</li> </ul>
Medical	
<ul style="list-style-type: none"> <li>Group Personal Accident</li> <li>Group Term Life Insurance</li> <li>Group Hospitalisation &amp; Surgical</li> </ul>	<ul style="list-style-type: none"> <li>Outpatient Medical Treatment for Staff, Children and Spouse</li> <li>Dental Benefit</li> </ul>
Other Benefits	
<ul style="list-style-type: none"> <li>Overtime Payment</li> <li>Meal Allowance</li> <li>Staff Property Purchase Discount</li> </ul>	<ul style="list-style-type: none"> <li>Wedding Angpao</li> <li>Condolence Money</li> <li>Allowance &amp; Reimbursement Claim</li> </ul>

## Parental Leave





### Return to Work Post Parental Leave



### Statutory Payments and Retirement Benefits

In accordance with the law, MGB makes statutory contributions for employees' retirement savings as well as for social security. The retirement savings is called the Employees' Provident Fund ("EPF") while medical insurance is provided under the Social Security Fund ("SOCSO").

	FY2019 (RM)	FY2020 (RM)	FY2021 (RM)
Total Payments Made to Employees in Terms of Salaries, Bonuses and Benefits	22,181,403	24,588,784	<b>20,736,021</b>
Total Statutory Payments Made for Employees' Retirement Benefits (EPF)	2,717,289	2,927,162	<b>2,415,893</b>
Total Payments in Medical Insurance (SOCSO) for Employees	205,495	257,455	<b>226,494</b>

### Compliance to Minimum Wage

All employees earn a basic salary that is RM1,200 per month or higher and as such, as complied with the Minimum Wages Order 2020.

### Employee Training and Professional Development

The continuous professional development of staff through training is a key aspect of MGB's overall approach to talent management. MGB has formalised a Human Resource Learning and Development Policy which can be found at: <https://mgbgroup.com.my/sustainability/>.

The Policy reflects Management's commitment towards ensuring the quality and regularity of staff professional development on a constant basis.

Training is an effective means to develop employee competencies or support succession planning. It also serves to reinforce employee morale and satisfaction and reflects MGB's appreciation of its employees, and that the Group is a strong supporter of the career advancement of its workforce. HR has formalised a Training and Development SOP that guides the overall management approach to training.

Essentially, the approach to training is to address the competency gaps in employees' skillsets, which is usually identified during the appraisal process.



# Social Performance

Training can also be requested by employees on an as and when basis via Training Requisition Forms. The key aspect of training is that it is customised to meet the specific skill gaps or requirements of the employee and the Group.

MGB also consults subject matter experts on what possible areas should the Group focus on in developing employee competencies. This is especially evident in developing new skills and capabilities required with the proliferation of digitalisation and technology.

Training is provided across the organisation to all levels; from the Board right to non-executive staff. All training costs are borne by MGB.

MGB annually contributes to the Human Resource Development Fund ("HRDF"), which is under the Ministry of Human Resources ("MOHR"). Funds contributed to HRDF is used for training annually and where required, HR provides additional funding for courses, seminar, lectures, workshops and so on.

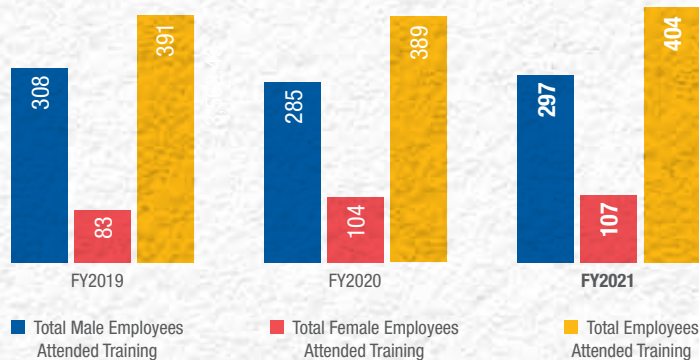
All technical related trainings that employees attend will be assessed for effectiveness through feedback mechanisms.

In FY2021, training continued to be affected by the COVID-19 pandemic, with some courses deferred or cancelled. Where possible, employee were encouraged to attend online/virtual training courses or sessions. The annual target is to have each employee achieve at least 8 hours of training per annum.

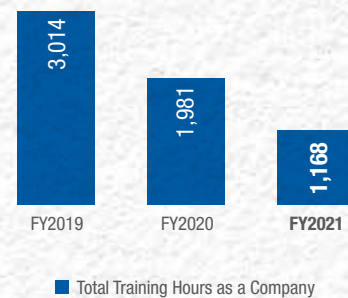
MGB's internal Quality Assurance and Quality Control ("QAQC") department routinely audits our management systems, which includes how we manage training and development aspects of operations in line with ensuring compliance to relevant ISO standards. Management systems also come under the scrutiny of external accreditation bodies as a further level of assessment.

In FY2021, zero non-conformance reports were issued for non-compliance with regard to training and development activities via the annual review and audit process.

**Number of Employees Provided Training**



**Employee Training Data**



**Training Hours Per Employee**





# Occupational Safety and Health (“OSH”)

OSH is material to MGB given the Board and Management's concern for the wellbeing of employees, 3rd party workers, local communities and other stakeholders. Injuries or even fatalities are a tragedy that must be avoided at all costs.

The goal is for everyone to be able to work in a safe and secure environment confidently; to operate in environments in which they can produce their best quality work and to be productive and equally important, be able to go home to their families and loved ones. The safety and health of employees and workers are a top priority for us.

From a business/operational perspective, OSH is material to MGB as it is akin to a license to operate in the construction and property development industries. Any OSH incident is likely to prove disruptive to the progress of works at operational sites. Damages and delays will hamper project completion and also lead to increased costs for rectification.

Furthermore, any OSH incident may also affect the Group's reputation and branding as a safe and reliable operator.

A strong OSH management system drives down compliance costs and reduces risks. A good OSH track record will ultimately translate into higher productivity, higher employee/worker morale, stronger brand reputation, increased competitiveness when bidding for contracts, higher productivity and faster project completion and also reduced costs i.e. reduced need to replace damaged property and equipment.

## OSH at MGB: Key Facts and Figures



100% of MGB's construction/project sites are ISO 45001 certified



4% employee representation on OSH Committees



OSH comes under the purview of Senior Management, including the CEO

## Comprehensive HSE Policy

MGB has developed a comprehensive HSE policy that provides the basis for the continued proliferation of an OSH first mindset across the Group. The Policy meets present regulatory requirements but also extends further towards realising OSH operational excellence and the safest work conditions for employees and workers.

The HSE policy can be viewed here: <https://mgbgroup.com.my/sustainability/>.

The Policy is applicable to all of our business activities and premises and is compliant with Malaysia's Occupational Safety and Health Act 1994.

In essence, the HSE policies and measures implemented by MGB, continue to reflect its unwavering, no compromise stance on OSH matters. OSH remains a top priority agenda that comes under the purview of Senior Management. It is a way of life and continues to be embedded within the organisational culture through constant reinforcement via internal campaigns and communication.

OSH education and training are a mainstay at MGB with such activities being held throughout the year.



OSH Briefing at Project Site

## OSH Committees at Site

All worksites have a comprehensive OSH Committee, comprising a Safety Officer, Site Safety Supervisor and Project Manager. Collectively, all parties strive to achieve and maintain an incident free work site.

Key tasks include organising monthly OSH committee meetings as well as weekly toolbox meetings, undertaking hazard monitoring and control programmes (“HIRARC”) for all job activities on site, conducting weekly and monthly inspections, investigating any incidents to identify root causes, holding lessons learnt initiatives so that lessons/insights are shared across all work sites and ensuring employee sufficient representation on OSH committees.



# Occupational Safety and Health (“OSH”)

## HSE Committee Members Detail for All Jobsites

### MGB's HSE Committees across Site Locations



Site	Location	Chairman	Secretary	Management Rep	Workers' Rep	Total Members
Alam Perdana Phase 3	Puncak Alam	1	1	6	6	14
Alam Perdana Phase 4	Puncak Alam	1	1	5	10	17
Alam Perdana Phase 5	Puncak Alam	1	1	8	20	30
Kita Harmoni	Cyberjaya	1	1	4	4	10
Kita Impian	Cyberjaya	1	1	4	4	10
Kita Mekar	Cyberjaya	1	1	5	7	14
Kita Ria	Cyberjaya	1	1	5	12	19
Mercu Jalil & Residensi Bintang	Bukit Jalil	1	2	7	11	21
Laman Bayu	Batu Pahat	1	1	5	6	13
BSP Idaman	Bandar Saujana Putra	1	1	3	5	10
BSP Flyover	Bandar Saujana Putra	1	2	3	4	10
LBS SkyLake Residence	Puchong	1	1	4	4	10
MGB Sany	Puncak Alam	1	1	3	3	8
MGB Sany	Nilai	1	1	3	3	8

Note: Current number of certified OHS/HSE Practitioners: 20



## Managing Higher Risk Works

MGB has identified the following works as having a higher risk for an OSH incident. In addressing these risks, the Group practices a Permit-to-Work approach, where all such higher risk works can only be undertaken after having received approval by the site Safety Officer.

The works required and the physical environment are first assessed and once cleared, a Permit-to-Work for Hazardous Work issued. The assessment also includes whether sufficient safety equipment is available for the works to be performed safely. Other factors considered include weather conditions, the worker's or workers' physical condition and job experience.

The above mentioned are the main jobs under the Group's sites which have a higher incidence or high risk of injuries. With regard to diseases, the risks come from jobs that may expose workers (close contact) to the COVID-19 virus. Hence, jobs that require employees to come into close contact with people or to work in locations where there are many people may be at higher risks.

Following are some of the jobs/works where the Permit-to-Work approach is practiced:



## OSH Incident Investigation

Any incidents are reported to management immediately. The incident is thoroughly investigated and if warranted, there will be a shutdown on site. The shutdown could be for the entire project site or just the affected areas of the site. The Department of Occupational Safety and Health ("DOSH") will also be notified.

The findings of the investigation will enable the identification of the root cause for the incident and provide recommendations on how to prevent or reduce the possibility of a re-occurrence.

The findings are shared to all project sites and where relevant incorporated into the existing OSH SOPs.

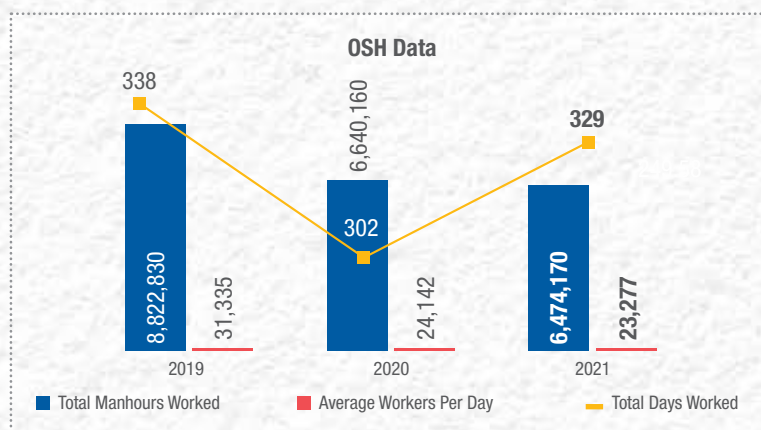
## OSH Training and Education

OSH training is required to ensure a high level of competence and vigilance. Hence, staff are regularly sent for a wide range of OSH related training. Constant reinforcement is achieved through the use of the OSH newsletter, which is displayed at the HSE notice board on sites, as well as the company Intranet.

## OSH Performance

In FY2021, MGB surpassed the 5-million mark for workhours sans a loss time injury ("LTI"). In total, the Group registered 6.4 million manhours without LTI. Results were measured and verified by an internal audit committee, followed by external ISO auditors.

	2019	2020	2021
Fatality	0	0	0
Lost Time Accident	0	0	0
Total Days Lost/Charged	0	0	0
Total Days Worked	338	302	329
Total Manhours Worked	8,822,830	6,640,160	6,474,170
Average Workers Per Day	31,335	24,142	23,277
Frequency Rate	0	0	0
Severity Rate	0	0	0





# Occupational Safety and Health (“OSH”)

## COVID-19 Related OSH Measures

The onset of COVID-19 initially caused significant disruptions to regular business activities. In ensuring business continuity and in safeguarding our stakeholders, particularly employees and site workers, MGB was swift to adapt to altered operating conditions amidst the new normal.

Aside from establishing a clear leadership structure, MGB also updated its Emergency Response Plan with the inclusion of COVID-19 as a potential emergency. This was followed with the development of a business continuity plan in relation to the pandemic.

The plan takes into account the existing disruption to business processes and the supply chains, and the requirement for work to be performed remotely (in compliance with social distancing rules and other government mandated standard operating procedures).

In essence, the plan was focused on ensuring compliance with the government’s COVID-19 directives, to maintain business resilience, strengthen the ability to recover rapidly should a COVID-19 case occur, and provide the highest level of protection to our workforce.

Regular operational process guidelines were updated to incorporate pandemic related SOPs i.e. physical distancing, mask wearing, temperature screening, self-isolation, site access, cleaning and testing. MGB provided full support to CIDB’s Construction Industry Vaccination Programme (CIVac) towards ramping up vaccination rates of workers and employees.

The Group continues to monitor the number and percentage of workers undergoing health surveillance for COVID-19 on a regular basis.

MGB’s strict adherence to SOPs have enabled all sites to operate at full productivity levels.

The importance of resumption of works cannot be understated as it allowed business supply chains to continue operating, thus supporting scores of local businesses and jobs. The continuation of works also enabled MGB to maintain progress on the project to ensure timely completion and progressive revenue recognition.



*Regular swab tests for all site workers*



*Daily disinfection and sanitation*



*Compulsory face mask usage and temperature scanning at HQ and project sites*

## Supporting Community Development

MGB continues to operate with a strong sense of Corporate Social Responsibility (“CSR”), with the Board and Management holding the conviction that businesses should serve as a force of good.

In this regard, MGB continues to support local communities by providing a wide range of financial and non-financial support to various charitable causes and other altruistic purposes.

MGB’s CSR strategy is to align with the principles of the LBS Foundation (“LBSF”). The LBS Foundation is the non-profit, charity arm of parent company, LBS Bina Group Berhad.

It is through LBSF’s four pillars that MGB contributes to a wide range of societal causes. MGB lends its full support to programmes undertaken by LBSF. The four pillars are: Education, Health, Community and the Environment.



## Employee Volunteerism

Employees are encouraged to participate in CSR activities, either those organised by the company or LBSF, or any other organisation. MGB plans to develop a tracking system so that employees who participate in company or LBSF related events can submit the number of hours of their involvement to HR.

Where possible, employees are given time off to participate in company and LBSF related CSR events. Employees can also approach LBSF on their own accord to suggest charitable organisations or causes for the foundation to support.

LBSF continues to serve as an entity that enables employees to get involved in charity work. It continues to encourage employees to contribute in both cash and kind or their time and efforts to events.

## Access for the Disabled

MGB's projects come with ramps to enable wheelchair access. Access provided meets and exceeds regulatory requirements as MGB has gone beyond the minimum number of ramps and other amenities for the disabled.

In particular, the Group's Zenopy Residences project provides strategically located ramps to ensure that the physically disabled will be able to access buildings conveniently.



Wheelchair access at MGB's projects to enable free movement for those with physical disabilities.



# GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	Organisational Profile				
	102-1	Name of the organisation	--	Report cover	
	102-2	Activities, brands, products, and services	Page 7	AR2021: Corporate Information	
	102-3	Location of headquarters	Page 7	AR2021: Corporate Information	
	102-4	Location of operations	Page 45-47	AR2021: Projects Undertaken, Our Featured Projects/Track Record	
	102-5	Ownership and legal form	Page 6	AR2021: Corporate Structure	
	102-6	Markets served	Page 45-47	AR2021: Projects Undertaken, Our Featured Projects/Track Record	
	102-7	Scale of the organisation	Page 6	AR2021: Corporate Structure	
	102-8	Information on employees and other workers	Page 36-38	Social Performance – Talent Management and Retention	
	102-9	Supply chain	Page 14	Governance of Sustainability at MGB – ESG Governance of the Supply Chain	
	102-10	Significant changes to the organisation and its supply chain	Page 14		
	102-11	Precautionary principle or approach	Page 11	Governance of Sustainability at MGB – Risk Management and Internal Control	
	102-12	External initiatives	N/A	The Group has not participated actively in external initiatives during the past two years due to the pandemic.	
	102-13	Membership of associations	Page 5	About This Report – Membership of Associations	
	Strategy				
	102-14	Statement from senior decision-maker	Page 6-7	Sustainability Committee Chairman's Message	
	102-15	Key impacts, risks, and opportunities	Page 17-18	Approaching Materiality	
	Ethics and Integrity				
	102-16	Values, principles, standards, and norms of behavior	Page 10-12	Governance of Sustainability at MGB – Code of Conduct and Business Ethics	
	102-17	Mechanisms for advice and concerns about ethics	Page 10-12		
	Governance				
	102-18	Governance structure	Page 10-14	Governance of Sustainability at MGB	
	102-19	Delegating authority	Page 10-14		
	102-20	Executive-level responsibility for economic, environmental, and social topics	Page 10-14		
	102-21	Consulting stakeholders on economic, environmental, and social topics	Page 15-18	Stakeholder Engagement, Approaching Materiality	
	102-22	Composition of the highest governance body and its committees	Page 10	Governance of Sustainability at MGB	
	102-23	Chair of the highest governance body	Page 10		
	102-24	Nominating and selecting the highest governance body	Page 81	AR2021: Corporate Governance Overview Statement: Activities of the Nomination and Remuneration Committee (“NRC”)	
	102-25	Conflicts of interest	Page 87		



GRI Standard	Disclosure		Page number(s) and/or URL(s)	Omission			
				Part Omitted	Reason	Explanation	
GRI 102: General Disclosures 2016 (continued)	102-26	Role of highest governance body in setting purpose, values, and strategy	Page 10-12	Governance of Sustainability at MGB			
	102-27	Collective knowledge of highest governance body	Page 77	AR2021: Corporate Governance Overview Statement: Leadership Roles and Responsibilities			
	102-28	Evaluating the highest governance body's performance	Page 83	AR2021: Corporate Governance Overview Statement: Board Effectiveness			
	102-29	Identifying and managing economic, environmental, and social impacts	Page 17-18	Approaching Materiality			
	102-30	Effectiveness of risk management processes	Page 101-105	AR2021: Statement of Risk Management and Internal Control			
	102-31	Review of economic, environmental, and social topics	Page 17-18	Approaching Materiality			
	102-32	Highest governance body's role in sustainability reporting	Page 10-12	Governance of Sustainability at MGB			
	102-33	Communicating critical concerns	Page 17-18	Approaching Materiality			
	102-34	Nature and total number of critical concerns	Page 17-18				
	102-35	Remuneration policies	Page 92	AR2021: Corporate Governance Overview Statement: Remuneration of Key Management			
	102-36	Process for determining remuneration	Page 92				
	102-37	Stakeholders involvement in remuneration	Page 92				
	102-38	Annual total compensation ratio	Page 92				
	102-39	Percentage increase in annual total compensation ratio	N/A	Not provided			
	Stakeholder Engagement						
	102-40	List of stakeholder groups	Page 15-16	Stakeholder Engagement			
	102-41	Collective bargaining agreements	Page 39	Social Performance – Freedom of Association and Collective Bargaining			
	102-42	Identifying and selecting stakeholders	Page 15-16	Stakeholder Engagement			
	102-43	Approach to stakeholder engagement	Page 15-16				
	102-44	Key topics and concerns raised	Page 15-16				
	Reporting Practice						
	102-45	Entities included in the consolidated financial statements	Page 133-135	AR2021: Notes to the Financial Statements: Basis of Preparation: Significant Accounting Policies			
	102-46	Defining report content and topic boundaries	Page 5	About This Report – Reporting Scope & Boundary			
	102-47	List of material topics	Page 17-18	Approaching Materiality			
	102-48	Restatements of information	Page 15-16	Stakeholder Engagement			
	102-49	Changes in reporting	--	No Significant Changes to Reporting for FY2021			
	102-50	Reporting period	Page 5	About This Report - Reporting Period			
	102-51	Date of most recent report	N/A	No date provided as previously sustainability reporting was done as part of the annual report. This is MGB's first year of publishing a stand-alone sustainability report.			
	102-52	Reporting cycle	Page 5	About This Report – Reporting Period			
	102-53	Contact point for questions regarding the report	Page 5	About This Report – Distribution & Feedback			



# GRI Content Index

GRI Standard	Disclosure		Page number(s) and/or URL(s)	Omission		
				Part Omitted	Reason	Explanation
GRI 102: General Disclosures 2016 (continued)	102-54	Claims of reporting in accordance with the GRI Standards	Page 5	About This Report – Statement of Use		
	102-55	GRI content index	Page 48-55	Provided at the End of This Report		
	102-56	External assurance	Page 5	About This Report – Assurance		
Material Topics						
GRI 200: Economic Standard Series						
Economic Performance						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 19-20	Economic Values Created for Stakeholders		
	103-2	The management approach and its components	Page 19-20			
	103-3	Evaluation of the management approach	Page 19-20			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 20	Economic Values Created for Stakeholders – Direct Economic Values Created		
	201-2	Financial implications and other risks and opportunities due to climate change	Page 25-26	Environmental Performance – Climate Change Risks and Opportunities		
	201-3	Defined benefit, plan obligations and other retirement plans	Page 40-41	Social Performance – Employee Remuneration and Benefits		
	201-4	Financial assistance received from government	--	MGB did not receive any assistance from the government except for COVID-19 related industry incentives and assistance.		
Market Presence						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary				
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	Page 37-38	Social Performance – Employee Workforce Data		
Indirect Economic Impacts						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 20-22	Economic Values Created for Stakeholders – Economic Values Distributed to Stakeholders		
GRI 103: Management Approach 2016 (continued)	103-2	The management approach and its components	Page 20-22			
	103-3	Evaluation of the management approach	Page 20-22			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Page 20-22			
	203-2	Significant indirect economic impacts	Page 20-22			
Procurement Practices						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 21	Economic Values Distributed to Stakeholders – Committed to Local Procurement and Local Supply Chains		
	103-2	The management approach and its components	Page 21			
	103-3	Evaluation of the management approach	Page 21			



GRI Standard	Disclosure		Page number(s) and/or URL(s)	Omission		
				Part Omitted	Reason	Explanation
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 21	Economic Values Distributed to Stakeholders – Committed to Local Procurement and Local Supply Chains		
Anti-corruption						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 13-14	Governance of Sustainability at MGB – Driving Anti-Corruption Across the Group and Value Chain		
	103-2	The management approach and its components	Page 13-14			
	103-3	Evaluation of the management approach	Page 13-14			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Page 14	Governance of Sustainability at MGB – Identified Higher Risk Operations for Corruption		
	205-3	Confirmed incidents of corruption and actions taken	Page 13	Governance of Sustainability at MGB – Driving Anti-Corruption Across the Group and Value Chain Zero number of confirmed incidents in FY2021		
GRI 300: Environmental Standard Series						
Materials						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 29-30	Environmental Performance – Materials Consumption		
	103-2	The management approach and its components	Page 29-30			
	103-3	Evaluation of the management approach	Page 29-30			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Page 29-30	Waste Management and Recycling		
	301-2	Recycled input materials used	Page 31-33			
Energy						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 26-27	Environmental Performance – Energy Consumption Management		
	103-2	The management approach and its components	Page 26-27			
	103-3	Evaluation of the management approach	Page 26-27			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 26-27			
	302-2	Energy consumption outside of the organisation	Page 26-27			
	302-3	Energy intensity	Page 20	Economic Values Distributed to Stakeholders – Value in Terms of Economic Impact Vs Environmental Footprint		
Water						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 28-29	Environmental Performance – Water Consumption Management		
	103-2	The management approach and its components	Page 28-29			
	103-3	Evaluation of the management approach	Page 28-29			
GRI 303: Water 2016	303-1	Water withdrawal by source	Page 28-29			
	303-2	Water sources significantly affected by withdrawal of water	Page 28-29			



# GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Biodiversity					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 34-35	Environmental Performance – Biodiversity	
	103-2	The management approach and its components	Page 34-35		
	103-3	Evaluation of the management approach	Page 34-35		
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	Page 34-35		
	304-2	Significant impacts of activities, products, and services on biodiversity	Page 34-35		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 34-35		
Emissions					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 24-27	Environmental Performance – Climate Change and Emissions	
	103-2	The management approach and its components	Page 24-27		
	103-3	Evaluation of the management approach	Page 24-27		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 24-27	Environmental Performance – Energy Consumption Management	
	305-2	Energy indirect (Scope 2) GHG emissions	Page 24-27		
	305-3	Other indirect (Scope 3) GHG emissions	Page 24-27		
	305-4	GHG emissions intensity	Page 24-27	Environmental Performance – Climate Change and Emissions	
Effluents and Waste					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its bboundary	Page 29, 31-33	Effluent Discharge, Waste Management and Recycling	
	103-2	The management approach and its components	Page 29, 31-33		
	103-3	Evaluation of the management approach	Page 29, 31-33		
Environmental Compliance					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 34	Environmental Performance – Environmental Performance Monitoring	
	103-2	The management approach and its components	Page 34		
	103-3	Evaluation of the management approach	Page 34		
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Page 34		



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Supplier Environmental Assessment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 14	Governance of Sustainability at MGB – ESG Governance of the Supply Chain	
	103-2	The management approach and its components	Page 14		
	103-3	Evaluation of the management approach	Page 14		
GRI 400: Social Standard Series					
Employment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 36-37	Social Performance – Talent Management and Retention	
	103-2	The management approach and its components	Page 36-37		
	103-3	Evaluation of the management approach	Page 36-37		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 37-38	Social Performance – Talent Management and Retention: Employee Workforce Data	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 40-41	Social Performance – Talent Management and Retention: Employee Remuneration and Benefits	
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 39-40	Social Performance – Talent Management and Retention: Minimum Notice Periods for Changes	
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GRI 402: Labor Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Page 39		
Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 43-45	Social Performance – Occupational Safety and Health (“OSH”)	
	103-2	The management approach and its components	Page 43-45		
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GRI 403: Occupational Health and Safety 2018	403-1	Workers representation in formal joint management-worker health and safety committees	Page 44	Social Performance – Occupational Safety and Health (“OSH”): Worker Representation on Joint Health and Safety Committees	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 45	Social Performance – Occupational Safety and Health (“OSH”): OSH Performance	
Training and Education					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 41-42	Social Performance – Employee Training and Professional Development	
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GRI Standard	Disclosure		Page number(s) and/or URL(s)	Omission		
				Part Omitted	Reason	Explanation
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 42	Social Performance – Employee Training and Professional Development		
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 42			
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 39	Social Performance – Talent Management and Retention: Formal Appraisal Process		
Diversity and Equal Opportunity						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 37-38	Social Performance – Talent Management and Retention: Employee Workforce Data		
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GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 10-11	Governance of Sustainability at MGB – Committed to Good Corporate Governance Through Compliance with the Malaysian Code on Corporate Governance		
Non-discrimination						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 36-38	Social Performance – Talent Management and Retention		
	103-2	The management approach and its components	Page 36-38			
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Freedom of Association and Collective Bargaining						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 39	Social Performance – Freedom of Association and Collective Bargaining		
	103-2	The management approach and its components	Page 39			
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Child Labor						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 36	Social Performance – Talent Management and Retention: Compliance to Labour Laws		
	103-2	The management approach and its components	Page 36			
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Forced or Compulsory Labor						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 36	Social Performance – Talent Management and Retention: Compliance to Labour Laws		
	103-2	The management approach and its components	Page 36			
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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
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Human Rights Assessment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 39-40	Social Performance – Talent Management Recruitment: Freedom of Association and Collective Bargaining, Safeguarding 3rd Party Workers’ Rights	
	103-2	The management approach and its components	Page 39-40		
	103-3	Evaluation of the management approach	Page 39-40		
Local Communities					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 46-47	Supporting Community Development	
	103-2	The management approach and its components	Page 46-47		
	103-3	Evaluation of the management approach	Page 46-47		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Page 46-47		
Supplier Social Assessment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 14, 40	Governance of Sustainability at MGB – ESG Governance of the Supply Chain and Safeguarding 3rd Party Workers’ Rights	
	103-2	The management approach and its components	Page 14, 40		
	103-3	Evaluation of the management approach	Page 14, 40		
Public Policy					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 14	Governance of Sustainability at MGB – Political Views and Contributions	
	103-2	The management approach and its components	Page 14		
	103-3	Evaluation of the management approach	Page 14		
GRI 415: Public Policy 2016	415-1	Political contributions	Page 14		
Customer Health and Safety					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 21	Economic Values Created for Stakeholders – Quality and Customer Satisfaction	
	103-2	The management approach and its components	Page 21		
	103-3	Evaluation of the management approach	Page 21		
Customer Privacy					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 14	Governance of Sustainability at MGB – Safeguarding Data	
	103-2	The management approach and its components	Page 14		
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GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 14		



# SASB Content Reference Index

## SASB Content Reference Index (Engineering and Construction)

### Environmental Impacts of Project Development

Code	Description	Performance
IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Zero number of incidents
IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Please refer to the following section: Environmental Performance: Reshaping the Construction Landscape Through VadTech

### Workforce Health & Safety

Code	Description	Performance	
		FY2020	FY2021
IF-EN-320a.1	(1) Total recordable incident rate (TRIR)	Zero	Zero
	(2) Total fatality rate for (a) direct employees and (b) contract employees	Zero	Zero

### Business Ethics

Code	Description	Performance	
		FY2020	FY2021
IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	Zero losses incurred	Zero losses incurred
IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	Please refer to the following section: Governance of Sustainability at MGB: Driving Anti-Corruption Across the Group and Value Chain	

## SASB Content Reference Index (Property Development)

### Energy Management

Code	Description	Performance	
		FY2020	FY2021
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage (in GJ)	62,727.32	72,165.11
	(3) Percentage renewable, by property subsector	Zero percent of RE use	
F-RE-130a.3	Like for Like percentage change in energy consumption	(18.42%) year-on-year	15.05% year-on-year

### Water Management

Code	Description	Performance
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and	Please refer to the following section: Environmental Performance: Water Consumption Management
	(2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Zero in water stressed locations
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Please refer to the following section: Environmental Performance: Water Consumption Management



### Climate Change Adaptation

Code	Description	Performance
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	None identified
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Please refer to the following section: Environmental Performance: Climate Change and Emissions

### SASB Activity Metrics

Code	Description	Performance	
		FY2020	FY2021
IF-RE-000.A	Number of active engineering and construction projects	17	14
	Number of active property subsector projects	16	13
IF-RE-000.B	Number of commissioned (engineering) projects	7	7



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**MGB Berhad**

Registration No. 200201021504 (589167-W)

H-G, Sunway PJ@51A,  
Jalan SS9A/19, Seksyen 51A,  
47300 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia.

Tel : +603 7874 5888   Fax : +603 7874 5889