



SUSTAINABILITY REPORT 2022

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VADTECH • BUILDING TOMORROW, WITH SEAMLESS TECHNOLOGY

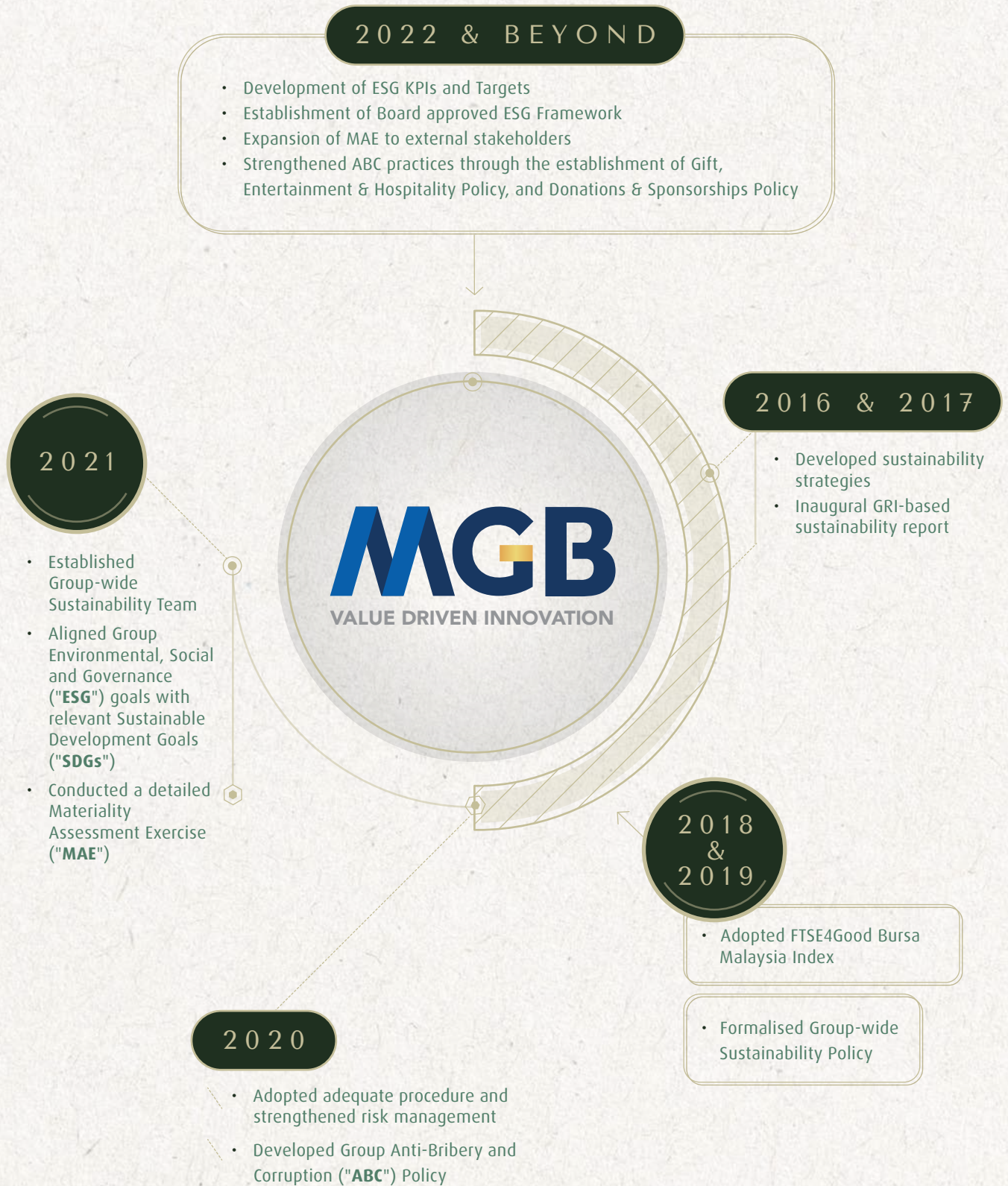
Building with technology has driven the construction sector into advancement for the betterment of the entire industry & society. MGB cover design depicts technology permeating our business operations and the group has displayed agility and responsiveness in adopting new proven digital technologies. MGB through the VaDTech (Value-Driven Technology) approach, strive to adopt technology that will bring everything seamlessly to everyone anytime, anywhere. This approach aims to bring greater value and pave the way for a more robust and energy-efficient builds for a more sustainable future for our next generation.



Scan this to view our
Annual Report 2022

Our Annual Report, financial and other
information about MGB Berhad can also
be found at www.mgbgroup.com.my

Sustainability Milestones



Sustainability Framework

To further guide MGB's sustainability initiatives, the Group held a workshop to develop specific KPIs and targets. Through this workshop, which was led by an ESG Guidance and Advisory company, MGB's Management team developed several key KPIs that align with international standards, particularly the United Nations Sustainable Development Goals ("UN SDGs"). These KPIs were then presented to the Group's Board and were approved on 17 February 2023.

The development of these comprehensive targets will guide the Group to further drive MGB's ESG performance and provide a benchmark for measuring the Group's progress in the years to come. Commencing FY2023 onwards, MGB's sustainability reporting will transition from being disclosure-based to performance-based.



OUR VISION

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



OUR MISSION

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



- Economic Values Generated
- Supply Chain Management
- Digitalisation and Technology
- Product Quality and Responsibility



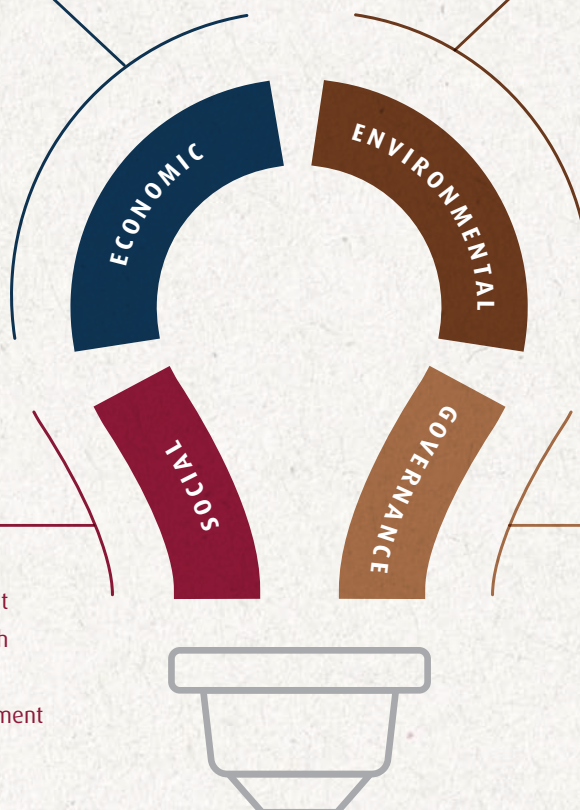
- Climate Change and Emissions
- Energy Management
- Effluent and Noise Management
- Water Consumption
- Waste Management and Recycling
- Biodiversity



- Customer Satisfaction
- Local Community Development
- Occupational Safety and Health
- Labour Practices
- Talent Retention and Development
- Succession Planning
- Equal Opportunity Workplace



- Data Privacy and Security
- Corporate Governance and Anti-Corruption
- Regulatory Compliance
- Board Diversity



MGB KPIs and Targets

GOVERNANCE



- Zero monetary / non-monetary censures, penalties, or complaints on governance issues annually.
- To reach minimum of 30% female directors on the Board by 2027.



ECONOMIC



- To achieve more than 70% QCLASSIC scores for all new projects.
- To achieve 20% of BIM utilisation in all property development projects.



ENVIRONMENTAL



- To divert 10% of waste from landfills annually based on FY2023 waste generation baseline by 2025 (a waste generation system will be established by 2023).
- To achieve 40% IBS adoption rate by 2025.
- To achieve net zero carbon emission by 2050.
- To achieve 5% reduction in carbon intensity measured over revenue (based on FY2022 baseline) by 2025.
- To achieve 5% reduction annually for both direct and indirect energy efficiency as measured over revenue by 2025.
- Zero incidences of non-compliance for air, water, and noise annually across all project sites.
- Zero single-use plastics at construction sites by 2025.
- To achieve 5% reduction in water intensity as measured over revenue by 2025.
- To exceed the 10% regulatory minimum of green landscapes for all new project launches from FY2023 onwards.



SOCIAL



- To achieve Loss Time Injury ("LTI") less than 0.7.
- Zero fatalities.
- Suppliers & vendors are committed to fully comply to the employment statutory on hiring of workers.
- Zero incidents of labour / human rights infringements.
- To achieve 4 volunteering hours per employee per annum.



Awards and Recognitions



MOSHPA

- | | | | |
|---|---------------------------------------|---|---------------------------------------|
| 1 | 12th MOSHPA OSH Excellence Award 2016 | 5 | 16th MOSHPA OSH Excellence Award 2020 |
| 2 | 13th MOSHPA OSH Excellence Award 2017 | 6 | 17th MOSHPA OSH Award 2021 |
| 3 | 14th MOSHPA OSH Excellence Award 2018 | 7 | 18th MOSHPA OSH Award 2022 |
| 4 | 15th MOSHPA OSH Excellence Award 2019 | | |

Awards and Recognitions



CIDB

- | | | |
|--|--|--|
| <p>8 Construction Industry Development Board (CIDB) Malaysia</p> <ul style="list-style-type: none"> - Certificate of Registration - Grade 7 <p>(MGB Construction & Engineering Sdn. Bhd.)</p> | <p>9 Construction Industry Development Board (CIDB) Malaysia</p> <ul style="list-style-type: none"> - Certificate of Registration - Grade 7 <p>(MGB Sany (M) IBS Sdn. Bhd.)</p> | <p>10 Construction Industry Development Board (CIDB) Malaysia</p> <ul style="list-style-type: none"> - Certificate of Achievement - 5 Star SCORE rating <p>(MGB Construction & Engineering Sdn. Bhd.)</p> |
|--|--|--|



QMS

- 11** Quality Management System ISO 9001:2015
(MGB Sany (M) IBS Sdn. Bhd.)
-
- 12** Quality Management System ISO 9001:2015
(MGB Construction & Engineering Sdn. Bhd.)
-

EMS

- 13** Environmental Management System ISO 14001:2015
(MGB Construction & Engineering Sdn. Bhd.)
-

OHSAS

- 14** Occupational Health and Safety Management System ISO 45001:2018
(MGB Construction & Engineering Sdn. Bhd.)
-

About this Report



INTRODUCTION

MGB Berhad (henceforth referred to as “**MGB**” or “**the Group**”) is committed to continuing efforts to strengthen its Environmental, Social, and Governance (“**ESG**”) disclosures through the preparation of this Sustainability Report (“**SR2022**”) for the financial year of 2022.

The report intends to provide a comprehensive and detailed accounting of the Group’s sustainability initiatives and strategies put forth in addressing relevant material topics. Through these strategies, the Group aims to create both financial and non-financial values for its key stakeholders while supporting environmental stewardship and socio-economic development.

Ultimately, this report showcases MGB’s reinforced motivation in strengthening the Group’s sustainability direction. The Group’s collective sustainability goals and achievements for the period between 1st January to 31st December 2022 are highlighted within.

About this Report

REPORTING FRAMEWORK APPLIED

This Sustainability Report has been prepared in accordance with the following frameworks and guidelines:

- Bursa Malaysia's Sustainability Reporting Guide Third 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 PERIOD AND CYCLE

The SR2022 contains information for the Financial Year 2022 ("FY2022") between 1st January to 31st December 2022. The Group has provided data over the course of three years (FY2020-FY2022) wherever applicable. This allows for the presentation of trendlines that indicate general performance trends for key material topics.

STATEMENT OF USE

The Board of Directors ("Board") of MGB, as the Group's highest decision-making body, acknowledges responsibility for the following statement of use: The information reported by MGB for FY2022 has been prepared in accordance with the GRI Standards.

This report is made following a resolution of the Board dated 14 April 2023.

MEMBERSHIP IN 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")
- Federation of Malaysian Manufacturers ("FMM")
- Listed on Bursa Malaysia Securities Berhad – Main Market

REPORTING SCOPE AND BOUNDARY

SR2022 has been scoped to include relevant information pertaining to the holding company of MGB as well as relevant operating companies and subsidiaries. A full list is provided in MGB's Corporate Structure within this report.

Where applicable and relevant, the report shall also include data on MGB's value chain, which comprises its suppliers, business partners, contractors, vendors, and service providers. At the same time, the Group has also sought to include information on associate companies and parties within the value chain.

MGB exercises a "local-where-we-operate" practice.

LIMITATIONS

Data and information provided in SR2022 are based on the Group's ability to collect and present meaningful data, which have been sourced from official company sources and records. The same standards have also been applied to collect meaningful and accurate data from the Group's value chain.

With that said, the Group acknowledges gaps in data availability for some indicators and endeavours to enhance data tracking and gathering mechanisms to ensure this problem is resolved moving forward.

FORWARD-LOOKING STATEMENTS

All forward-looking statements, including targets, plans, operations, and forecasts, are made from reasonable assumptions based on current business trajectories. As MGB's business model is subjected to unforeseen risks, readers are advised to practise a degree of discretion and not place undue reliance on such statements.

ASSURANCE

Financial data provided in SR2022 has been independently audited and assured by an External Auditor. The Group also appoints an independent certification body to verify its operational environmental data.

REPORT AVAILABILITY

Readers are welcomed to download a copy of this Sustainability Report at the Group's corporate website: <https://mgbgroup.com.my/sustainability/>.

DISTRIBUTION AND FEEDBACK

In an effort to constantly improve our sustainability approaches, MGB welcomes constructive feedback from its valued stakeholders. Please direct any queries, feedback, or suggestions to the MGB Sustainability Committee Chairman, Datuk Lim Lit Chek, at scr@mgbgroup.com.my.

Sustainability Committee Chairman's Statement

Dear Valued Stakeholders,

“At MGB, we understand that our success is not only measured by financial gains but also by the positive impact we create for our planet and communities. Through our continuous efforts to reduce our environmental footprint, support social well-being, and promote ethical business, we strive to lead by example and inspire others to join us on this journey towards a sustainable future.”



After two years of uncertainties brought on by the pandemic, FY2022 seemed to be a ray of hope. With the national economy completely reopening and the Malaysian government taking steps to move into Covid-19 endemicity, prospects seem brighter.

However, this is not to say that FY2022 was without its fair share of challenges. While many nations have reopened their economies, the global market remains volatile. With major geopolitical issues abroad and some countries still grappling with the effects of the pandemic, the threat of a worldwide recession looms overhead. Compounding these are supply chain disruptions and higher fuel prices, while locally, inflation and labour shortages were an issue. For the construction and property development sector, this translates to higher operating costs and delays in project timelines.

Despite all this, MGB remains optimistic about our future. For one, Malaysia has welcomed a new government, assuring political stability within the country. This, in turn, has had an immediate effect on restoring foreign investor confidence, allowing the national economy to recover at a faster rate. The government has also proactively begun resolving the labour crisis by streamlining recruitment.

Datuk Lim Lit Chek
Executive Director &
Chief Executive Officer
Chairman, Sustainability
Committee



REVENUE
RM612.80
million

for FY2022

3.21%

year-on-year increase

Sustainability Committee Chairman's Statement



2 Centralised Labour Quarters (CLQ)

established at Alam Perdana & Cybersouth to provide better living for Foreign Workers.



Zero Single-Use Plastic Bottles

at Construction Sites.

Nevertheless, FY2022 has still been a productive year for the Group. Throughout the year, we have seen our income stream grow, generating a total revenue of around RM612 million.

On the back of strong topline and bottomline performance, MGB has continued to generate and distribute financial values to stakeholders. These include employees and shareholders. In FY2022, MGB paid out RM33.9 million in salaries, benefits and other emoluments to employees and RM5.4 million in dividends to shareholders.

I am also pleased to report that MGB has been making significant progress in advancing the Group's ESG agenda. For the first time, we have included external stakeholders in the identification of our key material topics. Through this, MGB has added value to our decision-making process by including a diverse range of views from the many different stakeholders we represent. By more accurately identifying these critical issues, MGB will be able to stay relevant by providing strategic solutions that resonate more deeply with our stakeholders.

FY2022 also saw MGB take a major step forward in our commitment to sustainability by developing a comprehensive sustainability framework policy that outlines our ambition to operate in an environmentally and socially responsible manner while maintaining a strong focus on financial sustainability. Through the four pillars of environmental stewardship, social responsibility, economic viability, and ethical governance, MGB is confident we can make a meaningful contribution towards a more sustainable future.

Moving forward, the Group's sustainability framework policy will play a critical role in guiding all future ESG strategies. Already we have been able to develop definitive, tangible targets that will steer the Group's sustainability initiatives. As stakeholders today begin to look beyond traditional financial metrics, such meaningful KPIs and targets will allow MGB to remain relevant in the long run.

With a focus on sustainability and responsible governance, MGB has achieved much in the past year. By leveraging our IBS technology and streamlining our value-generating processes, MGB has been able to reduce resources consumed while minimising waste generation. Moving forward, we expect a higher rate of BIM and IBS adoption across our business operations, which in turn lead to a further reduction in resource consumption and waste generation.

MGB's dedication towards being responsible environmental stewards is also trickled down throughout all layers of the organisation. We ensure that all our employees, regardless of their levels, are aware of our goals and are able to embody our ESG visions in their daily work. To this extent, MGB has been launching various campaigns that aim to align our workforce with MGB's overarching sustainability targets. Our latest practice is Zero Single-Use Plastic which aims to completely ban the use of single-use plastics within MGB construction sites. We hope that through such policies, our employees understand the importance of responsible and green lifestyle practices. MGB's 3R ("Reduce, Reuse, & Recycle") practice also lends to this with the general outcome being to raise awareness among our employees on proper waste management and reduction.

In the social sphere, MGB is committed to ensuring the welfare and safety of our workforce are taken care of. We appreciate all our employees and place their safety as the utmost priority. This is why we have ensured all MGB project sites are certified with ISO 45001:2018 Occupational Health and Safety Management Systems. With this precaution, we wish to continue to maintain injury rate or other workplace accident rate at the lowest. This same

level of care is also extended to contract and foreign workers. MGB takes care of the welfare of foreign workers and has taken the initiative to provide them with better living conditions through the establishment of Centralised Labour Quarters. These quarters have been set up at project sites at Alam Perdana and Cybersouth, ensuring the ease, safety, and comfort of all site workers.

FY2022 also saw MGB undertake a comprehensive and inclusive Materiality Assessment Exercise ("MAE") that has allowed us to go through our business operations and identify key material topics that are crucial to the longevity of our value-generating processes. To further enhance this process and incorporate more diverse views, we also included various external stakeholders in the MAE. By conducting this thorough assessment, we were able to highlight several key topics that our stakeholders felt were important topics to focus our strategic attention on.

From this extensive exercise, we have been able to see a shift towards good governance and labour practices as key topics to our stakeholders. As such, our strategic decisions will focus on policies and processes that strengthen these areas. MGB will also be focusing on strengthening current practices all across our supply chain. On a similar note, we have noticed increasing awareness among our consumers in regard to warranted services. This will also be an important topic for us going forward as we take the utmost care to ensure all our services comply with the high standards of quality our customers have come to expect from MGB.

With that said, I would like to represent MGB's Board of Directors and Management team to extend our deepest gratitude to all our value-adding employees and stakeholders. Your unwavering support has been monumental for our continued growth and will allow us to flourish as key industry players.



Sustainability
Governance

Responsible governance is at the heart of MGB's commitment to sustainability. We recognise the importance of strong, responsible leadership in achieving our environmental and social goals and, thus, hold ourselves accountable to the highest ethical standards. By integrating sustainability into our governance structure, we aim to create a culture of transparency, collaboration, and innovation that drives positive change.

Sustainability Governance

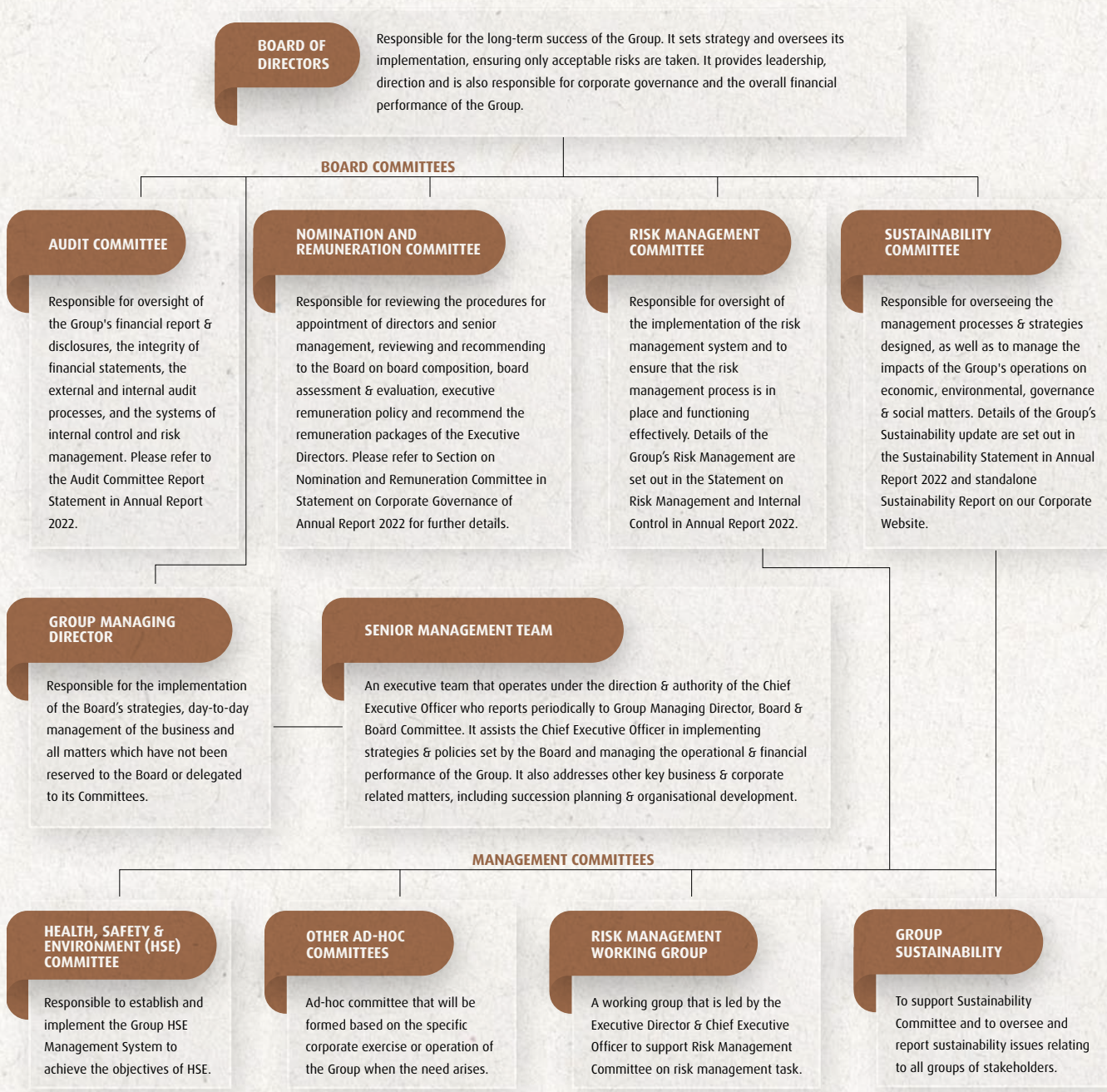
SUSTAINABILITY GOVERNANCE STRUCTURE

MGB's effort to integrate sustainability governance into the Group's overall governance structure is prudent as it allows for the effective incorporation of key sustainability topics into the overall planning and management of the Group.

As such, it falls directly under the purview of the Board and Senior Management, with the formation of a Board-level Sustainability Committee. This allows for the highest level of decision-making regarding the Group's sustainability strategies.

The Board's overall steering of general key material topics is supported at the operational level by a dedicated Group Sustainability that drives ESG policies throughout all levels of the Group. Alongside other assorted management committees that focus on particular topics, such as health, safety & environment ("HSE") and risk management, they collectively manage, implement, and monitor sustainability initiatives outlined by the Board while also providing regular updates for continuous guidance and strategising.

Through this top-down approach towards sustainability, MGB ensures seamless connectivity between the Group's overarching policies and goals with actual on-ground realities. This way, all Group personnel, regardless of level, can efficiently strive towards set KPIs and targets.



Sustainability Governance

⚡
For more information, please click on the icons.

MGB has also adopted several governance policies to assist in the strategising of organisational goals. For FY2022, these include:

 Audit Committee Terms of Reference ⚡	 Board Charter ⚡	 Risk Management Committee Terms of Reference ⚡
 Enterprise Risk Management Framework ⚡	 Sustainability Committee Terms of Reference ⚡	 Sustainability Policy ⚡
 Code of Conduct and Business Ethics ⚡	 Human Rights Policy ⚡	 Workplace Harassment Policy ⚡
 Gift, Entertainment & Hospitality Policy ⚡	 Donations & Sponsorships Policy ⚡	 Dividend Policy ⚡
 Fit and Proper Policy ⚡	 Diversity and Inclusion Policy ⚡	 Crisis Management Policy ⚡

MGB has developed a Group-wide risk management structure that ensures a consistent approach towards risk evaluation and mitigation throughout all levels of the organisation. The Board has entrusted this topic to the complete oversight of the Audit Committee (“AC”) and the newly-formed Risk Management Committee (“RMC”). They are, in turn, assisted by the Risk Management Working Group (“RMWG”), comprised of Senior Management and various Heads of Departments (“HODs”), to aid the Board in identifying and prioritising risks, approving management procedures and measurement methodologies, and overseeing the overall risk management approaches of the Group.

At the operational level, the RMWG is assisted by the respective business and support units that help identify and manage operational risks, including ESG risks. All critical risks are captured in a risk template for review by the respective risk owners. After the consolidation of risks and their corresponding management measures, they are presented to the RMC and, subsequently, the AC and Board for further deliberation on the Group’s decision moving forward.

Overall, the implementation of a comprehensive sustainability framework that includes clear KPIs and targets allows MGB to improve its overall governance and accountability. The sustainability framework developed by the Group provides a structured approach to managing and reporting a wide range of ESG topics, which can then aid in the further identification and prioritisation of potential risks and opportunities.

Besides that, using these tangible targets as a benchmark allows the Board and management to gauge their sustainability performance and hold themselves accountable to stakeholders. This establishes trust and confidence in the Groups management and governance practices, ultimately contributing to long-term success and viability.

Moving forward, the Group’s performance in relation to set KPIs and targets will be periodically reported to the Board Sustainability Committee for evaluation. From here, the Board will deliberate on the effectiveness of initiatives and adapt Group-wide strategies accordingly.

Sustainability Governance

ANTI-CORRUPTION

MGB adopts a strict zero-tolerance approach to all forms of bribery and corruption within the Group and its supply chain.

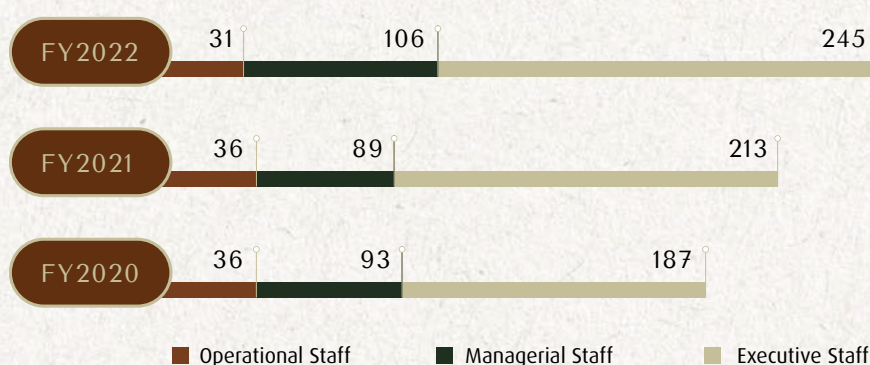
This stance is evident through the various policies and initiatives undertaken by the Group to prevent such cases. The Group acknowledges that poor internal anti-corruption practices expose the organisation to undue risk in terms of enforcement and compliance.

To deter such cases, MGB adopted a group-wide Anti-Bribery and Corruption ("ABC") Policy in FY2020. This Policy developed as per regulations outlined in Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and ISO 37001:2016 Anti-Bribery Management System ("ABS"), clearly outlines the Group's definition of corruption as well as procedures for managing and addressing any such cases should they arise. This policy also works in tandem with the Whistleblowing Policy. This policy was created to allow whistleblowers to report instances of improper conduct within MGB, including but not limited to corruption cases. Together they create a holistic mechanism to prevent corruption in any form within the organisation or in dealings with internal and external stakeholders. The Group's ABC Policy is readily available for reference at: <https://mgbgroup.com.my/investor-relations/>.

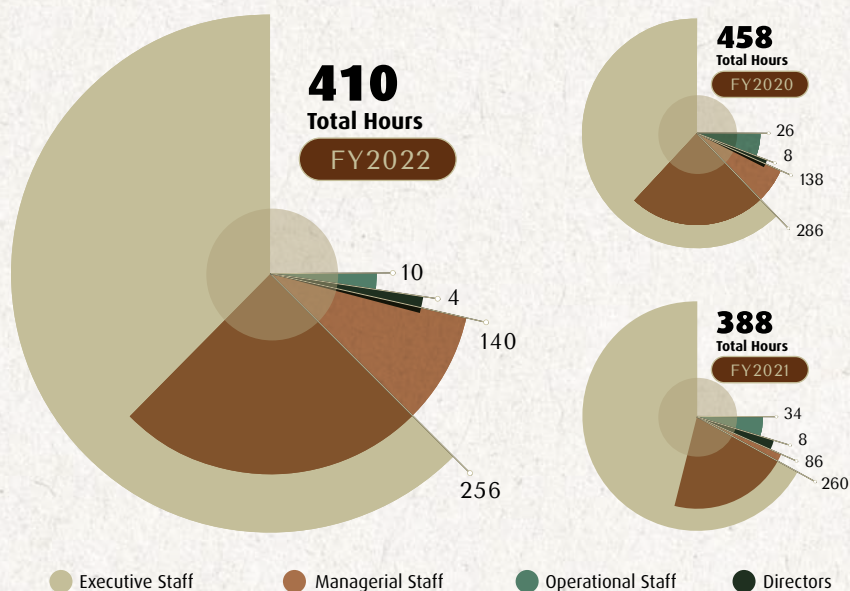
MGB's ABC Policy is communicated to the entire workforce, with all employees and Board members receiving some form of anti-corruption training. The Policy and the Group's anti-corruption stance are also cascaded down its entire value chain, including both existing and new/potential stakeholders. As of 31 December 2022, all members have acknowledged their commitment to adhere to MGB's ABC Policy. To further ensure transparency, all awarding of contracts with any suppliers will undergo a tender process.

Reports or complaints of corruption are promptly acted upon by an Investigating Committee comprised of three Independent Non-Executive Directors and supported by the Human Resources ("HR") and Group Legal Departments. The findings of their investigations will be reported to the Group Managing Director and Board, who have full oversight on all matters relating to anti-corruption and anti-bribery. All anti-corruption data is verified by the Risk Management working team to be reported back to the Board. As of date, there have been no cases of corruption and bribery in MGB.

TOTAL EMPLOYEES WHO RECEIVED ANTI-CORRUPTION TRAINING



TOTAL TRAINING HOURS



Sustainability Governance

CODE OF ETHICS

The day-to-day operations of MGB are guided by good, ethical conduct and accountable corporate governance.

This is integral as it fosters a culture of high integrity and professionalism that extends across all levels of the organisation and its supply chain, wherever the Group operates.

In this regard, MGB's Code of Conduct and Business Ethics ("**Code**") acts as a guiding framework that maintains the Group's high standards of professionalism and integrity. This Code applies to all MGB personnel, across all levels, from the Board members to the employees. Each employee is responsible for reading and conducting themselves in accordance with the Code, with any violation resulting in disciplinary action, including termination of employment.

Zero cases reported under the Whistleblowing channel.

WHISTLEBLOWING CHANNEL AND POLICY

MGB has taken further steps to ensure its internal governance remains reputable and free of improper conduct by adopting a Whistleblowing Policy under the Whistleblower Protection Act 2010, Companies Act 2016, and Capital and Market Services Act 2007.

This Policy is developed to ensure confidentiality to potential reporters of misconduct, effectively protecting them from unfair reprisals as a consequence of their disclosure. The current version of the Policy was revised by the Board on 17 January 2022. Revisions such as these are not scheduled, but are only conducted when there is a need to ensure its effective implementation or remain consistent with the objectives of the Board.

MGB has established a dedicated Investigative Committee to oversee all reports made through the Group's Whistleblowing channel. The committee is responsible for investigating all reports of improper conduct and taking the necessary actions to resolve them with the respective divisions involved.



ETHICAL SUPPLY CHAIN

MGB's commitment towards upholding ethical governance and sustainability practices does not end with the Group and is extended to its supply chain as well. All suppliers who wish to work with MGB are required to complete the supplier form and to acknowledge that they have read the relevant policies of the Group. In FY2022, most of the MGB's suppliers have acknowledge and comply with the policies.

Suppliers who fail to adhere to MGB policies or do not provide the required acknowledgement will first be given opportunities to rectify themselves. Following this, however, repeated offences will result in the said supplier being denied future prospects of working with MGB. Wherever necessary, MGB may also take further action and report said party to the regulatory authorities. So far, all MGB suppliers have been compliant.

Sustainability Governance



“Zero
data breaches
in FY2022.”

DATA PRIVACY AND SECURITY

The privacy and confidentiality of its customers' data are of the utmost importance to MGB.

As such, the Group strictly adheres to the Personal Data Protection Act 2010 and only collects relevant data with the explicit consent of data owners. This data is used purely for purposes of engagement and is not sold or made available to any third party, with the exception of enforcement authorities.

Apart from the data security of its customers, MGB also implements the latest safeguards to protect the Group's confidential information. These are managed by MGB's internal IT Department which ensures all devices are installed with a firewall to enhance overall cyber security. MGB devices also employ a simple credential system that requires users to key in a password before accessing them. While simple, this is a failsafe method that prevents unauthorised access to the Group's confidential information by individuals without proper clearance. As an added precaution, the IT Department conducts routine screening to detect and block suspicious activities, protecting the Group against cyber threats.

There were no instances of data breaches in FY2022.










Stakeholder Engagement

From customers to employees to suppliers, regulators, and communities, we recognise the critical roles each of our stakeholders play in creating meaningful impacts. We aim to understand our stakeholders' needs, expectations, and concerns by actively engaging them. This section highlights our ongoing efforts to foster meaningful, transparent, and inclusive engagements that co-create equally beneficial solutions.

Stakeholder Engagement

MGB's overall approach towards ESG and sustainability is driven by material topics deemed important through robust and comprehensive stakeholder engagements. These are identified as individuals, groups, or organisations that either impact or are impacted by MGB's business operations.

MGB engages these important stakeholders through a variety of channels and platforms. These stakeholders and their engagement activities for FY2022 are listed below:

STAKEHOLDER	ENGAGEMENT CHANNELS	CONCERNS, ASPIRATIONS, & PERSPECTIVES	RELEVANT MATERIAL MATTERS
 Shareholders & Investors	<ul style="list-style-type: none"> Annual General Meetings Annual Report Financial quarterly results Analyst briefings Engagement sessions through meetings and site visits Extraordinary General Meetings Regular shareholder communication/ announcements on Bursa Securities and Corporate websites 	<ul style="list-style-type: none"> Economic performance Corporate governance Dividend returns 	<ul style="list-style-type: none"> Regulatory Compliance Economic Values Generated CG and Anti-Corruption
 Employees	<ul style="list-style-type: none"> Annual performance appraisal Employee engagement surveys Career development and training Events, celebrations, and sports Management meetings Town Halls Whatsapp Broadcast 	<ul style="list-style-type: none"> Career progression Competitive remuneration and benefits Health and safety Professional and personal development 	<ul style="list-style-type: none"> OSH Labour Practices Diversity and Equal Opportunity Talent Management Succession Planning
 Customers	<ul style="list-style-type: none"> Emails, phone calls, walk-in, and surveys Website and social media Product launches and roadshows Marketing and promotional programmes and events 	<ul style="list-style-type: none"> Product delivery Product quality and service quality Regulatory compliance 	<ul style="list-style-type: none"> Data Privacy and Security Product Quality and Customer Experience Regulatory Compliance
 Government/Regulators	<ul style="list-style-type: none"> Official meetings and visits Industry events and seminars 	<ul style="list-style-type: none"> Regulatory compliance Nation-building Socio-economic multiplier effects 	<ul style="list-style-type: none"> Regulatory Compliance Climate Change and Emissions Waste Management and Recycling
 Suppliers / Contractors	<ul style="list-style-type: none"> Product launches and roadshows Regular meetings and site visits Supplier assessment systems Subcontractor performance evaluation 	<ul style="list-style-type: none"> Business integrity Ethical procurement 	<ul style="list-style-type: none"> CG and Anti-Corruption Regulatory Compliance Labour Practices
 Local Communities	<ul style="list-style-type: none"> Charitable contributions Website and social media 	<ul style="list-style-type: none"> Community outreach 	<ul style="list-style-type: none"> Economic Values Generated Climate Change and Emissions
 Media	<ul style="list-style-type: none"> Press releases Websites and social media 	<ul style="list-style-type: none"> Economic performance Product delivery 	<ul style="list-style-type: none"> Regulatory Compliance Product Quality and Customer Experience Economic Values Generated



Accessing
Materiality

MGB's success in creating value for our stakeholders lies in our rigorous materiality assessment process. By engaging with our stakeholders, we evaluate our operations and value chain's economic, environmental, and social impacts. This section of our report outlines our approach to materiality and the key issues that we have identified as most significant to our sustainability performance.

Accessing Materiality

MGB conducted a comprehensive Materiality Assessment Exercise (“MAE”) in FY2022 to identify key material topics relevant to the Group’s ESG goals.

The exercise was conducted in two ways - an MAE workshop was conducted with Group representatives from the Board and Management team to assess key material topics, while at the same time, an online survey form was distributed to all other external stakeholders.

This allowed a wider and more diverse representation of participants for the FY2022 MAE. Overall, the number of participants who took part in the FY2022 MAE saw a significant increase of over 90% compared to the MAE conducted in FY2021, with more stakeholder groups represented.

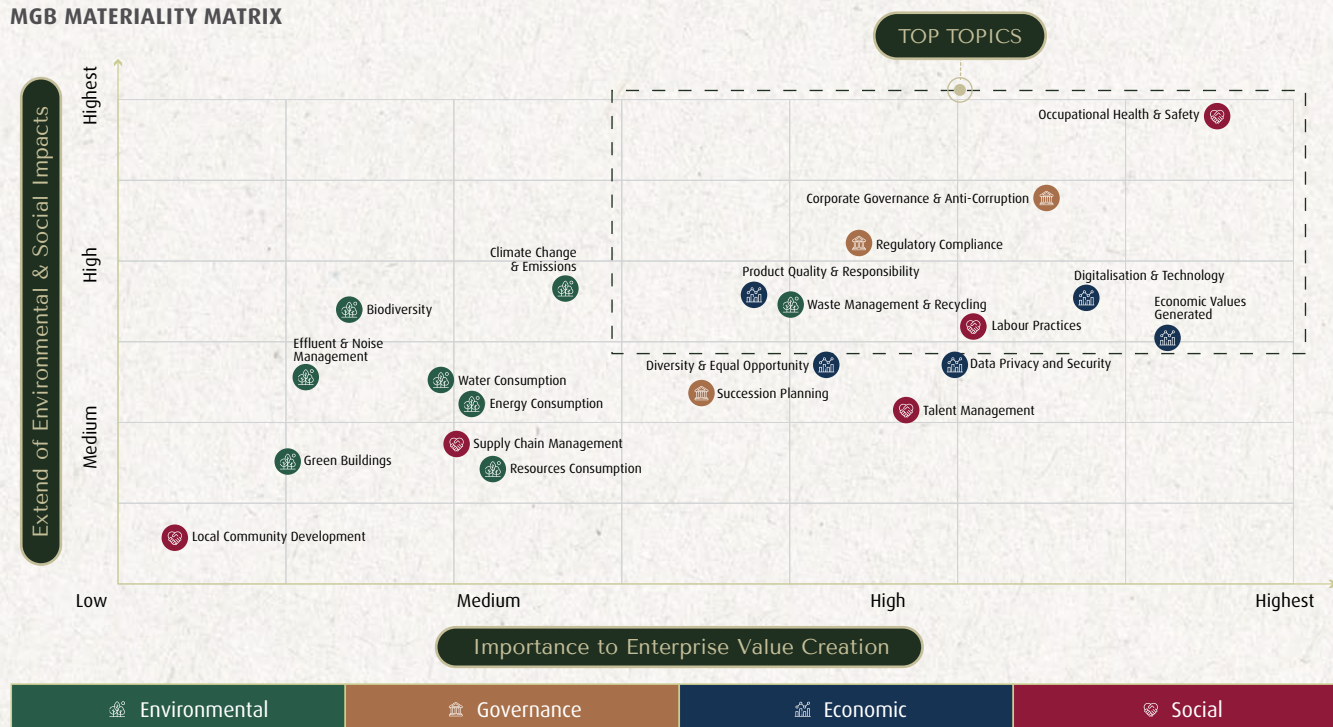
The topics selected for the MAE were based on economic, environmental, social and governance (“EESG”) topics as per the following reporting frameworks:



Each topic was assessed and rated using a weightage system that allotted scores based on the topics EESG impacts, its ability to impact MGB’s creation of financial values, and its importance to stakeholders.

Following this process and feedback from key stakeholder groups, MGB has developed the following materiality matrix for FY2022:

MGB MATERIALITY MATRIX



From the MAE, the top material topics deemed critical to MGB were:

Occupational Health & Safety	Digitalisation & Technology	Corporate Governance & Anti-Corruption	Waste Management & Recycling
Regulatory Compliance	Labour Practices	Product Quality & Responsibility	Economic Values Generated

With these key material topics identified, MGB has been able to link them with specific targets and KPIs. This allows the Group to focus effort, time, and resources on areas that pose the greatest risk to its business and stakeholders.

Moving forward, MGB will revisit these material topics through an annual MAE. Through this periodic assessment, the Group will be able to update its risk register by assessing new risks, evaluating the effectiveness of existing management measures, and reviewing any changes to regular standards or regulations that guide said measures. This proactive process will allow MGB to remain responsive to any ESG-related risk, effectively safeguarding the Group’s business operations and stakeholders’ interests.



Economic Disclosure

As a responsible business, economic performance goes far beyond mere financial results. We aim to create long-term value for our stakeholders by balancing economic growth with social and environmental responsibility.

Economic Disclosures

As a primarily commercial enterprise, MGB has a responsibility to generate profit for its stakeholders. With that said, the Group acknowledges that focusing solely on the generation of financial values is not ideal for a sustainable business. True value creation can only take place when impacts from both financial and non-financial values are considered in the short-, medium-, and long-term prospects of the Group.

Financial and non-financial values are interdependent on each other. The Group's numerous sustainability policies and initiatives will not be possible without considerable financial capital.

Hence, the continual growth and development of the Group hinge on healthy fiscal returns. Similarly, focusing on sustainability and the ESG agenda helps to drive improvements within the Group that ultimately translates to better financial performance.

Ultimately, improved financial performance benefits not only the Group but also all the key stakeholders it supports. More fiscal returns allow MGB to distribute more wealth to stakeholders and support more sustainability and community-based initiatives. These are in line with several UN SDGs, namely SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Communities and Cities), and SDG 16 (Peace, Justice, and Strong Institutions).

SUSTAINABLE DEVELOPMENT GOALS



ECONOMIC IMPACTS

The Group has managed to maintain its economic growth momentum well into FY2022. Overall, MGB saw an almost 3% increase in revenues compared to the previous year. There was a significant dip in profits after tax, however, with the amount generated in FY2022 being around 36% lesser than in FY2021. This could be attributed to the challenging macroeconomic environment, which acted as a dampening factor on the Malaysian construction industry.

A more detailed breakdown of the direct economic values generated by MGB during a three-year period is provided in the following table:

Direct Economic Value	FY2020 ¹ (RM'000)	FY2021 (RM'000)	FY2022 (RM'000)
Revenue	563,274	593,759	612,801
Profit Before Tax	23,373	39,977	25,612
Profit After Tax & Non-controlling Interests	14,003	26,578	14,212
Share Capital	388,186	388,186	388,186
Equity Attributable to Owners of the Parent	470,618	497,702	507,385
Net Tangible Assets	215,576	242,341	251,836
Basic Earnings per share (sen)	2.86	5.18	2.55
Net Assets per share (sen)	93.81	84.12	85.76
Net Tangible Assets per share (sen)	42.97	40.96	42.56
Total Assets	963,482	938,064	916,758
Total Borrowings	175,396	86,487	113,933
Net Gearing Ratio	0.22	0.09	0.12
Market Capitalisation	300,992	428,948	307,659

Remark:

1. The comparative figures have been restated following the adoption of IFRIC Agenda Decision on MFRS 123 Borrowing Costs

Economic Disclosure

ECONOMIC VALUE VS ENVIRONMENTAL FOOTPRINT

In FY2022, MGB has continued to assess the efficiency of its business operations against its overall environmental impact.

This is especially in terms of electricity and water consumption, as well as carbon emissions.

While MGB has experienced continuous growth in the past financial year, the Group has been able to cut down its impact on the environment through the optimisation of its operations. MGB also conducted a Group-wide assessment in FY2022 to realign its environmental targets, especially in regard to carbon emissions and water consumption. Details of this comprehensive assessment shall be provided in the Environmental Disclosures section on pages 27 to 33.

MGB saw a significant resumption of business operations in FY2022, following a period of economic cooldown during the pandemic. As a result, the Group-wide electric consumption and carbon emissions against revenue saw a similar uptick compared to previous years.

The following table provides more detailed information on the Group's economic value against its environmental footprint:

Absolute Figures	FY2020	FY2021	FY2022
Revenue (RM'000)	563,274	593,759	612,801
Total Electricity Consumption (kWh)	596,256	481,480	630,448
Total Carbon Emissions (CO ₂ e) (tonnes)	4,882.10	6,270.40	7,611.50
Total Water Consumption (m ³)	32,844	30,745	31,081

Intensity Ratios	FY2020	FY2021	FY2022
Electricity Consumption (kWh/ RM' million revenue)	1,058.55	810.90	1,028.80
Carbon Emissions (CO ₂ e) (tonnes/ RM' million revenue)	8.67	10.56	12.42
Water Consumption (m ³ / RM' million revenue)	5.83	5.18	5.07



INDIRECT ECONOMIC VALUES

Apart from direct financial performance, the Group also plays a large part in generating indirect socioeconomic values through its business operations.

These multiplier effects can come in many forms, including creating job and income opportunities, supporting local supply chains, empowering local communities, and more. The Group, likewise, also brings increased benefits to the locations where it operates through the development of new infrastructure that transforms the urban landscape. Ultimately, these kickstart more multipliers by ushering in further localised economic and infrastructure development. One such example of beneficial infrastructure developed is the construction of a new flyover in Bandar Saujana Putra that will help alleviate traffic congestion in the vicinity.

At the moment, the Board is developing specific KPIs and targets to better monitor and evaluate the different indirect economic values generated through Group activities.

Details of positive indirect economic values generated by MGB for FY2022 are provided in the following table:

Indirect Economic Value	FY2020 ¹ (RM'000)	FY2021 (RM'000)	FY2022 (RM'000)
Economic Value Generated	568,079	595,654	615,098
Economic Value Distributed	552,679	569,035	605,846
a) Total Monetary Value/ Spend on Procurement (Operating Cost)	509,230	519,981	549,352
b) Total Payout to Employees in Salaries and Benefits	25,845	30,099	33,902
c) Taxes Paid to Government	9,370	13,400	11,400
d) Repayments to Financiers	8,084	5,536	5,508
e) Dividend Returns to Shareholders	-	-	5,413
f) Community Investments	150	19	271
Economic Value Retained	15,400	26,619	9,252

Remark:

1. The comparative figures have been restated following the adoption of IFRIC Agenda Decision on MFRS 123 Borrowing Costs.

Economic Disclosure

LOCAL PROCUREMENT AND SUPPLY CHAINS

MGB has always prioritised local supply chains in regard to procurement with its Locals First policy.

This is a strategic fit for the Group's business operations as it allows for better oversight and cost control while allowing for more flexibility. Local procurement is also a more sustainable approach that benefits not only the local community but also the environment as a whole.

On a community level, MGB's commitment to emphasising local suppliers spurs the growth of local industries, creating more job opportunities in the process. Indirectly, it also promotes development on a national scale through increased contribution to national taxes.

Localising its supply chain also presents MGB with a tremendous opportunity for environmental stewardship. When shipping and storage are reduced, so will energy usage, emissions, and pollution.

In FY2022, MGB has continued to uphold a 100% local procurement rate for both suppliers as well as the amount spent on procurement. All these suppliers adhere to MGB's policies that ensure fair competition.

MGB suppliers are also urged to practise responsible and ethical business practices. Before accepting any particular supplier, the Group conducts rigorous background checks and audits to ensure compliance with MGB policies on the matter. Suppliers are also required to provide certificates or other relevant testing reports to confirm their compliance with industry standards and regulations. Moving forward, MGB looks to enhance this process by incorporating ESG elements into its supplier forms and also utilising CTOS scores as an element for background checks.

PRODUCT QUALITY AND SATISFACTION

The quality of its products is crucial to the branding and reputation of MGB as it ensures customer satisfaction and retains their loyalty.

In the long term, this also translates to higher revenue and profitability. MGB assess quality through both internal and external audits based on the ISO 9001:2015 system, as well as from customer reviews and survey. December 2022, LBS' Property Management & Customer Relations began overseeing all customer service operations.

MGB's approach towards product quality is geared more towards reaching a high standard of product workmanship throughout the entire construction process. The quality of all products and services is maintained by ensuring what is presented visually to customers is provided on the actual site. This prevents discrepancies that could be accused of being misleading. Overall, MGB product and services have continued to strive to improve the QLASSIC Scores as shown below:

Build Quality	CIDB QLASSIC Score	IBS Score
Kita Impian	65%	66%
LBS SkyLake Residence	69%	-
Kita Bayu	71%	64%
Kita Harmoni	69%	92%

Customer Satisfaction	FY2021	FY2022
Complaints Received	697	111
Complaints Resolved	92%	91%

INNOVATIVE SOLUTION PROVIDER

Value-Driven Technology ("VaDTech") is MGB's unique value proposition that leverages technological solutions to offer enhanced value for clients. Through this system, MGB is able to deliver cost efficiency, faster construction, innovative designs, and higher build quality while maintaining a reduced environmental footprint. VaDTech is inspired by the Group's philosophy of continuous improvement and allows MGB to innovate and redefine the best possible solutions for today's construction requirements.

MGB's advantage lies in its VaDTech approach, where value is placed at the heart of the Group's operations and is created through the application of leading design and building technology. By delivering high-quality, cost-competitive end-to-end technology-driven infrastructures, VaDTech is able to constantly meet clients' aspirations for better design and build quality.

Additionally, through Industrialised Building Systems ("IBS") and other innovative capabilities, MGB is well-suited to providing new solutions ranging from project ideation and design, project management, construction and development, and also end-project financing. Cumulatively, the Group's two IBS manufacturing plants have allowed MGB to retain a competitive advantage by facilitating the production of up to 6,000 units per annum.

Ultimately, MGB's competitive strength lies in its agility to leverage technological solutions, diverse industry expertise and experience, and the ability to successfully undertake all aspects of the value chain.



Environmental Disclosure

MGB believes that protecting the environment is a responsibility and an opportunity to drive innovation, improve efficiency, and create long-term value. We realise that our operations have environmental impacts and are committed to minimising them as much as possible. Through the environmental performances and initiatives highlighted, we strive to work towards a more sustainable future for ourselves and future generations.

Environmental Disclosures

MGB is aware and acknowledges that the nature of our business operations will inherently impact the environment.

With that said, the Group ensures that all value-creation activities are guided by robust and all-encompassing policies that minimise as much negative impact as possible. MGB strives not just to comply but surpass the regulatory requirements set by authorities, thus ensuring comprehensive stewardship of the environment.

All MGB project sites comply with rigorous ISO 14001:2015 certification standards. At the same time, Environmental Management Plans (“**EMPs**”) are developed with each one. This document allows proper monitoring and assessment of environmental practices throughout the construction and even operational phases of MGB’s projects. The EMPs also highlight potential impacts that could potentially occur throughout the project’s lifespan and its corresponding mitigation measures.

The construction and property development, the Group’s main revenue-generating activities, are energy- and resource-intensive, with the added risk of high waste generation. Thus, addressing these issues is the main driver of MGB’s strategies to leave a positive environmental impact. By leveraging on its position as a VaDTech specialist, MGB has the benefit of optimising business operations by adopting technological innovations such as Industrialised Building Systems (“**IBS**”) and BIM. These adaptations allow the Group to integrate creative construction solutions into its operations, thus streamlining processes to be more resource-, energy-, and cost-efficient.

The Group has also identified and acknowledged several gaps in environmental data collected during the previous year. As such, it sees fit that reassessing its sustainability targets is necessary to add information on additional areas to close these gaps. Thus, in FY2022, a comprehensive study was conducted to realign the Group’s environmental targets to be more feasible and in line with the Group’s operational direction. Following the study, MGB has taken the necessary steps to re-strategise its environmental commitments, particularly in regard to emissions and water usage. This has led to the revision of several environmental targets and goals set by the Group previously to more suitable versions that best fit MGB’s value-adding chains, and key material topics deemed most important by stakeholders.

ENERGY CONSUMPTION

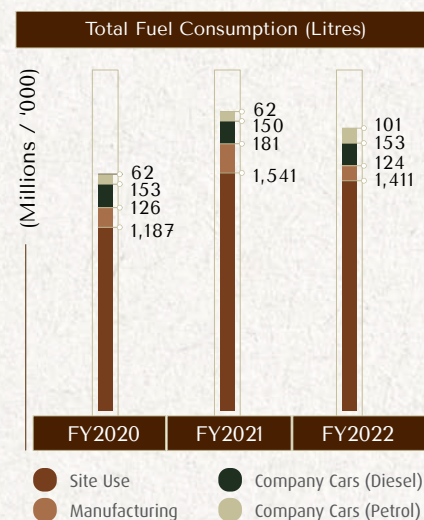
MGB places great importance on monitoring Group-wide energy consumption. This level of scrutiny is necessary as energy consumption often ties in with other environmental factors.

MGB’s main energy source comes in the form of fossil fuels, such as diesel and petrol, to operate vehicles and machinery (direct consumption) and electricity from the national grid (indirect consumption). As both involve the burning of fossil fuels (Malaysia heavily relies on fossil fuels to generate electricity), energy consumption is a critical factor in the production of carbon emissions, which, in turn, is a significant driver of man-made climate change. Water consumption also scales with higher energy usage as more water is needed for the cooling of machinery.

MGB’s energy management is mainly driven by a robust HSE Policy. The Group is also EMS 14001:2015 certified. MGB also routinely improves employee awareness through regular updates and training programmes. This ensures all levels of the organisation are aligned on the Group’s energy management practices, in line with internal policies and UN SDG 17 (Responsible Consumption & Production).

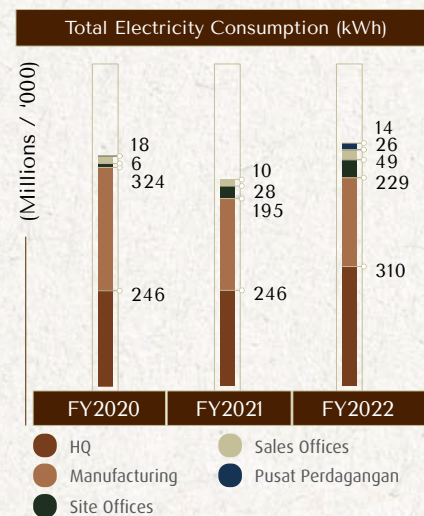
DIRECT ENERGY CONSUMPTION

Fuel Consumption

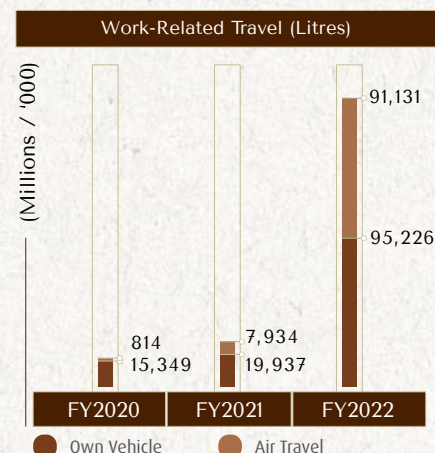


INDIRECT ENERGY CONSUMPTION

Electricity Consumption



Fuel Consumption



Environmental Disclosure

CLIMATE CHANGE & EMISSIONS

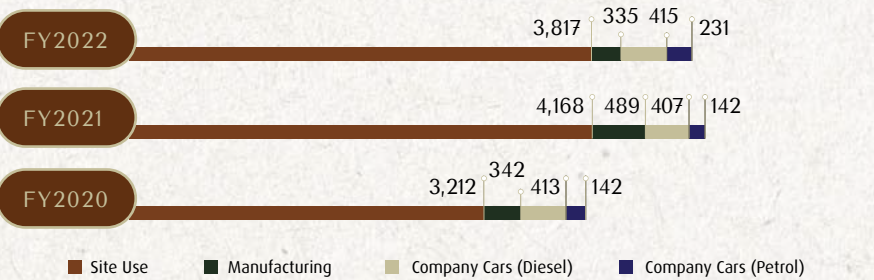
Given the profound risk posed by climate change in Malaysia and the world, MGB takes a serious stance on controlling and managing emissions resulting from its operations. And as the Group’s construction and property development operations are energy-intensive activities, these sectors are among the biggest sources of emissions.

The biggest risk posed by climate change to the Group would be the disruptions in local weather patterns. As natural disasters, such as flooding, become more common, this would risk the long-term viability of MGB’s business operations. Building designs would need to be innovated to ensure they remain habitable, while increased preventative measures would need to be implemented into projects. At the same time, projects in coastal regions would have to account for rising sea levels. Similarly, landbank strategies would have to be re-evaluated to include the potential impacts of water scarcity and droughts.

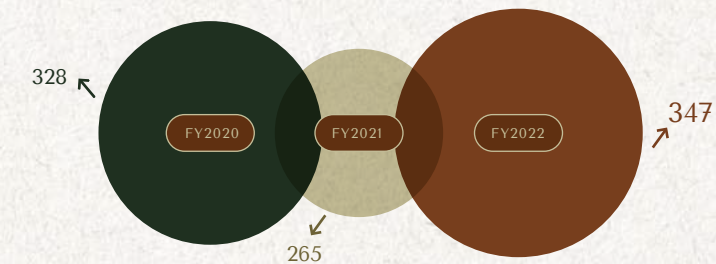
As such, MGB has been taking decisive steps to reduce emissions wherever possible. To further facilitate the Group’s climate action, the material topic of climate change falls directly under the purview of the Board and Management team. This allows strategic planning concerning climate change to be integrated into every aspect of the Group’s business divisions with a top-down approach. Additionally, MGB conducts climate change assessments whenever required by the authorities, especially for projects that might be at increased risk of climate-related issues.

Moving forward, the Group shall continue all emission control and climate change resiliency initiatives that have been in motion. For one, this involves managing the consumption of fossil fuels, particularly diesel and petrol, used in MGB’s daily business operations. This will allow the Group to reduce emissions from its construction activities significantly. The Group is also targeting to increase the utilisation of IBS throughout the construction process by 40%, further eliminating unnecessary emissions.

SCOPE 1 EMISSIONS (CO₂E TONNES)

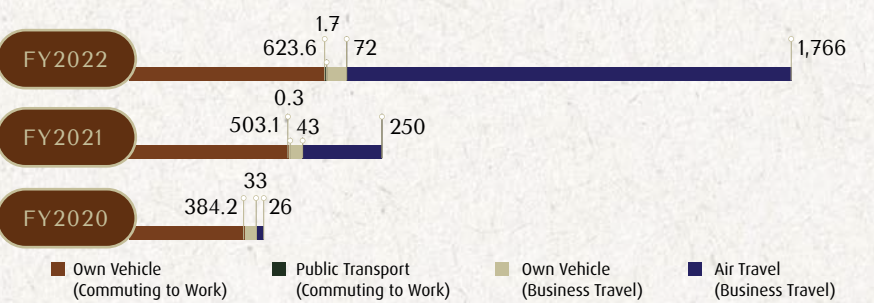


SCOPE 2 EMISSIONS (CO₂E TONNES)



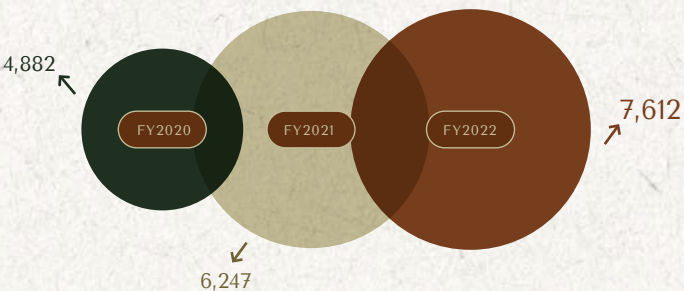
Note: The emission factor used in Scope 2 emission is based on UNFCCC Harmonised Grid Factors 2021.

SCOPE 3 EMISSIONS (CO₂E TONNES)



Note: Scope 3 emission source is scoped to include employees commuting to work using own vehicles and public transportation. The emission factor used in Scope 3 emission is based on EPA GHG Emission Factor Hub - Table 10.

TOTAL GHG EMISSIONS (CO₂E TONNES)



Note: Total GHG emissions is based on the subtotal of Scope 1, Scope 2 and Scope 3.

Environmental Disclosure

VOLATILE ORGANIC COMPOUNDS (“VOCs”)

MGB has been consistently implementing actions to minimise the emission of Volatile Organic Compounds (“VOCs”) resulting from its operational activities. The utilisation of paints and emulsions with little to no VOC content has been instrumental in achieving substantial progress in this area.

Paint Type	VOC Emissions (kg/l)		
	FY2020	FY2021	FY2022
External	61.65	85.67	103.63
Internal	3.33	4.30	13.89
Metal & Wood	0.52	0.16	1.10
Total	65.50	90.13	118.63

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



WATER CONSUMPTION

Prudent water management within MGB is guided by its internal HSE Policy and UN SDG 17 (Responsible Consumption & Production).

The Group’s water management strategies are further strengthened by its ISO 45001:2018 and ISO 14001:2015 certification which has been in place since 2015 and 2017 respectively.

Water is mostly used in the construction sector for general washing and cooling of machinery, with the volume used depending on project specifications. However, the most water-intensive activity would be the concrete batching process. As such, the Group mainly controls excessive water consumption through the monitoring of concrete usage instead.

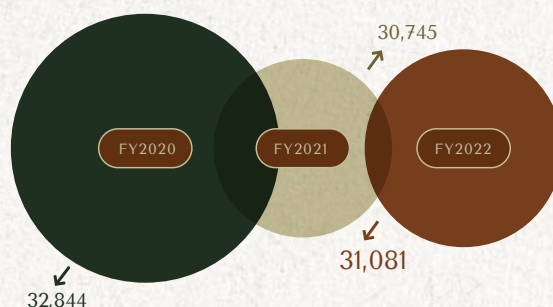
In office buildings, water is primarily used for landscaping, general cleaning, and internal plumbing (i.e., toilets, sinks, etc.). Here, the Group has begun exploring the potential to adopt innovative rainwater harvesting designs to increasingly reduce consumption.

MGB primarily uses water from municipal sources, which can be monitored through monthly water consumption bills. Wherever possible, water for non-critical works, like road cleaning or dust suppression, is recycled from nearby sources such as silt traps.

MGB remains committed to establishing a water management plan for all project sites by 2028. This is intended to support the identification and utilisation of alternate water sources within project areas and reduce the dependency on potable municipal sources of water. MGB is also exploring the viability of investing in other sustainable water supply sources, such as water treatment and wastewater treatment plants.

All water discharged from MGB’s project sites comply strictly with regulations set by the Department of Environment (“DOE”) Malaysia. This means that all effluents are periodically measured and monitored to ensure they remain within the prescribed limits before they are discharged. Thus far, in FY2022, there have been zero incidents of non-compliance.

GROUP WATER CONSUMPTION (M³)



Environmental Disclosure



Zero single-use plastic bottles at construction sites.



Adoption of renewable energy at IBS Precast Factory by 2023.

WASTE MANAGEMENT

The Board has identified waste management as a critical topic as it relates closely to climate change. As such, MGB has begun adopting the 3R (“Reduce, Reuse, & Recycle”) approach alongside its existing HSE Policy to reduce waste generation wherever possible. At the moment, MGB is also EMS 14001:2015 certified.

Thus far, the Group targets to divert 10% of waste from landfills through increased reliance on 3R and circular economy systems. The Group is also currently working towards establishing a waste management system by 2023. This is expected to help better monitor the generation and management of waste throughout the Group’s various business operations.

Whenever possible, MGB relies on the 3R approach to limit waste generation, especially at operational sites. Under the Group’s zero single-use plastic practice, for instance, all project sites enforce a restriction on single-use plastics, including water bottles and food containers. This reduces the waste generated from these sites while also promoting site workers to practise eco-friendly habits, such as using reusable containers and bags. However, in instances when hazardous waste material is concerned, especially from construction sites, MGB appoints DOE-licensed third-party contractors to collect and dispose of them in government-approved disposal sites.

In the future, MGB expects a far more optimised waste management and reduction system, especially with the increased adoption and reliance on technology as well as the IBS Precast Construction System.

MGB Sany Precast Factory – Recycled & Non-Recycled Waste

		Unit	Year		
			FY2020	FY2021	FY2022
Non-Recycled	Cement	MT	307	237	235
	Sand	MT	2,224	743	705
	Aggregate	MT	1,120	738	738
Recycled	Steel Bar	MT	95	76	84
	BRC	PC	3,455	2,530	2,993



Environmental Disclosure

MATERIAL CONSUMPTION

Leveraging on its position as the VaDTech Solutions specialist, MGB has been consistently driving prudent resource management through technological innovations.

The Group is aware that improperly managed resource consumption can have carry-over impacts on other environmental sectors, such as increased energy consumption, waste generation, and emissions.

As such, the Group's 3R approach, alongside streamlined IBS and BIM processes, has allowed MGB to further reduce the consumption of raw materials during the construction process.

Materials	Unit	Year		
		FY2020	FY2021	FY2022
Concrete	RM	18,789,948	21,038,182	17,427,950
	KG	251,404,940	286,283,397	190,854,598
Reinforcement Bar	RM	11,870,994	22,429,011	16,541,553
	KG	5,515,599	7,102,882	5,321,121
Diesel	RM	2,405,278	3,770,028	4,691,039
	LITRE	1,472,560	1,748,270	1,506,380
Cement	RM	1,732,107	1,817,186	1,385,697
	KG	6,066,630	8,515,210	6,410,175
Sand	RM	895,310	740,256	519,679
	KG	31,069,655	25,234,481	18,653,141
Aggregate	RM	1,119,857	793,181	602,215
	KG	37,286,000	26,295,500	19,932,106
Bricks	RM	14,613	15,570	4,975
	KG	193,157	176,186	13,028
Paint	RM	1,951,772	3,135,893	2,181,619
	LITRE	377,720	620,980	481,360
Admixture	RM	446,626	276,520	308,527
	KG	164,186	102,000	121,505
BRC	RM	3,588,701	3,332,847	3,428,054
	PC	22,489	16,384	20,050
Joint Plate	RM	1,235,211	1,011,784	1,375,490
	PC	198,887	123,292	134,600
GI Wire 20#	RM	69,204	59,228	69,933
	ROLL	10,226	6,305	7,717

Environmental Disclosure

Materials	Unit	Year		
		FY2020	FY2021	FY2022
Styrofoam	RM	4,024	1,432	858
	PC	708	252	144
Mould Oil	RM	172,580	174,120	162,580
	DRM	219	218	193
OPC Cement	RM	24,478	57,152	32,360
	BAG	1,508	3,484	2,090
Plastic Spacer – 25mm	RM	13,446	13,317	37,530
	PC	284,900	249,000	404,000
Plastic Spacer – 50mm	RM	24,593	16,870	5,700
	PC	403,220	241,600	80,000
Plastic H/D Chair Spacer – 25mm	RM	-	-	4,200
	PC	-	-	30,000
Masking Tape 2"	RM	10,608	-	1,398
	ROLL	10,677	-	1,165
Corrugated Duct (Halfen Moment) – Dia 40mm	RM	1,957	42,283	14,926
	LENGTH	100	2,413	819
Flexible Corrugated Metal Sleeve – Dia 40mm	RM	187,170	7,280	2,002
	ROLL	1,141	56	22

ENVIRONMENTAL PERFORMANCE MONITORING

Environmental performance monitoring is conducted periodically by independent third-party consultants or department enforcement officials to ensure that all operations under MGB comply with prescribed government regulations, especially concerning air, water, and noise pollution.

Thus far, MGB has managed to uphold its regulatory compliance and was not fined or served site closure notices due to poor environmental performance in FY2022.



Zenopy Residences

Environmental Disclosure



BIODIVERSITY

MGB values the important role biodiversity plays in the regulation of environmental services and its links to local cultures and livelihoods.

As an organisation primarily operating within the construction and property development sector, biodiversity loss is an undeniable part of MGB's business nature. However, rather than brushing it off as unavoidable, MGB is determined to conserve as much natural space as possible whenever the need arises. To this extent, the Group has set a target to not just comply with regulatory green landscape standards but to exceed the 10% requirement for all new project launches from FY2023 onwards.

Currently, the Group operates on sites that are not within 5km of the key biodiversity area as shown in the table. Regardless, MGB consistently conducts biodiversity assessments, either as part of the DOE-required Environmental Impact Assessments ("EIA") or as standalone audits. These studies aim to identify potential high conservation value flora or fauna within or adjacent to MGB's project sites. From these findings, the Group can then coordinate with the relevant authorities or NGOs to take proper mitigation and management measures.

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

Biodiversity Assessment Sites	Detail on Proximity	Key Biodiversity Area (“KBA”)	Type of KBA	Biodiversity Trigger	Status of Management Plan
Alam Perdana, Selangor	Not Within 5 KM	North-Central Selangor Coast	Important Biodiversity Area	Endanger to Flora Mangrove Species Area / Migratory of Bird	Step 1 – Physical Proximity to Biodiversity Areas Assessment
Shah Alam, Selangor					
Bandar Saujana Putra, Selangor					
Bukit Jalil, Selangor		Hulu Gombak-Sungai Lalang Forest		Endanger of Vulnerable Species/ Migratory of Bird	
Cybersouth, Selangor					
Puchong, Selangor					
Molek, Johor		Panti Forest and Ubin-Khatib		Endanger of Forest Reserve/ Vulnerable Species	
Batu Pahat, Johor	South-West Johor Coast	Endanger of Vulnerable Aquaculture Species/ Migratory of Bird			

In line with MGB's net neutral or positive biodiversity impact approach, the Group aims to avoid biodiversity loss. Tree felling, for instance, is conducted selectively, with certain trees of a particular size or age being transplanted instead. MGB strives to replace felled trees with other native or endangered species as landscape plants within its property projects. The Group also supports biodiversity stewardship by providing financial funding to NGOs and other organisations that champion conservation.



Social Disclosure

Social responsibility extends beyond the workplace and into the communities where MGB operates. We are committed to creating a positive social impact by promoting diversity, equity, and inclusion while ensuring our employees' health and safety and supporting their communities' development. The following section outlines our social initiatives and progresses towards achieving a more equitable and empowered society.

Social Disclosures



Dress Up Friday - MGB Sports Day Theme

As social performance is significant to MGB's business operations, the Group has outlined its focus on the following social material topics: talent management, labour and human rights, as well as local community development.

In essence, this involves the Group's impact on society at large, the communities in which MGB has a business presence in, as well as its employees.

Beyond MGB's employees, the Group also had oversight on its workforce which includes workers who are not directly employed by MGB but work on sites controlled by the Group.

These primarily comprise third-party construction workers, as well as the workforce that is provided by subcontractors or manpower companies to MGB.

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

TALENT MANAGEMENT

MGB values talent as crucial in supporting and developing the Group's long-term sustainability agenda. By ensuring the business value-creation, MGB recognises the importance of human capital to drive organisational success.

Hence, the talent management topic is also under the purview of the Chief Executive Officer ("CEO") in ensuring talent empowerment within the organisation.

Looking specifically at the construction and property development industries, a wide range of skills and capabilities is desirable to support business 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.

Furthermore, the proliferation of digitalisation and technology in operations and processes necessitates an increased focus on tech-savvy talent who can champion the Industry 4.0 drive across the organisation.

MGB approaches talent retention and management through annual appraisals. These comprehensive appraisal sessions are conducted across all levels of the organisation to identify employees with potential for further growth and development. Apart from providing the basis for the overall management approach on the recruitment, rewarding, promotion, development and retention of talent, the Group's annual appraisals also promote the development of a conducive organisational culture centred on merit and equal opportunity.

In a snapshot, the supporting policies developed include:

- Policy supporting the employment of under-privileged groups
- Policy promoting trainee programmes and on-the-job stints to enable employed youths to obtain gainful and meaningful work exposure and experience

Social Disclosure

Hiring and Retention

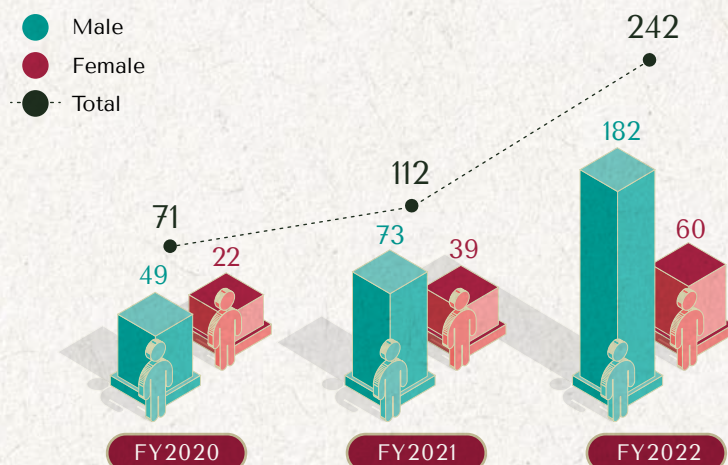
Across the industry, there is an urgent need to recruit and retain high-calibre, competent professionals. Amidst a competitive market for talent, MGB, and for that matter, all industry players, continue to vie for talent.

The Group practises meritocracy when it comes to hiring and career opportunities regardless of differences in culture, gender, and religion. MGB's HR Department is championing the recruitment procedures, guided by the Group's Recruitment Policy.

As the business grows, the number of new hires has increased exponentially. In FY2022, a total of 242 new hires were reported, given the project expansion for Rumah Selangorku Idaman development.

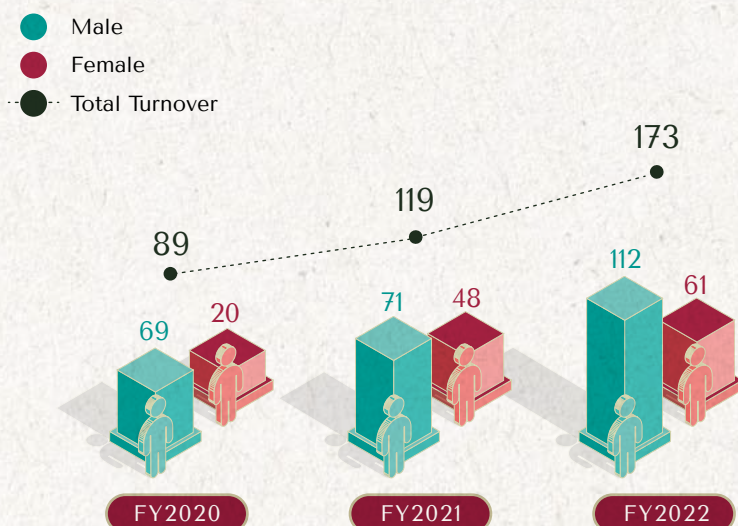


New Hires by Gender



New Hires Data	FY2020	FY2021	FY2022
New Hires aged 30 and below	53	94	136
New Hires aged 31-50	18	18	101
New Hires aged 51-64	0	0	4
New Hires aged 65 and above	0	0	0
New Hires with Disabilities / Underprivileged Groups	0	0	1

Total Turnover by Gender



Turnover Data	FY2020	FY2021	FY2022
Turnover Rate	21	25.3	33.6
Full-Time Staff Voluntary Turnover Rate (%)	21	25.3	33.6
Turnover aged 30 and below	32	48	82
Turnover aged 31-50	45	51	64
Turnover aged 51-64	1	2	8
Turnover aged 65 and above	0	0	0
Turnover with Disabilities / Underprivileged Groups	1	0	0

Social Disclosure

General Workforce Data

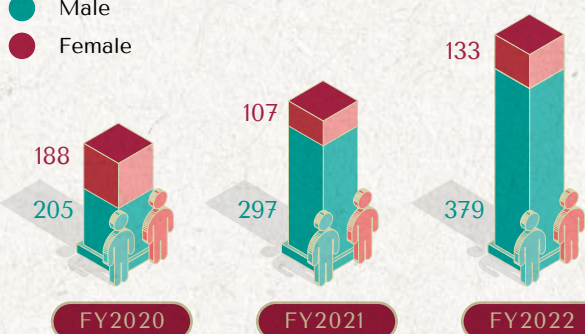
MGB practises a non-discriminatory approach concerning its workforce whereby the talents of its employees are judged purely based on competence, qualification, experience, and professional contributions.

Discrimination of any kind is not tolerated, as it would disrupt MGB's efforts to maintain positive business growth.

While MGB does not favour any particular gender when it comes to hiring, as a construction and property developer, most jobs are physically demanding and require extensive manual labour. Because of this, there has been a natural skew towards more men in its workforce. However, there is a closer gender gap in office and management-related positions.

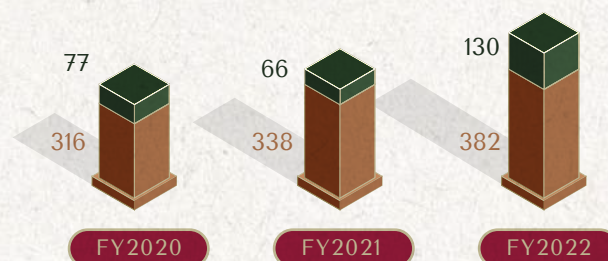
Total Employees by Gender

- Male
- Female

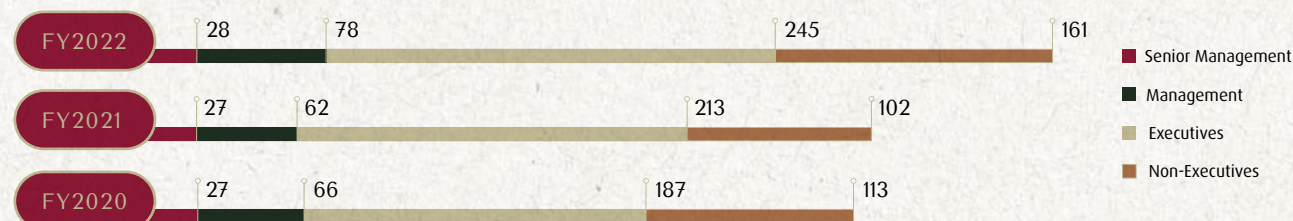


Total Employees by Nationality

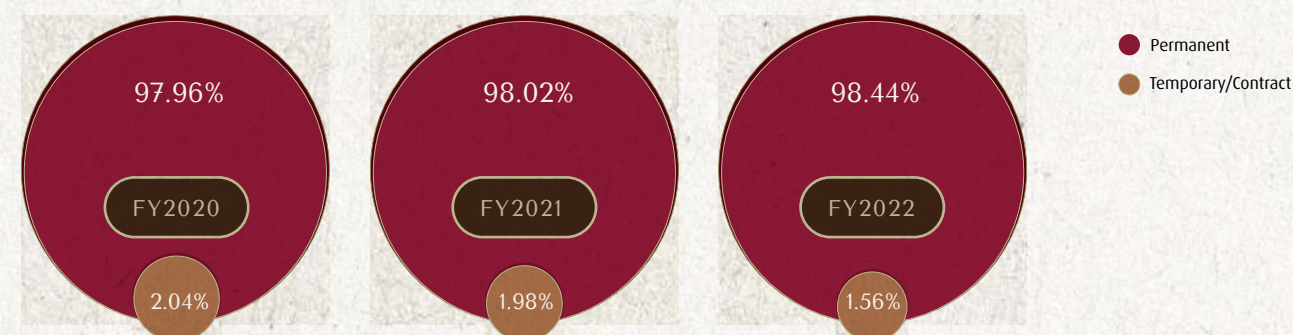
- Local
- Foreign



Total Employees by Employment Category



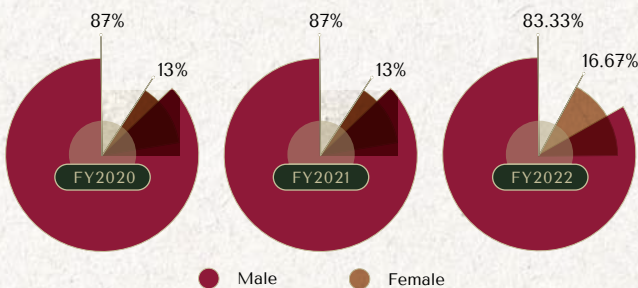
Proportion of Workforce Comprising of Contract or Temporary Employees



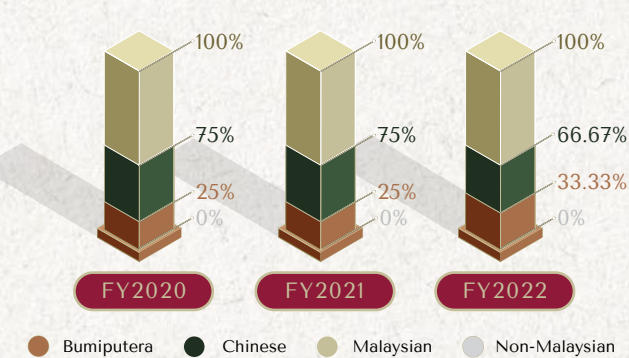
Social Disclosure

BOARD OF DIRECTOR PROFILE

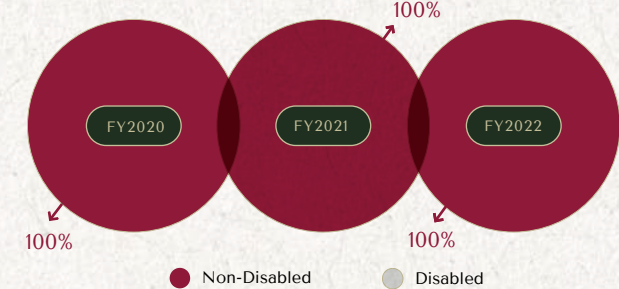
Board of Director by Gender



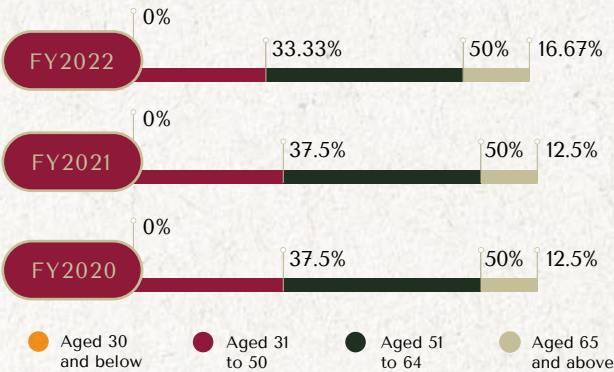
Board of Director by Nationality & Ethnicity Breakdown



Board of Director by Disability

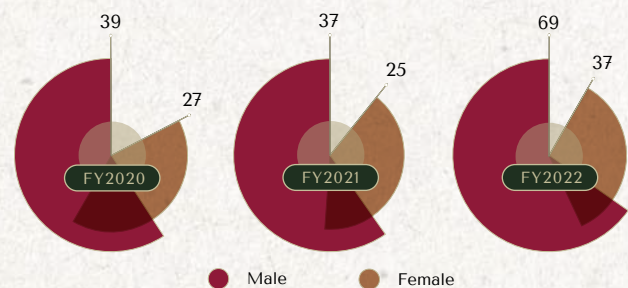


Board of Director by Age Group

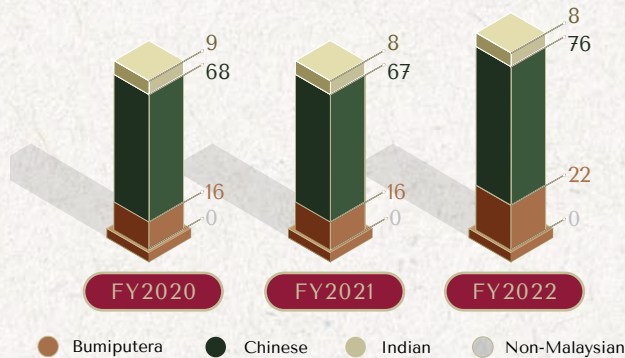


MANAGERIAL STAFF PROFILE

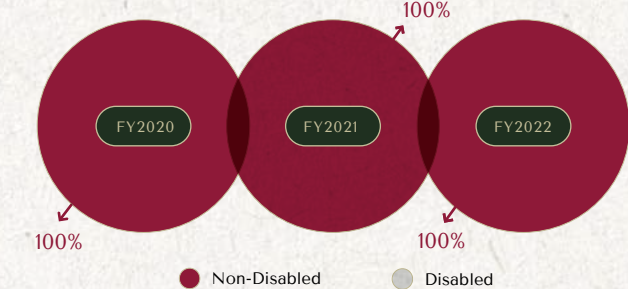
Managerial Staff by Gender



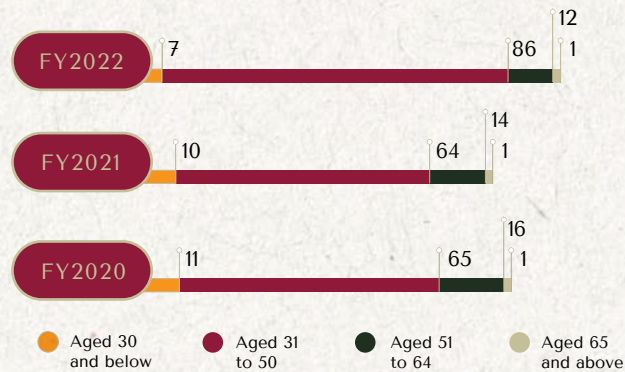
Managerial Staff by Nationality & Ethnicity Breakdown



Managerial Staff by Disability



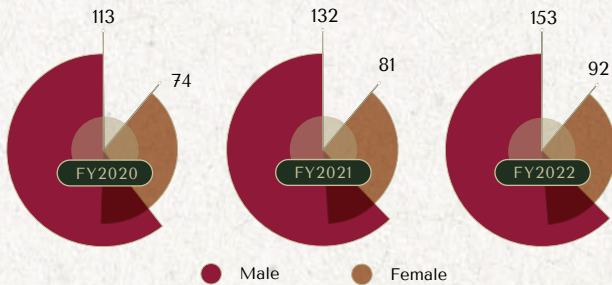
Managerial Staff by Age Group



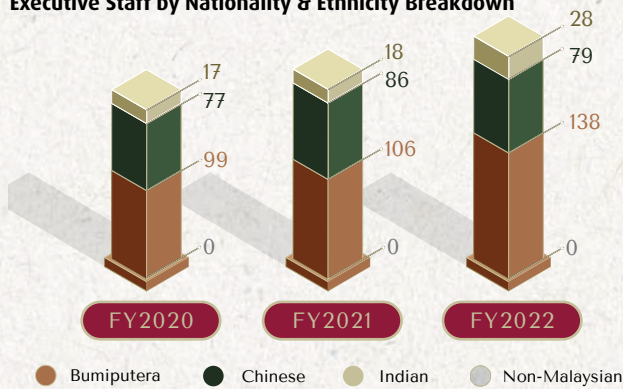
Social Disclosure

EXECUTIVE STAFF PROFILE

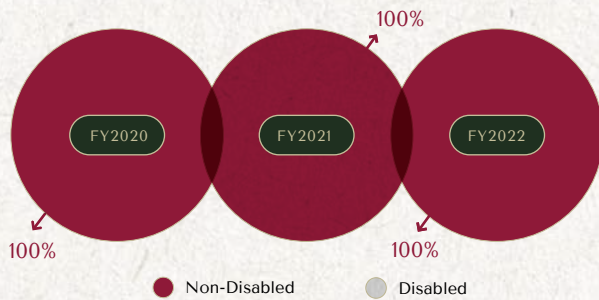
Executive Staff by Gender



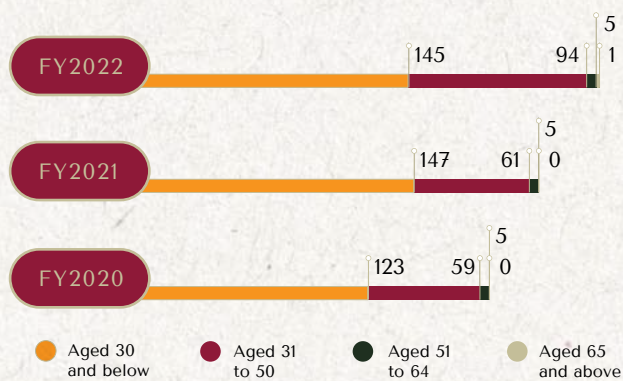
Executive Staff by Nationality & Ethnicity Breakdown



Executive Staff by Disability

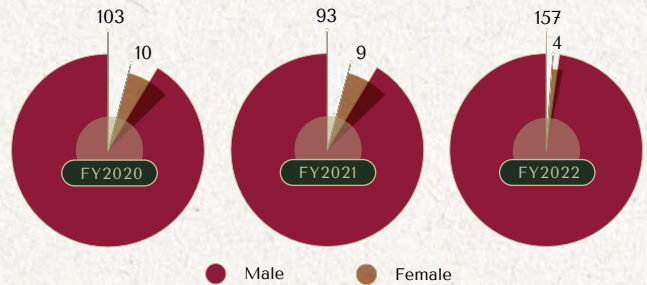


Executive Staff by Age Group

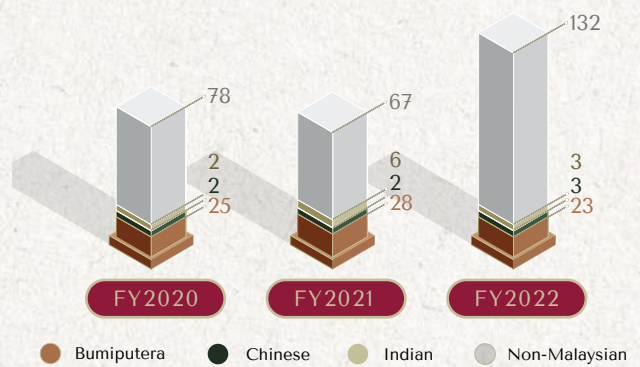


OPERATIONAL STAFF PROFILE

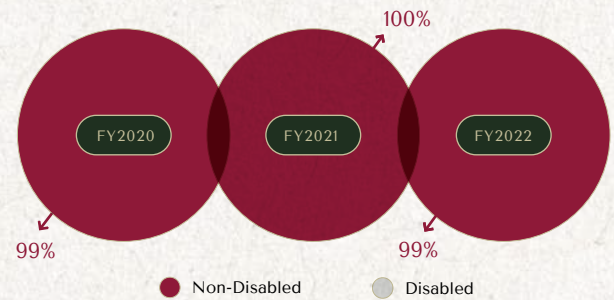
Operational Staff by Gender



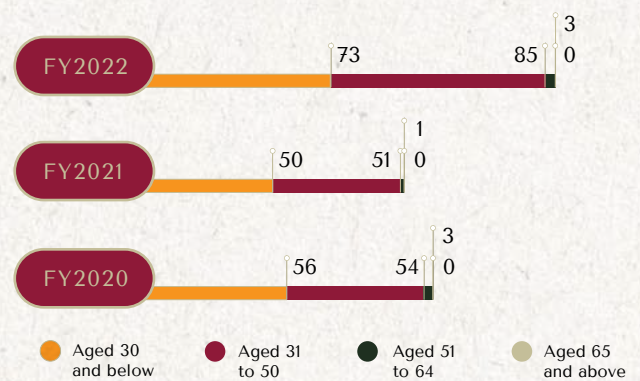
Operational Staff by Nationality & Ethnicity Breakdown



Operational Staff by Disability



Operational Staff by Age Group



Social Disclosure

Formal Appraisal Process

All MGB employees receive a formal appraisal at least once a year to monitor performance and identify any gaps. This also gives a chance for employees to receive suitable increments and performance bonuses, as well as training opportunities.

Appraisals are conducted transparently, with each employee given a formal, two-way assessment with their HODs. As a result, MGB's entire workforce receives continuous professional development, which drives career advancement, leading to better employee satisfaction and retention.

100% of employees received a formal appraisal in FY2022.

Employee Grievance Mechanism

MGB has developed a confidential and reactive grievance mechanism which can be used by any employees wishing to express their dissatisfaction or report cases of harassment/discrimination. Through these mechanisms, the Group's employees can rest assured that all reports will be investigated promptly without disclosing the identity of the reporter to protect them.

In FY2022, no reports were made through the Group's grievance mechanism.

Formal Employee Induction and Exit

As part of MGB's recruitment process, all incoming employees and Board members are provided with a formal orientation and induction process, respectively. This is to gradually acclimatise them to MGB's work culture and internal processes, allowing them to perform to the best of their capabilities. These orientation and induction processes also act as communication channels to inform employees of their employment rights and the right mechanisms to voice their grievances.

MGB also makes sure that special focus is given to reminding all incoming employees of its stance as an equal-opportunity employer with a zero-tolerance policy towards corruption and OSH violations. Employees are briefed on what actions constitute illegal or unethical, including corruption, harassment, and discrimination.

Apart from incoming talent, employees who resign from the Group are also given due consideration. MGB offers an exit interview focused on obtaining genuine employee feedback. This allows it to continuously improve work-related processes. Similar to all other employee interviews, the exit interview is also conducted with transparency through a structured set of questions that provide the departing employee with an opportunity to share any feedback they deem fit. All responses are considered and, where relevant, are used to drive improvements within the Group.



Departmental Idea Pitch



Employee Benefits and Well-Being

MGB continues to provide competitive remuneration to employees as appreciation for their dedication in driving the Group's success. This is mainly driven by the Group's comprehensive Remuneration Policy that ensures all employees are rewarded fairly according to their individual performance and the latest industry standards. This policy is endorsed by the Board and will be reviewed and updated whenever necessary by the Group's Nomination and Remuneration Committee ("NRC").

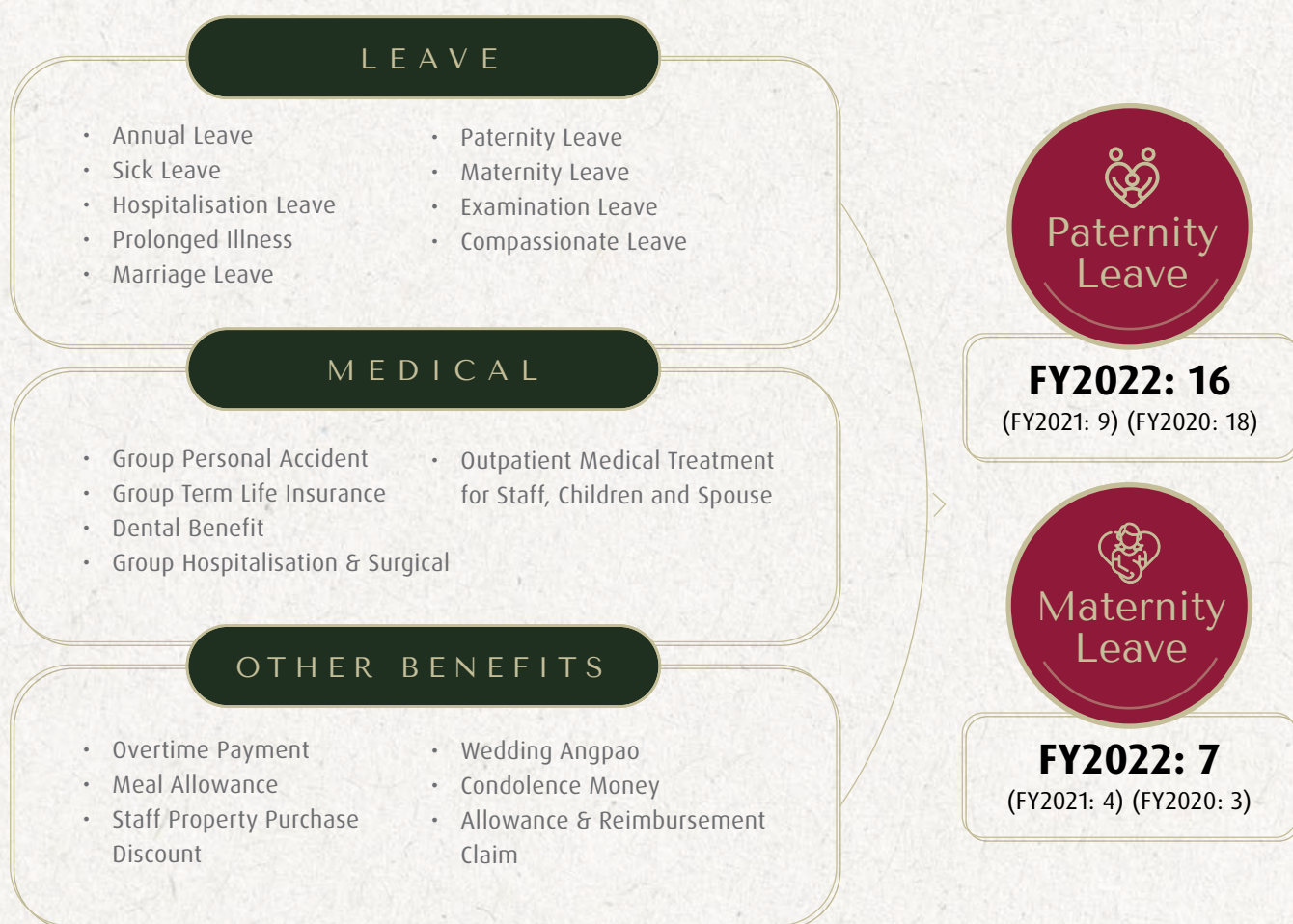
The compensation package includes salaries, bonuses, allowances (where appropriate), as well as various employment benefits. The performance of MGB's employees is graphed into a distribution bell curve to better identify low, average, and high-performance levels. The Group then uses this as a guide to determine annual increments and other remunerations for its staff. Benefits provided comply with the Employment Act, as well as complementary benefits and perks, which serve to motivate or reward employees.

Social Disclosure

Employee Benefits	FY2020	FY2021	FY2022
	RM'000		
Total payments made to employees in terms of salaries, bonuses and benefits	25,844.84	30,099.20	33,901.77
Total statutory payments made for employees' retirement benefits (EPF)	2,699.48	3,158.56	3,465.83
Total payments in medical insurance (SOCSCO) for employees	252.91	266.51	295.38

Note: FY2020 and FY2021 data has been revised according to the previous audited report.

Full-time MGB employees are entitled to the following benefits:



Return to Work		FY2020	FY2021	FY2022
Return to Work Rates (return to work after parental leave period)	Male	100%	100%	100%
	Female	100%	100%	100%
Retention Rates (remain with the organisation for 12 months or more post parental leave)	Male	72.20%	100%	100%
	Female	100%	75%	100%

Social Disclosure

Employee Engagement Programmes

MGB actively searches for avenues to positively engage its workforce. In FY2022, multiple employee engagement programmes were conducted, including:

Festivals	Health & Wellness
<ul style="list-style-type: none"> Chinese New Year Deepavali Hari Raya Malaysia National Day Christmas 	<ul style="list-style-type: none"> Sports Activities Fitness and Wellness Day
Leisure / Sustainability	
<ul style="list-style-type: none"> Dress Up Fridays Sustainability Zero Waste Journey Departmental Idea Pitch Office Trivia 	<ul style="list-style-type: none"> Merdeka Poster Design Contest War Cry Challenge Planking Challenge Earth Hour 2022 Quiz

Festival Celebrations

As an employer with a diverse workforce, MGB makes an effort to celebrate the different cultures and customs practised by its employees. This is done by organising celebrations around major festival seasons, such as Chinese New Year, Hari Raya, Deepavali, etc. Apart from boosting employee morale, MGB’s festival celebrations allow for employees to appreciate different cultures and become more tolerant to each other.

Fitness and Wellness Day

MGB prioritises the health and wellness of its employees, as healthy employees are happier and more productive. As such, the Group organises a Fitness and Wellness Day every Tuesday that encourages its employees to participate in many different sports and fitness programmes. These events include badminton, Muay Thai, and basketball. MGB staff are also encouraged to participate in any marathon activities they may be interested in.

Sustainability Zero Waste Journey

To further drive the Group’s environmental commitment throughout all levels of the organisation, Group Sustainability organised a zero-waste campaign. Under this campaign, a series of zero waste challenge initiatives and a Zero-Waste Talk by Zero Waste Malaysia was conducted. The ultimate goal of the campaign was to instil a sense of environmental awareness among MGB employees that would lead to reduction in waste generation through responsible practices.

Earth Hour 2022 Quiz

In view of Earth Hour 2022, MGB engaged all its employees in a fun and engaging quiz that promoted environmental awareness and sustainability. Such activities are critical in instilling a culture of environmental responsibility among the Group’s workforce. By involving its employees in these programmes, MGB aims to inspire them to take action and become champions for sustainability both in their personal lives and at work.



Christmas Celebrations



Fitness & Wellness Day - Badminton

Social Disclosure



Planking Challenge



War Cry Challenge



Fitness & Wellness Day - Zumba

HUMAN AND LABOUR RIGHTS

Keeping with its role as a fair employer, MGB ensures that the welfare of its entire workforce is protected under the appropriate human and labour rights.

Compliance with Labour Law

MGB strictly complies with all applicable employment and human rights regulations wherever the Group operates. Locally, this is largely guided by, but not limited to, the Malaysian Employment Act 1955 which ensures the Group complies with the stipulated laws prohibiting child or forced labour across its business operations. The Group also subscribes to international human rights laws and regulations such as Children and Young Persons (Employment) Act 1966 to uphold its commitment to strict compliance with child labour laws.

Thus far, there have been no recorded incidents of child or forced labour in MGB since the commencement of its operations.

MGB's Human Rights Policy explicitly prohibits the employment or use of child or forced labour and contains provisions prohibiting discrimination based on race, religion and gender.

To ensure complete compliance with the Human Rights Policy, the Group's HR Department constantly briefs employees through an on-job training basis, with audits conducted periodically to assess compliance performance.

Safeguarding 3rd Party Worker Rights

As a responsible organisation, MGB believes that it can play an important role in ensuring the safety and welfare of its third-party workers are protected, despite not having direct control over them.

This is done by providing them with safe and secure working conditions without being overworked. The Group also provides all employees, including third-party workers, the right to healthcare, fair wages, and decent accommodation. MGB also does not hold onto their identification documents, such as passports, allowing workers the right to return to their home countries after their contracts expire. All in all, these actions ensure that all workers are accorded their basic human rights, as enshrined in the UN Guiding Principles on Business and Human Rights and the UN Global Compact.

All MGB subcontractor companies are also reminded constantly of the Group's no illegal workers or forced labour policies. Any such company will be dismissed immediately and reported to the authorities for appropriate enforcement measures. Third-party labour contractors are also required to provide documented evidence of labour laws set out by the government.

MGB's whistleblowing mechanisms are also extended to third-party workers, providing them with an avenue to report any incidents of non-compliance to human rights provisions. Thus far, no reports have been made.

In the future, MGB's strategies will include more on-the-ground measures, such as periodic inspections of worker quarters, interviews, and so forth. Currently, there have been no issues of non-compliance in FY2022.

Social Disclosure

Employee Training and Professional Development

The professional development of its workforce is key to the growth of any organisation. With this intent in mind, MGB has actively engaged, developed, and empowered its employees with a mission to advance their careers through targeted development opportunities and innovative learning solutions. These efforts are driven and coordinated among the HR Department and HODs to ensure consistency in the professional and personal growth of the workforce across all business departments of the Group. MGB's formalised Human Resource Learning and Development Policy can be viewed at: <https://mgbgroup.com.my/sustainability/>.

The Policy outlines the Group's commitment towards ensuring the constant quality and regularity of staff professional development. Training is also an effective means to develop employee competency and support succession planning while reinforcing staff morale and satisfaction. To facilitate training better, MGB's HR Department has developed a Training and Development SOP that guides the overall management approach to training. Under this SOP, training is approached by first identifying any gaps in an employee's skill set (usually during the appraisal process) on a yearly basis and then providing suitable training avenues to close the gap.

Employees can also request training through a Training Requisition Form, with each training being customised to meet the specific skill gaps of the employee. MGB also consults suitable experts concerning the Group's focus in regard to developing employee competency. This is especially important when developing new skills and capabilities required with the proliferation of digitalisation and technology. Feedback from employees is always collected after any training programme to assess its effectiveness and guide further programmes moving forward.

The Group also drives employee development through various engagement campaigns that promote professional growth. The latest of these is the "Heroes for Change" intraoffice campaign that aims to motivate employees and prepare them to face any obstacles they may encounter during change. Through the campaign, MGB employees learn how to act swiftly while remaining agile, innovative, and competitive while identifying opportunities for improvement. Ultimately, the campaign helps the Group break down departmental and multigenerational walls, encouraging employees to freely express themselves and provide valuable ideas that add value to MGB's business operations.

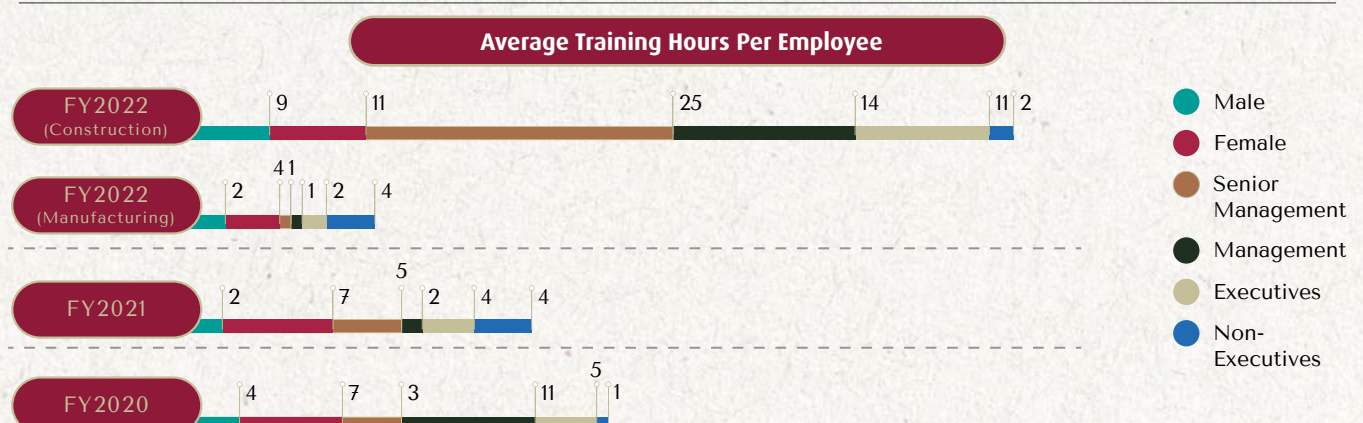
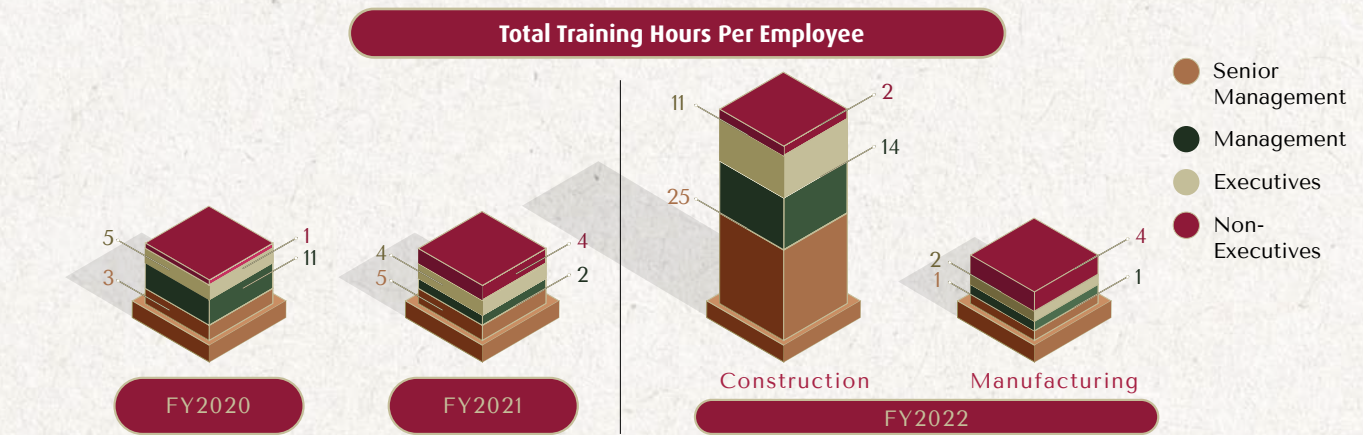
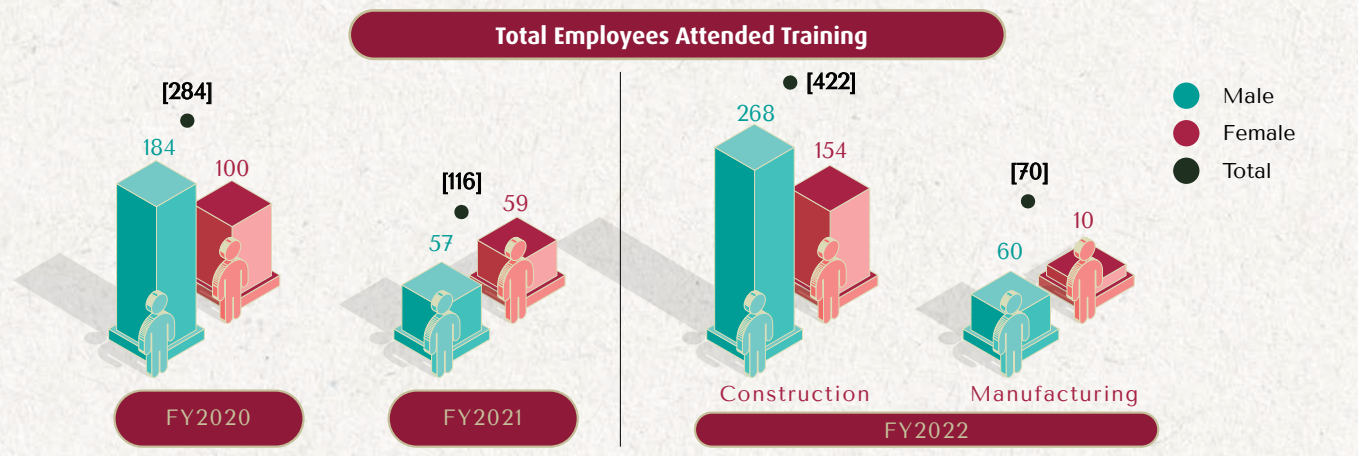
Beginning in FY2022, MGB began contributing to a Human Resources Development Fund ("HRDF") under the Ministry of Human Resources ("MOHR"). This is expected to allow for more HRDF claimable training to be carried out moving forward. Whenever required, the Group's HR Department provides additional funding for courses, seminars, lectures, workshops, and so on. In spite of pandemic uncertainties, MGB continues to provide constant learning through virtual platforms, such as Zoom and so on.

The list of training courses conducted in FY2022 as below:

No.	Course Title	No.	Course Title
1.	Traffic Control Training	15.	Discuss & Review on HIRARC
2.	Safe Enter of Excavation	16.	Safety & Health Training (PPE)
3.	Excavation Work Safety	17.	Cybersecurity: Approach & Risk Mitigation
4.	Excavation Work Safety Briefing	18.	Digital RFWI Form Briefing Session
5.	Operator Passenger Hoist Awareness	19.	EMS, QMS & OHSAS Awareness
6.	Pengurusan Buangan Terjadual & Kawalan Pertumpahan Pelepasan Tidak Sengaja	20.	ESG
7.	Permit to Work Training	21.	Laserfiche
8.	Safety Harness Training	22.	One Day Interactive Awareness Course Implementing ISO 9001:2015 QMS and Best Practices
9.	Working at Height	23.	Tool Box Briefing
10.	Power Tool Training	24.	Safe Wear Safety Harness
11.	Vibration Hazard	25.	Safety Induction
12.	Ear Plug Training	26.	Site Safety Induction
13.	Lifting Training	27.	Safety Harness & Safety Ladder
14.	Safework Unloading Pre-cast Concrete Panel Training & HIRARC	28.	SICW (Green Card Course)

Social Disclosure

Training Data	FY2020	FY2021	FY2022
Total Training Hours as a Company	1,981	768	5,002
Total Training Spent as a Company (RM)	32,359	16,010	87,094
Total Training Hours per Division / Business Unit	991	384	2,501
Total Training House Spent per Division / Business Unit (RM)	16,180	8,005	43,547
Average Training Hours per Employee	5	2	9
Average Training Days per Employee	0.5	0.5	1.5
Average Training Spent per Employee (RM)	82.34	39.63	170.10



Social Disclosure

OCCUPATIONAL SAFETY AND HEALTH

MGB views OSH as vital to the Group, given the Board and Management's concern for the well-being of employees, third-party workers, local communities, as well as other stakeholders.

This is reflected through the involvement of Management in quarterly OSH review meetings to discuss OSH matters and any control measures to be taken. When and as necessary, HIRARC revision may be required depending on the safety matters that arise from time to time.

The ultimate goal of OSH for MGB is to foster a safe and conducive work environment. Injuries or even fatalities are a tragedy that must be avoided at all costs. By ensuring a safe workplace and secure environment, employees can also perform their best and be productive and, equally important, be able to return home to their families and loved ones.

As the safety and health of employees and workers are a top priority for us, OSH is material to MGB as it is akin to a license to operate in the construction and property development industries.

From a business operation perspective, any OSH incident is likely to impact the progress of works at operational sites. Damages and delays will hamper project completion and lead to increased rectification costs. In addition, the Group's reputation and branding are also associated with the OSH performance, where any OSH incident reported may affect the perception of the Group as a safe and reliable operator. Therefore, a robust OSH management system is necessary to drive down compliance costs and reduce risks.

Ultimately, a good OSH track record will translate into higher productivity, higher employee/worker morale, a more substantial 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.



100% of MGB's Project sites are certified with

ISO 45001: 2018 Occupational Health and Safety Management Systems.

Comprehensive HSE Policy

In advocating safety first across the Group, MGB has established a comprehensive HSE policy that provides the basis for the continued proliferation of an OSH-first mindset across the Group. The Policy aligns with the present regulatory requirements but also extends further towards realising the Group's OSH operational excellence and ensuring the safest work conditions for employees and workers. More details on the HSE policy can be viewed here: www.mgbgroup.com.my/sustainability/.

The Policy applies to all of our business activities and premises and is pursuant to national laws and regulations, Malaysia's Occupational Safety and Health Act 1994. In essence, the HSE policies and measures implemented by MGB continue to reflect its no-compromise stance on OSH matters and unwavering commitment towards OSH excellence.

MGB also proactively manages pandemic-related scenarios through the implementation of Safe Working Procedures ("SWP"). The SWP policy applies to all employees and is extended to visitors to the business premises and project sites.

OSH Committees On-Site

MGB believes a good OSH performance requires an effective and functioning OSH committee to facilitate the OSH matter. Hence, all worksites have a comprehensive OSH Committee comprising a Safety Officer, Site Safety Supervisor and Project Manager.

All parties strive to achieve and maintain an incident-free work site. Their main tasks include organising monthly OSH committee meetings as well as weekly toolbox meetings, undertaking Hazard Identification, Risk Assessment, and Risk Control ("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 sufficient employee representation on OSH committees.

Workers are equally represented, with the Group assigning four workers for every 100 as representatives in the OSH committees.

Social Disclosure

HSE COMMITTEE MEMBERS DETAIL FOR ALL JOBSITES



Site	Location	Chairman	Secretary	Management Rep	Workers' Rep	Total Members
Alam Perdana Phase 4	Puncak Alam	1	1	5	10	17
Alam Perdana Phase 5		1	1	8	20	30
Kita Impian	Cyberjaya	1	1	4	4	10
Kita Mekar		1	1	5	7	14
Kita Ria		1	1	5	12	19
Mercu Jalil	Bukit Jalil	1	2	7	11	21
Residensi Bintang		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		1	2	3	4	10
MGB Sany	Puncak Alam	1	1	3	3	8
MGB Sany	Nilai	1	1	3	3	8

Social Disclosure

OSH MANAGEMENT

An essential component of MGB's OSH management is constant monitoring and review. This allows the Group to effectively assess existing control measures alongside the associated risks to develop an effective action plan.

Constant monitoring and review provides a concise rundown on how Health and Safety are monitored and reviewed. Hence, MGB ensures that OSH management systems align with the PDCA system (Plan, Do, Check, Act).

To stay vigilant in managing OSH matters, MGB has identified the following works as having a higher risk for an OSH incident.



In an effort to address these risks, the Group practises a Permit-to-Work approach, where all such higher-risk works require approval by the site's Safety Officer in order to proceed with the work execution.

This is through assessing the physical environment and work processes before a Permit-to-Work for scaffolding work is issued. The assessment also evaluates the adequacy of safety equipment available for the works to be performed safely. Other factors considered include weather conditions, the worker's or workers' physical condition and job experience.

Guided by HSE policy (**ISO 45001**) and the Health and Safety at Work Act 1974, every worker is responsible for workplace health and safety. In cases of any incident, the immediate action to be taken is to inform the management. From the reported point of view, the incident will proceed with a thorough investigation, and if warranted, a shutdown on-site may be required either 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.

To ensure incidents are dealt with effective manner, there are seven (7) critical steps must be followed:

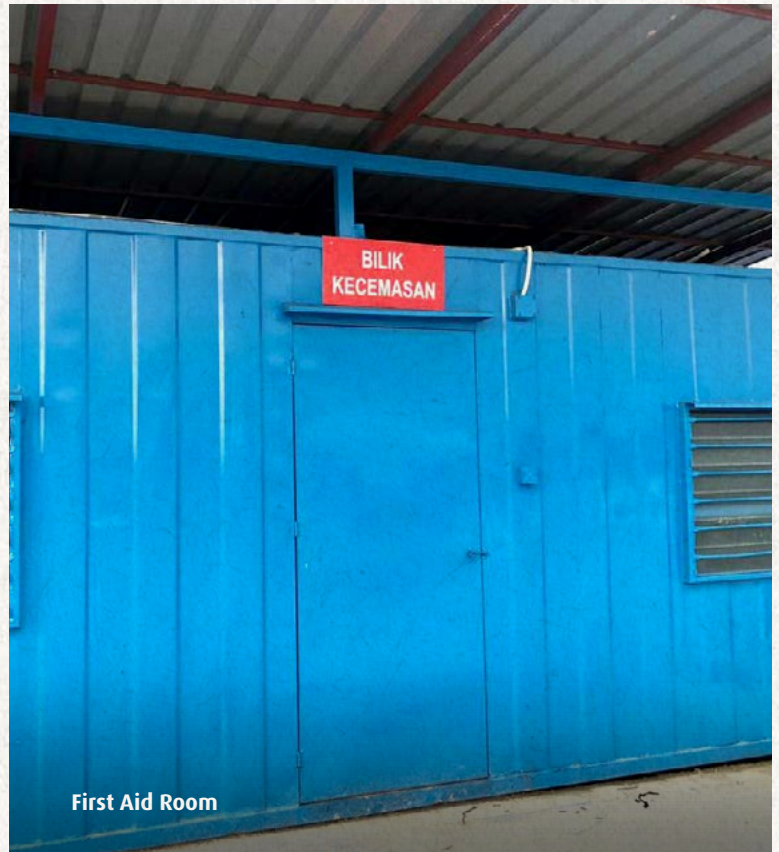


These processes facilitate stress mitigation and the potential side effects of workplace incidents. MGB always encourages employees to undertake Incident Reporting and Investigation Training.

Through this robust OSH management in place, 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 to be shared with all project sites and, where relevant, incorporated into the existing OSH SOPs.

Social Disclosure

Centralised Labour Quarters ("CLQ")



Social Disclosure



OSH Training and Awareness

For MGB, OSH training is essential to ensure a safe workplace for all and also to promote a high level of competence and vigilance. In FY2022, a total of 106 employees received Health and Safety Standards training.

Moreover, staff are regularly sent for a wide range of OSH-related training and refresher sessions for work competence and safety awareness, which includes:

- Weekly Housekeeping on Site
- Weekly toolbox at CLQ and Site
- Sharing of unsafe practices during weekly toolbox meetings
- CIDB Green Card training for MGB general workers

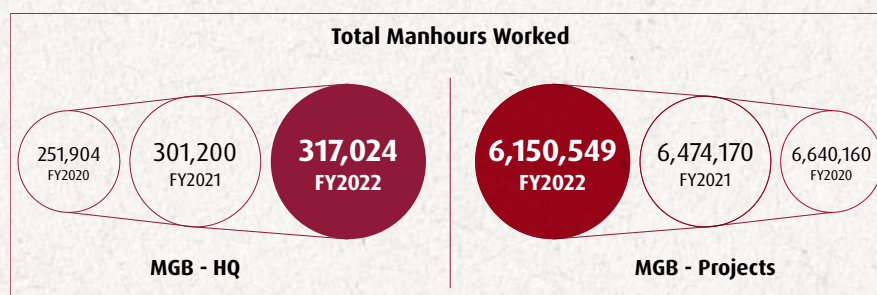
Recognising the importance of OSH, the Group constantly reminds its staff through the use of the OSH newsletter, which is displayed on the HSE notice board on sites, as well as the company Intranet.

In supporting the OSH training for all employees, MGB has invested in setting up formal training rooms and projectors to ensure conducive learning. The Group also specially allocated funds for in-house training, external training, and providing continuous learning programmes for Safety and Health Officers.

OSH Performance

As the construction projects increased year-on-year, MGB exceeded the 5-million mark of total manhours worked in FY2022. Overall, the Group recorded 6,150,549 with 0.16% lost days.

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



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

OSH Data	FY2020	FY2021	FY2022
Fatality	0	0	0
Work-related Injuries	0	0	1
Incident Report	0	0	1
Lost Time Accidents	0	0	0
Total Days Lost/Charged	0	0	80
Total Days Worked	302	329	280
Average Workers Per Day	24,142	23,277	26,858
Injury Rate (incl. Fatalities)	0	0	0.16
Lost Day Rate	0	0	13
Frequency Rate	0	0	0
Severity Rate	0	0	0

Social Disclosure

ENRICHING LOCAL COMMUNITIES

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



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

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

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



Sustainability
Disclosure Index &
Statement

Bursa Sustainability Disclosure Index

SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE REFERENCE / EXPLANATION
COMMON INDICATORS			
Anti-Corruption	C1 (a)	Percentage of employees who have received training on anti-corruption by employee category	Page 15
	C1 (b)	Percentage of operations assessed for corruption-related risks	Information unavailable
	C1 (c)	Confirmed incidents of corruption and action taken	Page 15
Community/ Society	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Page 24
	C2 (b)	Total number of beneficiaries of the investment in communities	This information is reported by the parent company, LBS Bina Group Berhad
Diversity	C3 (a)	Percentage of employees by gender and age group, for each employee category	Page 37-39
	C3 (b)	Percentage of directors by gender and age group	Page 38
Energy Management	C4 (a)	Total energy consumption	Page 27
Health And Safety	C5 (a)	Number of work-related fatalities	Page 50
	C5 (b)	Lost time incident rate	
	C5 (c)	Number of employees trained on health and safety standards	Page 45 & 50
Labour Practices and Standards	C6 (a)	Total hours of training by employee category	Page 45
	C6 (b)	Percentage of employees that are contractors or temporary staff	Page 37
	C6 (c)	Total number of employee turnover by employee category	Page 36
	C6 (d)	Number of substantiated complaints concerning human rights violations	Zero complaints of human rights violation for FY2022
Supply Chain Management	C7 (a)	Proportion of spending on local suppliers	Page 25
Data Privacy and Security	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero cases of data breaches for FY2022
Water	C9 (a)	Total volume of water used	Page 29
Waste Management	C10 (a)	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	Page 30
	C11 (a)	Scope 1 emissions in tonnes of CO ₂ e	Page 28
Emissions Management	C11 (b)	Scope 2 emissions in tonnes of CO ₂ e	
	C11 (c)	Scope 3 emissions in tonnes of CO ₂ e	

Bursa Sustainability Disclosure Index

Sustainability Matters	Code	Indicators	Page Reference / Explanation
Sector-Specific			
Biodiversity	S1 (a)	Percentage of existing operations or projects accessed for diversity risks	Page 33
	S1 (b)	Size and location of all habitat areas protected or restored	MGB does not operate within 5km of any Key Biodiversity Areas. However, the Group conducts comprehensive biodiversity audits to identify species with high conservation value. These findings will be disclosed in future reports moving forward.
	S1 (c)	Total number of International Union for Conservation of Nature (“IUCN”) Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company	
Materials	S5 (a)	Total weight or volume of materials that are used to produce and package products and services	Page 31-32
Supply Chain (Environment)	S6 (a)	Percentage of new suppliers that were screened using environmental criteria	Information unavailable
	S6 (b)	Number of suppliers accessed for environmental impacts	
	S6 (c)	Percentage of the company’s total property portfolio certified to a recognised building management standard for property	Page 25
Supply Chain (Social)	S7 (a)	Percentage of new suppliers that were screened using social criteria	Page 16, 25 & 43
	S7 (b)	Number of suppliers accessed for social impacts	
Effluents	S8 (a)	Total volume of water (effluent) discharge over the reporting period	Page 29

GRI Content Index

MGB has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMISSIONS
GRI 2: General Disclosures 2021	2-1	Organisational details	Refer to Annual Report 2022
	2-2	Entities included in the organisation's sustainability reporting	Page 9
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	Economic Value VS Environmental Footprint: Page 23-24; Environmental Disclosures: Page 27-29, 31
	2-5	External assurance	Page 9
	2-6	Activities, value chain and other business relationships	Page 19
	2-7	Employees	Page 36-37
	2-8	Workers who are not employees	Page 37
	2-9	Governance structure and composition	Refer to Annual Report 2022
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	Page 13
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	Refer to Annual Report 2022
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	Page 40
	2-17	Collective knowledge of the highest governance body	Refer to Annual Report 2022
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	Information unavailable
	2-21	Annual total compensation ratio	
	2-22	Statement on sustainable development strategy	Page 4
	2-23	Policy commitments	Page 14
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	Page 40
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	Page 25, 29 & 43
	2-28	Membership associations	Page 9
	2-29	Approach to stakeholder engagement	Page 19
	2-30	Collective bargaining agreements	Information unavailable

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMISSIONS
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 21
	3-2	List of material topics	
	3-3	Management of material topics	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 23
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 23
	201-2	Financial implications and other risks and opportunities due to climate change	Refer to TCFD Statement of this report on Page 62-64
	201-3	Defined benefit plan obligations and other retirement plans	Page 40-41
	201-4	Financial assistance received from government	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 10-11
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Information unavailable
	202-2	Proportion of senior management hired from the local community	Page 38
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 24
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	
	203-2	Significant indirect economic impacts	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 25
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 15
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Information unavailable
	205-2	Communication and training about anti-corruption policies and procedures	Page 15
	205-3	Confirmed incidents of corruption and actions taken	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 25
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Refer to Annual Report 2022
GRI 207: Tax 2019	207-1	Approach to tax	
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	
	207-4	Country-by-country reporting	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Not applicable
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 17
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 31

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMISSIONS
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Page 31-32
	301-2	Recycled input materials used	Not applicable
	301-3	Reclaimed products and their packaging materials	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 27
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 27
	302-2	Energy consumption outside of the organisation	Page 24
	302-3	Energy intensity	Page 24
	302-4	Reduction of energy consumption	Not applicable
	302-5	Reductions in energy requirements of products and services	
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Page 29
	303-2	Management of water discharge-related impacts	Information unavailable
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	Page 29
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 33
	304-2	Significant impacts of activities, products and services on biodiversity	Information unavailable
	304-3	Habitats protected or restored	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 28
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	Page 24
	305-5	Reduction of GHG emissions	Refer to SASB Content Reference Index: Energy Management of this report on Page 61
	305-6	Emissions of ozone-depleting substances (ODS)	Page 29
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMISSIONS
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Page 30
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 25
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Information unavailable
	308-2	Negative environmental impacts in the supply chain and actions taken	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 35
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 36
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 40-41
	401-3	Parental leave	Page 41
GRI 3: Material Topics 2021	3-3	Management of material topics	
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 46
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 48
	403-2	Hazard identification, risk assessment, and incident investigation	Page 46
	403-3	Occupational health services	Page 46-47
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 50
	403-5	Worker training on occupational health and safety	Page 46
	403-6	Promotion of worker health	Page 48
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 46
	403-8	Workers covered by an occupational health and safety management system	Page 50
	403-9	Work-related injuries	
	403-10	Work-related ill health	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 44
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 45
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 40
	404-3	Percentage of employees receiving regular performance and career development reviews	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 35

GRI Content Index

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMISSIONS
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 37-39
	405-2	Ratio of basic salary and remuneration of women to men	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 43
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Page 40
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 43
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 43
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 43
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Not applicable
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 51
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	
	413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 16 & 25
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Information unavailable
	414-2	Negative social impacts in the supply chain and actions taken	
GRI 3: Material Topics 2021	3-3	Management of material topics	Not applicable
GRI 415: Public Policy 2016	415-1	Political contributions	
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 25
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Page 5
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Information unavailable
GRI 3: Material Topics 2021	3-3	Management of material topics	Not applicable
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	
	417-2	Incidents of non-compliance concerning product and service information and labelling	
	417-3	Incidents of non-compliance concerning marketing communications	

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	0
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: Innovative Solution Provider (page 25)

Worker health and Safety

CODE	DESCRIPTION	PERFORMANCE	
		FY2021	FY2022
IF-EN-320a.1	1) Total recordable incident rate	0	1
	2) Fatality rate for (a) direct employees and (b) contract employees	0	0

Business Ethics

CODE	DESCRIPTION	PERFORMANCE	
		FY2021	FY2022
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	
IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	Please refer to the following section: Sustainability Governance: Anti-Corruption (page 15)	

SASB Content Reference Index

SASB CONTENT REFERENCE INDEX (PROPERTY DEVELOPMENT)

Energy Management

CODE	DESCRIPTION	PERFORMANCE	
		FY2021	FY2022
IF-RE-130a.2	(1) Total energy consumed by portfolio area (in GJ)	72,143.33	67,398.61
	(2) Percentage grid electricity	2.40%	3.37%
	(3) Percentage renewable, by property subsector	Zero percent of RE use	
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	24.86% year-on-year	(6.58%) year-on-year

Water Management

CODE	DESCRIPTION	PERFORMANCE	
		FY2021	FY2022
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage (in m3)	Water Consumption: 30,745	Water Consumption: 31,081
	(2) Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Zero in water-stressed locations	
IF-RE-140a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Water Consumption: 6.39% year-on-year	Water Consumption: 1.09% year-on-year
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 Disclosures: Water Consumption (page 29)	

Climate Change Adaptation

CODE	DESCRIPTION	PERFORMANCE	
		FY2021	FY2022
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 Disclosure: Climate Change and Emissions (page 28)	

SASB Activity Metrics

CODE	DESCRIPTION	PERFORMANCE	
		FY2021	FY2022
IF-RE-000.A	Number of active engineering and construction projects	14	22
	Number of active property subsector projects	13	10
IF-RE-000.B	Number of commissioned (engineering) projects	7	3

TCFD Statement

The table below provides a detailed description of MGB’s commitment to aligning its business operations with TCFD themes and recommended disclosures. Wherever necessary, references to specific sections of this report are provided where more detailed explanations can be found.

TCFD Disclosures	
<div>  <div>Governance</div> </div> <div> <p>Describe the Board’s oversight of climate-related risks and opportunities.</p> <p>Describe the management’s role in assessing and managing climate-related risks and opportunities.</p> </div>	<p>All material topics including those pertaining to climate-related issues come under the direct oversight of MGB’s Board and Management team via the Group’s sustainability governance structure.</p> <p>Under the sustainability governance structure, MGB has established a Board-level Sustainability Committee that spearheads all climate and sustainability-related initiatives. They act as the highest level of decision-making where the Group’s ESG strategies are concerned.</p> <p>Through the Sustainability Committee, the Board is kept abreast of all climate-related matters via regular reports on energy consumption and carbon emissions. Based on this information, the Board deliberates the most viable strategies for MGB to properly manage climate-related topics throughout all levels of the Group’s operations.</p> <p>The Board also reviews risks attributed to climate change and other related impacts through the Board-level Risk Management Committee.</p> <p>Further information can be found in the Sustainability Governance Structure section (page 13) and Climate Change & Emissions section (page 28).</p> <p>The Management team’s central role within the sustainability governance structure is to assist the Sustainability Committee by providing strategic direction and overseeing daily operations pertaining to the Group’s sustainability agenda.</p> <p>They are also responsible for setting the relevant KPIs and targets while developing the necessary strategies and action plans to drive targets. This includes driving annual performance against the FY2022 baselines set for ESG KPIs and targets.</p> <p>Beyond performance, the Management team is also responsible for keeping the Group’s Sustainability Committee up to date by providing timely updates on energy consumption, emissions, and other climate-related data. Whenever required, they are also expected to provide input and improvement plans to the Board to enhance MGB’s management of material topics.</p> <p>The Management team is also tasked with ensuring there are robust mitigation strategies and systems in place to address emerging and existing climate-related risks identified by the Risk Management Committee.</p> <p>For more information, please refer to the Sustainability Governance Structure section on page 13.</p>

TCFD Statement

TCFD Disclosures



Strategy

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

MGB identifies climate-related risks based on its existing risk management frameworks and internal assessments, alongside input and discussions from relevant industry experts. The severity of these risks is then further deliberated by taking into account the Group's business model and operations.

As MGB's TCFD adoption is still in the preliminary stages, the evaluation and identification of climate-related risks are still an ongoing process. For the time being, the Group has identified several operational risks pertaining to climate change, including:

- Additional costs to ensure all projects remain safe and habitable
- Adverse weather effects, such as increased rainfall, could lead to operational challenges (supply chain disruptions, flooding, increased OSH risks, etc.) that could potentially delay and disrupt project progress
- Re-evaluation of landbank strategies to include potential impacts of water scarcity and droughts.

More information can be found in the Climate Change & Emissions section on page 28.

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

Based on the forecasted risks above, MGB has been taking proactive steps to incorporate more relevant strategies to manage climate-related risks.

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

Whenever required by the authorities, the Group conducts appropriate climate assessments. MGB has also begun taking proactive steps to incorporate more climate-resilient building design and resource management systems into its projects. By utilising IBS precast technology for construction and reducing the consumption of fossil fuels wherever possible, MGB is also ensuring that its business operations and daily system remain resilient and ready for any climate-related issues that may arise in the future.

More examples of MGB's environmental initiatives that allow the Group to maintain their operations in the face of climate change can be found throughout the Environmental Disclosures section from pages 27 to 33.



Risk Management

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


Risk management, including ESG and climate-related risks, falls under the responsibility of the Board-level Risk Management Committee and Audit Committee. Together, these committees oversee all risk management activities of the Group and support the Board's responsibilities in identifying significant risks.

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

Once these risks, including climate-related risks, have been identified, the appropriate management strategies are developed by the Board. These measures are implemented throughout the organisation by the Senior Management and respective Heads of Departments ("HODs").

For more information, please refer to the Sustainability Governance Structure section (pages 13-14).

TCFD Statement

TCFD Disclosures		
<div>  <div> Metrics and Targets </div> </div>	<p>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>MGB tracks climate change and emissions data through the amount of CO2 generated as a result of Scope One, Scope Two, and Scope Three energy consumption. This figure is then compared against the Group’s revenue in RM612 Million to determine the average energy efficiency/ intensity.</p> <p>CO2 emissions are measured in terms of tonnes of CO2 produced per litre of fuel, i.e diesel and petrol (for Scope One and Scope Three energy consumption), and per kWh of electricity (for Scope Two energy consumption).</p> <p>Please refer to the Energy Consumption (page 27) and Climate Change & Emissions (page 28) sections for more information.</p>
	<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions, and the related risks.</p>	<p>In FY2022, MGB produced 7,612 tonnes of CO2 emissions, which is higher than the 6,247 tonnes produced last year. The key increase is a direct result of uptake in Scope Two and Scope Three energy consumption as more employees begin returning to work after a period of remote working in FY2021.</p> <p>More information is provided in the Climate Change & Emissions section on page 28.</p>


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