



## **MGB BERHAD**

Registration No.: 200201021504 (589167-W)

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# **MGB SUSTAINABILITY POLICY**

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## **1. INTRODUCTION**

MGB Berhad (“MGB” and “the Group”) is dedicated to maintaining high standards of ethical business conduct characterized by integrity, transparency, and an unwavering commitment to excellence across all operational domains, striving towards the United Nations Sustainable Development Goals while emphasizing responsible corporate citizenship by incorporating Economic, Environmental, Social and Governance (“EESG”) in its sustainability policy.

## **2. OBJECTIVES**

MGB Berhad's Board of Directors believes that incorporating EESG considerations into business decisions is crucial for long-term success, creating value for stakeholders, supporting communities, fostering inclusivity, and enhancing the environment. Balancing ESG with stakeholder interests is vital for improving investor perception and public trust, contributing to long-term stakeholder value. MGB is strongly committed to environmental, social, and corporate governance issues, aligning with its dedication to building a more sustainable society. This inclusive ESG approach mitigates operational risks and ensures sustained financial and non-financial value creation, establishing the Sustainability Policy as a guiding principle for the Group's corporate activities. This promotes sustainable value creation for shareholders, stakeholders, and the wider society while working towards the achievement of Sustainable Development Goals through the values of sustainability, integration, and dynamism.

## **3. RESPONSIBILITIES**

ESG Sustainability management comes under the purview of the Sustainability Committee, comprising representatives from various business units. It is headed by the CEO, who oversees the Group's continued commitment in the areas of ESG. The committee is responsible for implementing, overseeing and addressing all sustainability related issues from stakeholders and update the Management and Board on the Group's sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.

## **4. SCOPE**

The Policy applies to the Group as a whole, including its subsidiaries. At those companies in which the Group has an interest but that do not form a part thereof, the Company will promote,

through its representatives on the boards of directors thereof, the alignment of their own policies with those of the Company, such that they adhere to principles and guidelines that are consistent with those established in this Policy and in the environmental, social and corporate governance and regulatory compliance policies in further development thereof. The Group also committed to cascade its sustainability commitment, practices and culture to its extended business partners, suppliers and contractors.

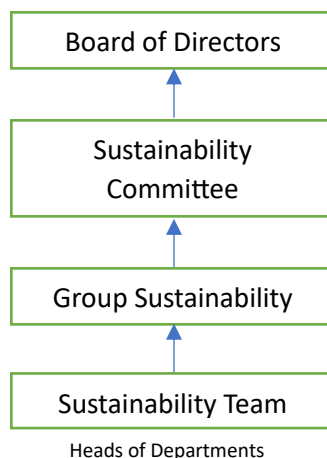
## 5. SUSTAINABILITY GOVERNANCE FRAMEWORK

The Group places an emphasis on good governance and sustainability, and continuously incorporates such principles into all functions and processes, which includes strategic planning, accountability, risk management, sustainable planning, and development among others.

The primary responsibility of MGB's Board of Directors ("the Board") is to ensure the delivery of sustainable value to stakeholders by adhering to the principles, frameworks, policies, objectives, and strategies of the Group. Three specialized working groups, namely the Sustainability Committee ("SC" or "Committee"), Group Sustainability ("GS"), and Sustainability Team ("ST") have been established to support the Board in fulfilling its duties.

The SC is responsible to review and drive the Group's sustainability strategies and affairs, EESG's key targets and performance, and progress and scorecard to advance the Group's sustainability leadership.

The GS team, consists of dedicated personnel, is responsible for supervising significant EESG matters. Their duties involve creating practical action plans to achieve predetermined goals, overseeing critical sustainability risks and opportunities, managing stakeholder engagement, and conducting materiality assessments. The GS team also monitors trends in sustainability, including governance, reporting, and Sustainability Key Performance Indicators (KPIs). The structure of governance framework can be summarised below: -



## **6. COMMITMENTS**

MGB aims to achieve business sustainability and contribute to the economic, environmental, social, and governance aspects of our business and of the communities. In the pursuit of the objectives, MGB undertakes the following:

### **a. ECONOMIC**

Ensuring a strong financial performance is a fundamental priority for MGB in its capacity as a responsible construction company. MGB is accountable to its investors for the responsible management of its assets and capital. MGB's approach is:

- Maintaining a competitive financial performance and achieve increased value for MGB's stakeholders by progressively incorporating EESG considerations into its business operations.
- Integrate EESG values into investment decisions and management practices to foresee potential risks, enhance returns, and identify opportunities, and concurrently contribute to the improvement of society and the planet effectively.
- Place significant importance into assisting local supply chains and procurement by prioritizing the selection of local suppliers of goods and services that meet the required standards for quality, cost, and other specific requirements of MGB.
- Progressively shift towards digitalizing the business operations of MGB by incorporating technology and automation into its processes and procedures, aiming to enhance productivity, reliability and consistency.

### **b. ENVIRONMENTAL**

In compliance with environmental legal requirements and regulations and our dedication to achieving Net Zero Carbon Emission by 2050, MGB actively contributes to the protection of the environment and conserving biodiversity. MGB's approach is:

- Complying with all relevant regulatory requirements and to continuously assess the environmental impacts of MGB's operations. Additionally, MGB will continuously seek to reduce such impacts by improving our resource usage efficiency through the reduction of energy and water consumption, as well as waste production.
- Embed low carbon and sustainability considerations in the design and construction of buildings and infrastructure.
- Ensure responsible resource management of materials and effluents.
- Preserve and improve the local flora species across all sites and foster environmental awareness within the community.
- Implement thorough monitoring of environmental pollution at all project sites to guarantee that effluents, noise, and emission levels adhere to the standards set by the Department of Environment.



- Adhere to the requirements of the Environmental Impact Assessment and Environmental Management Plan to maintain the safety and quality of the environment.

### **c. COMMUNITY**

MGB is dedicated to fostering the development and prosperity of society. MGB's Approach involves:

- Creating positive societal effects in four key areas: Health, Education, Environment, and Community.
- Uplifting society by through alleviation of poverty by addressing educational disparities and assisting marginalized and/or underprivileged communities by providing access to quality and affordable healthcare.
- Collaborate with identified communities and business segments to achieve positive impacts in all aspects through LBS Foundation.
- Sustain community initiatives and fulfill MGB's dedication to community development through volunteer programs, philanthropic activities, and collaborative initiatives.

### **d. WORKPLACE**

MGB is committed to creating a work environment that is conducive and comfortable for its employees and applies the following guiding principles:-

- Nurture diversity and equality of our employees, pursue an inclusive environment and strives for a fair and equitable treatment of all employees irrespective of gender, age, disability, ethnicity or religion.
- Provide a safe, healthy and empowering workplace as well as professional development to our employees so that they can continuously perform in an effective and efficient manner and concurrently enhance their skills and career development.
- Adhere to the basic human rights, labour policies and employee rights outlined in the country's laws, and prohibit the use of child or forced labor.
- Offer equitable and competitively aligned employee remuneration, perks and benefits, and to reward employees based on performance.
- Deliver on products and services that are innovative, of high quality and excellence by through continuous engagement with customers, and keeping up with market trends and strategies.

### **e. GOVERNANCE**

Integrating governance into all facets of MGB's operations and procedures is a crucial component of the MGB 's sustainability effort. MGB's approach is:

- Operate a strong governance structure, emphasizing on ethics and transparency issues including but not limited to corruption and bribery, discrimination, confidentiality of



information, conflict of interest, internal control, money laundering, environment, health and safety as well as whistleblowing.

- Develop and uphold a strong sustainability policy, framework, and governance structure that are in harmony with the business and operational priorities of MGB.
- Managing the expectations, issues, and concerns of stakeholders, including portfolio companies, when formulating the business plans and strategies of the company.
- Formulate suitable sustainability strategies, initiatives, and targets to rectify any identified gaps in EESG aspects.

## **7. REVIEW OF POLICY**

This Policy has been approved by the Board and is available for reference in the MGB's corporate website and internal computer networking system. This Policy shall be reviewed by the Board once every two years and updated whenever necessary to ensure its effective implementation. Any subsequent amendments to the Policy shall be approved by the Board upon recommendation of the Sustainability Committee.