



EMBEDDING SUSTAINABILITY INTO BUSINESS

Disclaimer

This ESG Brief is intended for informational purposes only. The content reflects MRCB's sustainability initiatives and commitments as of its publication date and may be subject to updates or revisions. For the most current, comprehensive, and audited sustainability data, please refer to MRCB's latest official Sustainability Report available at www.mrcb.com.my.

*Last updated:
30 April 2025*

Our Sustainability Journey

2017 - 2019



- Alignment to **8 SDGs**



- Published inaugural **Integrated Annual Report** in 2019
- Launched proprietary modular construction technology, **MRCB Building System (MBS)**

2020



- Signatory of the **Ten Principles of the UNGC**
- Member of the **UNGC**
- Alignment to **4 more SDGs**
- Obtained **external assurance** for selected sustainability data

2021



- Embarked on **Task Force on Climate-Related Disclosures (TCFD)**
- Member of the **CEO Action Network**
- Expanded reporting on **Scope 3 GHG emissions**
- Established **science-based targets** for Scope 1 & Scope 2 GHG emissions
- Alignment to **2 more SDGs**

2022



- Published **TCFD-aligned qualitative assessment report**
- Expanded reporting on **Scope 3 GHG emissions**
- Developed **Climate Strategy Framework**
- Developed **Human Rights Policy** aligned with the International Labour Organisation Core Conventions and Labour Standards
- Achieved **FTSE4Good Bursa Malaysia Index** score of **3.2**
- Alignment to **14 SDGs**
- Set Net Zero Carbon 2050 target

2023



- Published **TCFD-aligned quantitative Climate Physical Risk disclosures**
- Conducted **supply chain ESG readiness assessment** through UNGC ESG start
- Member of **Climate Governance Malaysia**
- Early adopter of Bursa's **Centralised Sustainability Intelligence Platform** for the construction sector
- Co-lead CAN's DEI workstream
- **Increased FTSE4Good** score to **3.6**
- **Achieved "A" in MSCI ESG Ratings**

2024



- Conducted **IFRS S1 and S2 Gap Analysis** to enhance sustainability reporting
- **Expanded Scope 3 reporting** to capture **97%** of value procured
- Developed a **Sustainable Design Policy** for the design and planning of projects
- Supported the development of **DEI Implementation Guide** for Malaysia by CAN
- **External Reasonable Assurance** by **BSI** for sustainability data
- **Increased FTSE4Good** score from 3.6 to **3.9**
- **Achieved "AA" in MSCI ESG Ratings**

Aligned to 14 UN Sustainable Development Goals



Net Zero Aspirations

Key Initiatives To Achieve Net Zero GHG Emissions by 2050



Initial Strategy

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

Scaling Up

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

Sustaining Momentum

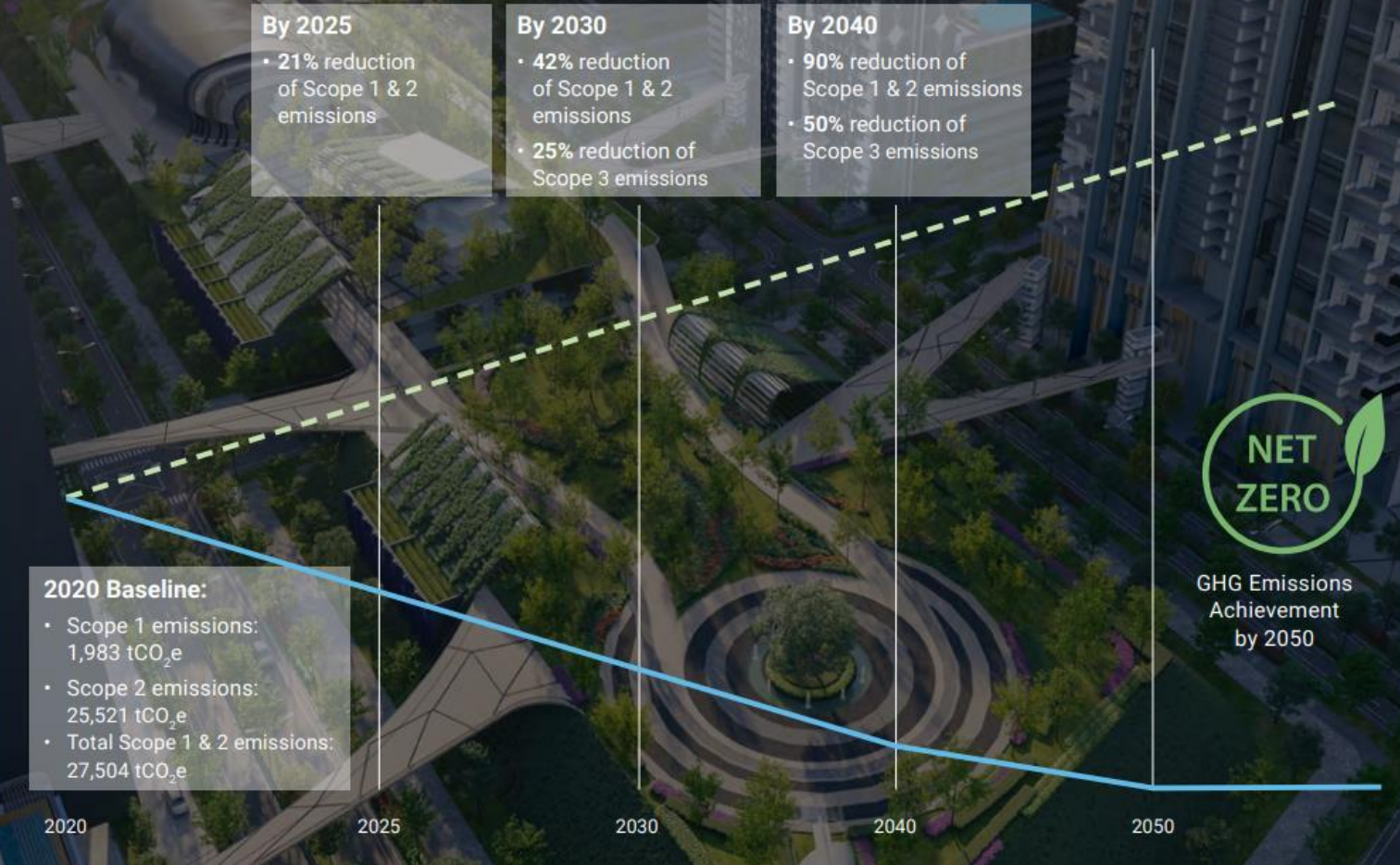
- Lower Emissions Buildings
- Transitioning to lower or zero emissions energy sources plant and equipment at construction sites

Getting to Net Zero

- Complete Renewable Energy Integration
- Carbon Sequestration
- Carbon Offset

MRCB's Net Zero Aspirations

-- Business As Usual
— Path to Net Zero Emissions



Key ESG Updates

Climate Change & the Environment

Target: Net Zero GHG Emissions (Scope 1, 2 and 3) by 2050

23%

▼

reduction in Scope 1 and Scope 2 GHG emissions intensity in Q4 FY2024 vs 2020 baseline

Task Force on Climate-Related Financial Disclosure (TCFD)

- Climate Physical Risk Impact Quantification study identified key assets for water stress and flood risks assessment.
- Completed IFRS S2 Gap Analysis and GHG Baseline Review.

A constituent of FTSE4GOOD Bursa Malaysia Index since 2014

Overall score up from 3.6 to 3.9

Ranked in top 14% of all listed companies in end-2024 assessment

Improving Scope 3 GHG Emissions Reporting

- Formal adoption of Bursa Malaysia's CSI Platform and collaboration with peers for supplier on-boarding to follow.
- Expanded Scope 3 reporting to cover 97% of value procured.

Good Corporate Governance

Target: Best-In-Class Practices & Disclosures

Commitment to Anti-Bribery Compliance

MRCB's Anti-Bribery Management System, ISO 37001:2016 certification; reinforces our commitment to combating bribery and corruption, ensuring compliance with all laws and regulations

Measuring a company's resilience to long-term, financially relevant ESG risk

MSCI AA

ESG Rating Upgraded from A in 2023

Corporate reporting & ESG awards



- Gold Award - 2024 ARA Awards
- Excellence Award Top 50 – NCGSA 2024
- Gold for Most Consistent Performer Over 5 Years – The Edge ESG Awards 2024

Promoting balanced leadership through diversity

Female Board Representation

38%


Key ESG Achievements in 2024

<div>PILLAR</div> <div><div>Environment</div></div>	Carbon Emissions Reduction	23%	Reduction in Scope 1 and Scope 2 GHG emissions intensity vs 2020 baseline	97%	Procured value reported in Scope 3 emissions
	Quality Assessment System In Construction	81%	Average QLASSIC score for Alstonia & Jabil's production facility	5-STAR	SHASSIC rating for Kwasa Utama C8
<div>PILLAR</div> <div><div>Social</div></div>	Well-Being of Staff and Community	2.7%	Gender pay gap	Donated RM2.2 mn that benefited 158,220	470 prison inmates have been employed in PEKA@MRCSB providing them employment opportunities upon their release since its launch in 2019


Key ESG Achievements in 2024

<div>PILLAR</div> <div><div>Governance</div></div>	<div>Compliance to Malaysian Code on Corporate Governance 2021 (MCCG 2021)</div> <div><div>42</div><div>out of 43 Practices</div></div> <div><div>4</div><div>out of 5 Step-Ups</div></div>
	<div>Recognition for Best Practices in Governance/ESG</div> <div><div>National Corporate Governance & Sustainability Awards 2024</div><div>Excellence Award – Ranked 44th Out of 854 PLCs</div></div> <div><div>National Annual Corporate Report Awards (NACRA) 2024</div><div>Gold Excellence Award For Companies with less than RM2 Billion in Market Capitalisation</div></div> <div><div>The Edge ESG Awards 2024</div><div>Gold for Most Consistent Performer Over Five Years</div></div>
	<div>MSCI ESG Rating</div> <div><div>MSCI</div><div></div><div>“AA”</div><div>ESG Rating Upgraded from A</div></div> <div><div>FTSE4GBM Index</div><div>Achieved overall score of <div>3.9</div></div><div>Achieved a climate change score of <div>4.0</div></div><div><div></div><div>FTSE4Good</div></div></div>

Key ESG Indicators (1/5)

PILLAR	INDICATOR	2022	2023	2024
 Environment	<u>ENERGY</u>			
	Electricity Consumption (kWh)	31,946,177	35,322,105	26,193,442
	Electricity Intensity – Corporate (kWh/m ²)	36.50	37.24	40.40
	Electricity Intensity – ECE (kWh/RM' Million)	1,255	902	889
	Electricity Intensity – PDI (kWh/RM' Million)	741	1,000	2,509
	Electricity Intensity – FM (kWh/m ²)	103.23	120.83	216.44
	Electricity Intensity – PS (kWh/m ²)	12.66	12.30	9.77
	Fuel Consumption (L)	824,489	1,427,606	2,510,071
	<u>WATER</u>			
	Water Consumption (m ³)	730,484	573,053	495,119
	Water Intensity – Corporate (m ³ /m ²)	n/a	0.050	0.468
	Water Intensity – ECE (m ³ /RM' Million)	50.66	29.96	35.47
	Water Intensity – PDI (m ³ /RM' Million)	3.00	6.30	32.02
	Water Intensity – FM (m ³ /m ²)	2.454	2.108	4.392
	<u>WASTE*</u>			
	Non-Recycled Waste Generated (MT)	6,161	3,227	470
	Scheduled or Hazardous Waste Generated (MT)	2.05	3.53	13.67
	Recycled Waste (MT)	558	383	7,303
	Waste Intensity – ECE (MT/RM' Million)	2.758	1.861	0.366

Key ESG Indicators (2/5)


PILLAR	INDICATOR	2022	2023	2024
 Environment	<u>GHG EMISSIONS*</u>			
	Absolute Emission – Scope 1 + Scope 2 (tCO ₂ e)	29,065	35,210	29,067
	Absolute Emission – Scope 1 (tCO ₂ e)	4,339	7,870	8,793
	Absolute Emission – Scope 2 (tCO ₂ e)	24,726	27,339	20,274
	Absolute Emission – Scope 3 (tCO ₂ e)	17,848	19,194	233,779
	GHG Emissions Intensity – Scope 1 & Scope 2 (tCO ₂ e /RM' Million)	9.1	13.9	17.7
	<u>INDUSTRIALISED BUILDING SYSTEM SCORE</u>			
	CIDB IBS Scores (Average)	51.5	51.5	51.5

Note:


Figures as at 31 December 2024

* Includes Scope 1 (project sites and MRCB-owned vehicles), and Scope 2 (electricity consumption from all business segments) and Scope 3 (business travel (air and land) and fuel- and energy-related activities of our largest suppliers/sub-contractors)


Key ESG Indicators (3/5)

PILLAR	INDICATOR	2022	2023	2024
 Social	EMPLOYEES			
	Percentage of Male Employees (%)	56%	62%	60%
	Percentage of Female Employees (%)	44%	38%	40%
	Percentage of New Malay Employees Hired (%)	76%	80%	76%
	Percentage of New Chinese Employees Hired (%)	12%	9%	13%
	Percentage of New Indian Employees Hired (%)	9%	8%	8%
	Percentage of New Other Employees Hired (%)	3%	3%	3%
	Percentage of Employees Under 30 Years Old (%)	20%	15%	13%
	Percentage of Employees Between 30-50 Years Old (%)	69%	71%	72%
	Percentage of Employees Above 50 Years Old (%)	11%	14%	15%
	Gender Pay Gap (% Difference Between Male/Female Average Salary)	3.5%	11.7%	2.7%
	Percentage of Women Board Directors (%)	25%	29%	38%
	Percentage of Women in Senior Management Position (%)	28%	20%	21%
	Incidents of Discrimination and Harassment Reported	0	0	0
	Percentage of Temporary Employees (Employees on Contract)	67%	76%	43%
	Percentage of New Employees Hired Under 30 Years Old (%)	40%	30%	29%
	Percentage of New Employees Hired Between 30-50 Years Old (%)	54%	60%	58%
	Percentage of New Employees Hired Above 50 Years Old (%)	6%	10%	13%
	Percentage of Employee Turnover Rates (%)	27.6%	23%	28%
	Percentage of Voluntary Turnover	87%	81%	59%
	Number of Key Employee Engagement Programmes	15	19	11

Key ESG Indicators (4/5)

PILLAR	INDICATOR	2022	2023	2024
 Social	Total Training Hours (hours)	15,338	8,884	40,661
	Average Training Hours Per Employee (hours)	4.6	6.4	27.4
	Average Training Hours Per Male Employee (hours)	5.48	5.90	28.4
	Average Training Hours Per Female Employee (hours)	4.11	7.13	26.0
	<u>HEALTH & SAFETY</u>			
	Safety and Health Assessment System in Construction (SHASSIC) Star Ranking	87%	93%	97%
	Number of Safety & Health Training Conducted	36	36	77
	Number of Safety & Health Training Modules	18	10	11
	Number of Safety & Health Training Participants	507	873	1,653
	Total Man Hours (man hours)	20,588,460	15,857,101	12,099,556
	Number of Safety & Health Incidents	21	12	10
	Loss Time Injury (LTI)*	2	0	2
	Incident Rate / Accident Rate*	1.63	0	1.78
	Stop Work Order (SWO) Received from Authorities	1	0	0
	Fatality (Employee)	0	0	0
	Fatality (Contractor)	0	0	0
	<u>QUALITY</u>			
	Quality Assessment System in Construction (QLASSIC) Scores, Average	n/a	76%	81%
	<u>COMMUNITY</u>			
	Number of Community Engagement Programmes	21	21	10
	Contribution to the Community (RM)	RM0.4 million	RM5.4 million	RM2.2 million

Key ESG Indicators (5/5)

PILLAR	INDICATOR	2022	2023	2024
 Governance	<u>TRANSPARENCY & ACCESSIBILITY</u>			
	Number of Shareholder/Investor/Analysts Engaged	58	78	59
	Number of Anti-Bribery Management System Training Participants	799	1294	1,464
	Total Procurement Budget Spent on Local Suppliers (%)	95%	99%	98%
	Number of Confirmed Incidents of Corruption or Bribery	0	0	0
	Cost of fines, penalties or settlements in relation to corruption (RM)	0	0	0
	<u>INDEX INCLUSION & RATINGS</u>			
	MSCI Rating	BBB	A	AA
	Inclusion in FTSE4GOOD	Yes	Yes	Yes
	FTSE4Good ESG Rating	3.2	3.6	3.9
	FTSE4Good ESG Grading Band (Max: 4 stars)	3 stars	3 stars	4 stars
	FTSE4Good Bursa Malaysia Shariah Index	Yes	Yes	Yes
	<u>CORPORATE GOVERNANCE</u>			
	MSWG-ASEAN Corporate Governance Disclosure Ranking	2	n/a	44
	Number of MCCG 2021 Practices Adopted (Max: 43)	41	41	42
	Number of MCCG 2021 Step-Ups Adopted (Max: 5)	3	4	4
	Number of Board Directors	8	7	8
	Number of Independent Directors on the Board	3	3	4
	Number of Women on the Board	2	2	3

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are positioned at the corners of the frame, creating a sense of height and scale. The glass reflects the sky and surrounding greenery. The sky is filled with soft, white clouds. The overall composition is clean and professional, suitable for a corporate or institutional communication.

THANK YOU

For further details, please refer to our latest Sustainability Report,
available on our website: www.mrcb.com.my.