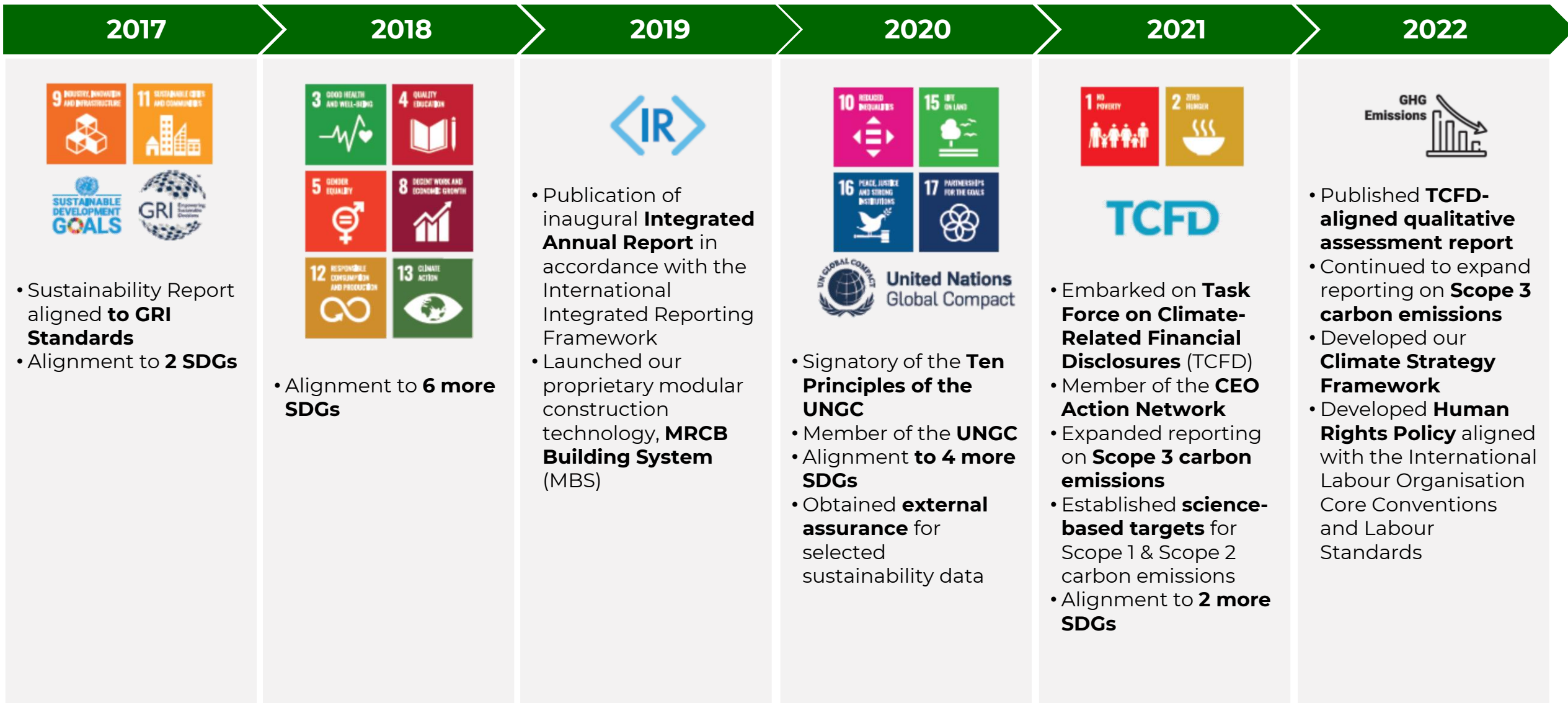




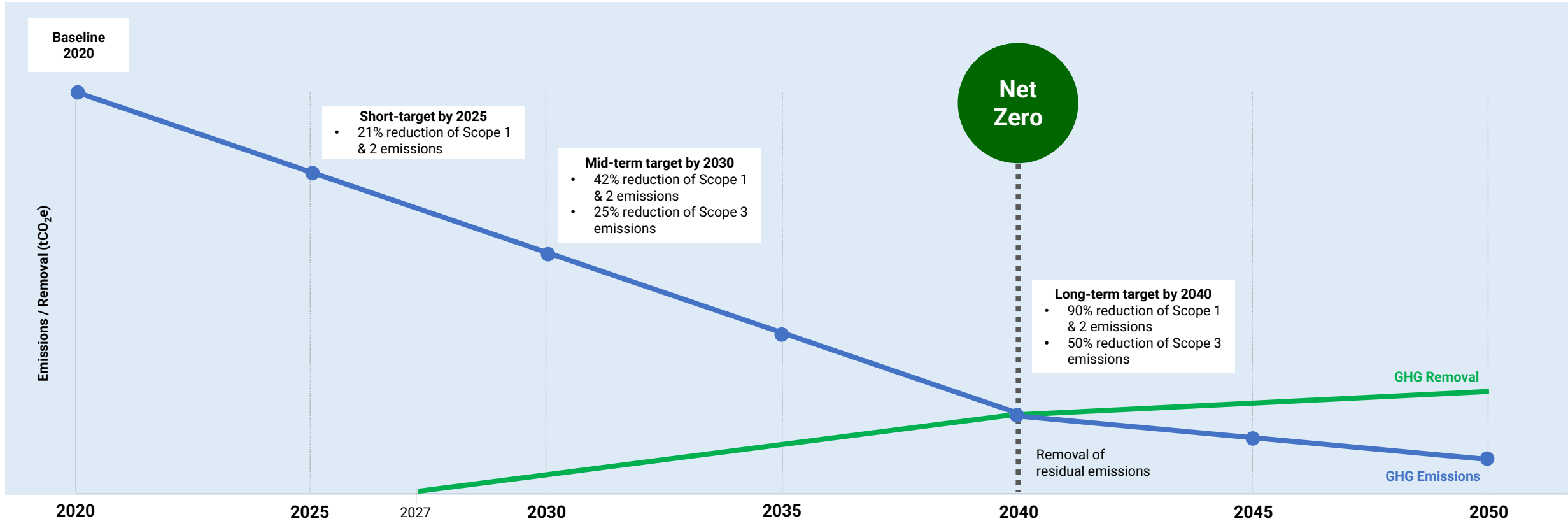
# **EMBEDDING SUSTAINABILITY INTO BUSINESS**

*Last updated: 8<sup>TH</sup> Nov 2023*

# Our Sustainability Journey



# MRCB's Climate Strategy Framework



**Key Initiatives To Achieve Net Zero Carbon by 2040**  
(Scope 1 and Scope 2)

## GHG Emissions Reduction

- Scope 1 and 2 emissions reduction targets
- Collaborate with supply chain (Scope 3)
- MBS and waste-to-energy
- Increase usage of renewable energy and electrification of plant and machinery
- Carbon sequestration

## Transition to Low Carbon

- TCFD
- Sustainable linked loans and finances
- Zero Emissions Buildings
- Sustainable Design Policy
- Digitalisation
- Low carbon construction materials
- Improve efficiency of District Cooling Systems

## Manage Emerging Physical Climate Risks

- Quantitative physical climate risk assessments
- Monitoring of climate hazards and their impacts
- Integrate climate risk assessments into future engineering designs

# MRCB's Key ESG Updates

## Climate Change & the Environment

Target: Net Zero Carbon (Scope 1 and Scope 2) by 2040

59% 

reduction in Scope 1 and Scope 2 carbon emissions intensity in 1QFY2023 vs 2020 baseline

Task Force on  
Climate-Related  
Financial  
Disclosure (TCFD)

In the midst of conducting **financial impact assessment of physical climate risk** on our business assets based on TCFD recommendations

A constituent of  
**FTSE4GOOD**  
Bursa Malaysia Index  
since 2014

Achieved  
overall score of **3.2**

Ranked in the 2<sup>nd</sup> Quartile

Targeting to rank in the 1<sup>st</sup> Quartile by end 2023

## Good Corporate Governance

Target: Best-In-Class Practices & Disclosures

**Institutionalising  
Sustainability-  
related Processes**

**Improving internal processes**  
i.e. Sustainable Design Policy, Sustainable Data Management Policy & Procedures

**Improving  
Scope 3 Emissions  
Reporting**

Partnering with UNGC to implement **supply chain sustainability assessments**

**Improving  
the quality of  
Corporate  
Reporting**

**Gold Award** at the 2023 Australasian Reporting Awards

**Gold Award** for Governance, Reporting & Transparency in the large corporation category at the ESG Positive Impact Awards 2022



# MRCB's Key ESG Updates

## Social

### Target: World Class Work Practices & Community Development

#### Diversity, Equity & Inclusivity

Conducted **Disability Related Services Training for 200 Auxiliary Police** on understanding, empathising and helping persons with disabilities.

Conducted a **friendly futsal tournament with the National Blind Football team**. The programme, called 'Kick it with The Visually Impaired!' was aimed at raising our employees' awareness of persons with disabilities.



# MRCB's Key ESG Achievements in 2022

## PILLAR



### Environment

#### Carbon Emissions Reduction

**65%**

reduction in Scope 1 and Scope 2 carbon emissions intensity

**8%**

reduction in Scope 1 and Scope 2 absolute carbon emissions

#### Renewable Energy

Procured

**12 GWh**

worth of Renewable Energy Certificates (RECs) for 3 buildings that we own (Celcom Tower, Plaza Alam Sentral and Penang Sentral)

#### FTSE4GBM Index

Achieved overall score of

**3.2**

Achieved a climate score of

**3.0**



FTSE4Good

A constituent of FTSE4Good Bursa Malaysia Index since the index's launch in 2014

# MRCB's Key ESG Achievements in 2022

## PILLAR



Social

**ISO-Compliant  
QESH-related  
Management  
Systems**

100% Coverage  
**ISO 45001:2018**  
Occupational Health & Safety  
Management System for ECE Division

Quality, Environment, Safety and Health  
Management System compliant with  
**ISO 9001:2015,  
ISO 14001:2015, and  
ISO 45001:2018**

**Recognition  
for QESH  
Best Practices**

**87%**

SHASSIC Score for  
*Alstonia*

**72%**

SHASSIC Score for  
*Sentral Suites*

**Provide Equal  
Opportunity via  
PEKA@MRCB**

**345**

prison inmates have been  
trained in this programme to  
provide them employment  
opportunities upon their  
release since its launch in 2019

**Safeguard the  
Well-Being of Staff  
and Community**

Enhanced  
**Human Rights  
Policy**

to be more aligned with  
the ILO Core Conventions  
and Labour Standards

Donated  
**RM0.7 mn**

for B40, underprivileged  
students and various  
stakeholders and communities

Benefited  
**93,595**

B40, underprivileged students,  
vulnerable women and children,  
Orang Asli, as well as various  
homes and NGOs

# MRCB's Key ESG Achievements in 2022

## PILLAR



### Governance

**Compliance to  
Malaysian Code  
on Corporate  
Governance 2021  
(MCCG 2021)**

**41**

out of  
43 Practices

**3**

out of  
5 Step-Ups

**Recognition for  
Best Practices in  
Governance/ESG**

Recertification of  
**ISO 37001**  
Anti-Bribery Management System

## **Platinum Award**

For Companies With Less Than RM2 Billion in Market Cap  
from Malaysian Institute of Accountants  
National Annual Corporate Report Awards (NACRA) 2022

2017, 2018, 2021 & 2022

**Gold Award**

recipient of the



**Ranked 2<sup>nd</sup> & Awarded  
Excellence Award**


2021 MSWG-ASEAN Corporate  
Governance Awards  
(out of 864 companies assessed)

**Ranked 1<sup>st</sup> in the Industry  
Excellence Award  
(Property Sector)**

2021 MSWG-ASEAN Corporate  
Governance Awards



# MRCB's Key ESG Indicators (1/5)

PILLAR	INDICATOR	2020	2021	2022
 Environment	<b><u>ENERGY</u></b>			
	Electricity Consumption (kWh)	24,318,964*	20,748,185	<b>22,242,400</b>
	Electricity Intensity – HQ (kWh/m <sup>2</sup> )	33.82	41.75	<b>71.72</b>
	Electricity Intensity – ECE (kWh/RM' Thousand)	4.55	4.22	<b>3.10</b>
	Electricity Intensity – PDI (kWh/RM' Thousand)	3.47	4.01	<b>2.27</b>
	Electricity Intensity – FM (kWh/m <sup>2</sup> )	114.89	93.40	<b>94.17</b>
	Electricity Intensity – SP (kWh/m <sup>2</sup> )	4.57	5.69	<b>6.89</b>
	Fuel Consumption (L)	870,779	1,191,194	<b>1,395,713</b>
	<b><u>WATER</u></b>			
	Water Consumption (m <sup>3</sup> )	536,316	590,219	<b>743,622</b>
	Water Intensity – ECE (m <sup>3</sup> /RM' Thousand)	0.249	0.344	<b>0.154</b>
	Water Intensity – PDI (m <sup>3</sup> /RM' Thousand)	0.777	0.320	<b>0.388</b>
	Water Intensity – FM (m <sup>3</sup> /m <sup>2</sup> )	1.879	1.866	<b>2.652</b>
	<b><u>WASTE</u></b>			
	Non-Recycled Waste Generated (MT)	8,015	5,702	<b>6,576</b>
	Scheduled or Hazardous Waste Generated (MT)	4.38	1.19	<b>2.20</b>
	Recycled Waste (MT)	n/a	97	<b>558</b>
	Waste Intensity – ECE (MT/RM' Thousand)	0.014	0.010	<b>0.011</b>
	Waste Intensity – PDI (MT/RM' Thousand)	0.004	0.007	<b>0.009</b>


Note:

Figures as at 31 December 2022


\* Numbers are restated

\*\* 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)


# MRCB's Key ESG Indicators (2/5)

PILLAR	INDICATOR	2020	2021	2022
 <b>Environment</b>	<b><u>GHG EMISSIONS**</u></b>			
	CO <sub>2</sub> Emission – Scope 1 + Scope 2 (tCO <sub>2</sub> e)	20,903	17,982	<b>19,342</b>
	CO <sub>2</sub> Emission – Scope 1 (tCO <sub>2</sub> e)	1,983	1,838	<b>2,061</b>
	CO <sub>2</sub> Emission – Scope 2 (tCO <sub>2</sub> e)	18,920	16,144	<b>17,282</b>
	CO <sub>2</sub> Emission – Scope 3 (tCO <sub>2</sub> e)	241	6,025	<b>13,590</b>
	Carbon Emissions Intensity – Scope 1 & Scope 2 (tCO <sub>2</sub> e /RM' mn)	17.4	12.4	<b>6.0</b>
	<b><u>INDUSTRIALISED BUILDING SYSTEM SCORE</u></b>			
	CIDB IBS Scores (Average)	51.3	-	<b>52.0</b>


# MRCB's Key ESG Indicators (3/5)

PILLAR	INDICATOR	2020	2021	2022
 <b>Social</b>	<b>EMPLOYEES</b>			
	Percentage of Male Employees (%)	62%	62%	<b>61%</b>
	Percentage of Female Employees (%)	38%	38%	<b>39%</b>
	Percentage of Malay Employees (%)	80%	79%	<b>78%</b>
	Percentage of Chinese Employees (%)	11%	11%	<b>12%</b>
	Percentage of Indian Employees (%)	6%	7%	<b>7%</b>
	Percentage of Other Employees (%)	3%	3%	<b>3%</b>
	Percentage of Employees Under 30 Years Old (%)	33%	29%	<b>20%</b>
	Percentage of Employees Between 30-50 Years Old (%)	57%	61%	<b>69%</b>
	Percentage of Employees Above 50 Years Old (%)	10%	10%	<b>11%</b>
	Gender Pay Gap (% Difference Between Male/Female Average Salary)	(3.5)%	5.4%	<b>3.5%</b>
	Percentage of Women Board Directors (%)	29%	22%	<b>25%</b>
	Percentage of Women in Senior Management Position (%)	n/a	n/a	<b>28%</b>
	Incidents of Discrimination and Harassment Reported	1	1	<b>0</b>
	Percentage of Temporary Employees (Employees on Contract)	n/a	n/a	<b>67%</b>
	Percentage of New Employees Hired Under 30 Years Old (%)	51%	48%	<b>40%</b>
	Percentage of New Employees Hired Between 30-50 Years Old (%)	38%	44%	<b>54%</b>
	Percentage of New Employees Hired Above 50 Years Old (%)	11%	8%	<b>6%</b>
	Percentage of Employee Turnover Rates (%)	26.7%	21.3%	<b>27.6%</b>
	Percentage of Voluntary Turnover	n/a	n/a	<b>87%</b>
	Number of Key Employee Engagement Programmes	20	17	<b>15</b>

# MRCB's Key ESG Indicators (4/5)

PILLAR	INDICATOR	2020	2021	2022
 <b>Social</b>	Total Training Hours (hours)	19,991	11,181	<b>15,338</b>
	Average Training Hours Per Employee (hours)	12.1	9.2	<b>4.6</b>
	Average Training Hours Per Male Employee (hours)	11.27	9.32	<b>5.48</b>
	Average Training Hours Per Female Employee (hours)	13.39	9.20	<b>4.11</b>
	<b><u>HEALTH &amp; SAFETY</u></b>			
	Safety and Health Assessment System in Construction (SHASSIC) Star Ranking	93%	89%	<b>80%</b>
	Number of Safety & Health Training Conducted	27	33	<b>36</b>
	Number of Safety & Health Training Modules	18	12	<b>18</b>
	Number of Safety & Health Training Participants	733	794	<b>507</b>
	Total Man Hours (man hours)	7,126,128	8,719,107	<b>8,932,798</b>
	Number of Safety & Health Incidents	3	10	<b>4</b>
	Loss Time Injury (LTI)*	2	3	<b>1</b>
	Incident Rate / Accident Rate*	0.30	1.83	<b>1.63</b>
	Stop Work Order (SWO) Received from Authorities	1	1	<b>1</b>
	Fatality	1	2	<b>0</b>
	<b><u>QUALITY</u></b>			
	Quality Assessment System in Construction (QLASSIC) Scores, Average	n/a	n/a	<b>n/a</b>
	<b><u>COMMUNITY</u></b>			
	Number of Community Engagement Programmes	21	36	<b>35</b>
	Contribution to the Community (RM)	RM2.5 million	RM2.9 million	<b>RM0.7 million</b>

# MRCB's Key ESG Indicators (5/5)

PILLAR	INDICATOR	2020	2021	2022
 Governance	<b><u>TRANSPARENCY &amp; ACCESSIBILITY</u></b>			
	Number of Shareholder/Investor/Analysts Engaged	127	552	<b>58</b>
	Number of Anti-Bribery Management System Training Participants	319	1,124	<b>799</b>
	Total Number of Appointed Suppliers	424	342	<b>337</b>
	Percentage of Local Suppliers (%)	96%	94%	<b>94%</b>
	Total Procurement Budget Spent on Local Suppliers (%)	92%	96%	<b>95%</b>
	Number of Confirmed Incidents of Corruption or Bribery	0	0	<b>0</b>
	Cost of fines, penalties or settlements in relation to corruption (RM)	0	0	<b>0</b>
	<b><u>INDEX INCLUSION &amp; RATINGS</u></b>			
	MSCI Rating	BBB	BBB	<b>BBB</b>
	Inclusion in FTSE4GOOD	Yes	Yes	<b>Yes</b>
	FTSE4Good ESG Rating	2.7	3.0	<b>3.2</b>
	FTSE4Good ESG Grading Band (Max: 4 stars)	3 stars	3 stars	<b>3 stars</b>
	FTSE4Good Bursa Malaysia Shariah Index	Yes	Yes	<b>Yes</b>
	<b><u>CORPORATE GOVERNANCE</u></b>			
	MSWG-ASEAN Corporate Governance Disclosure Ranking	38	34	<b>2</b>
	Number of MCCG 2021 Practices Adopted (Max: 43)	31*	39	<b>41</b>
	Number of MCCG 2021 Step-Ups Adopted (Max: 5)	4*	3	<b>3</b>
	Number of Board Directors	7	9	<b>8</b>
	Number of Independent Directors on the Board	3	5	<b>3</b>
	Number of Women on the Board	2	2	<b>2</b>



**THANK YOU**