



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 November 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 Financial 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

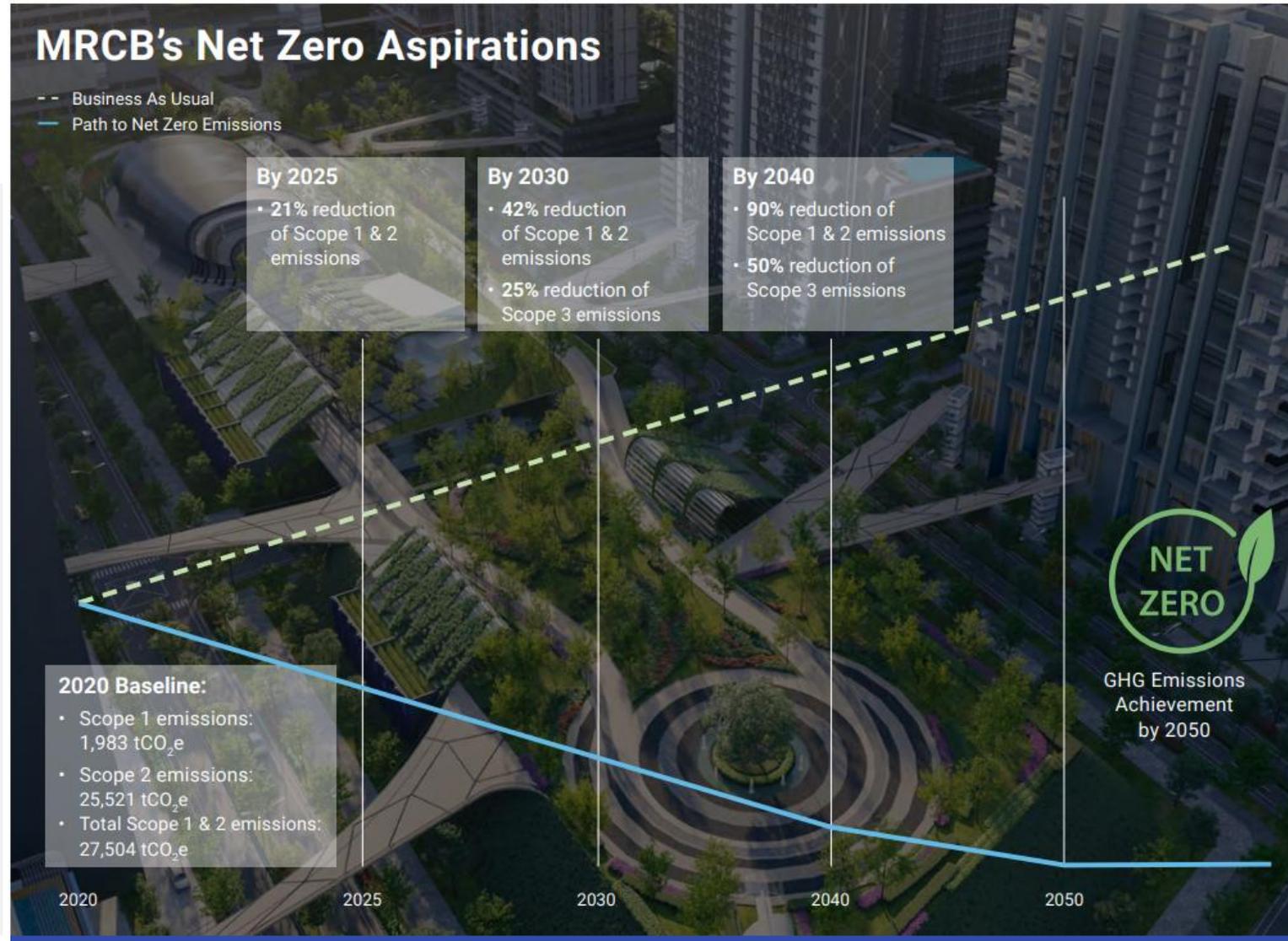


Net Zero Aspirations

Key Initiatives To Achieve Net Zero GHG Emissions by 2050



Initial Strategy (2020-2025)	<ul style="list-style-type: none">• 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 (2026-2030)	<ul style="list-style-type: none">• 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 (2031-2040)	<ul style="list-style-type: none">• Lower Emissions Buildings• Transitioning to lower or zero emissions energy sources plant and equipment at construction sites
Getting to Net Zero (2041-2050)	<ul style="list-style-type: none">• Complete Renewable Energy Integration• Carbon Sequestration• Carbon Offset



Key ESG Updates

Climate Change & the Environment

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

23%▼

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

IFRS Sustainability Disclosures

- Quantified **Climate Physical & Transition Risks**
- Achieved **72%** alignment with **IFRS S1 and IFRS S2** in the 2024 annual report

Improving Scope 3 GHG Emissions Reporting

- Early adopter of **Bursa Malaysia's CSI platform**
- Expanded Scope 3 coverage encompassing **97%** of supply chain by value.

Social Value Creation

Target: Inclusive Growth & Social Wellbeing

Inclusive Leadership

38% Female Representation on Board

Employee Learning & Development

32 training hours targeted per employee

Health & Safety rating

Achieved **5 STAR** CIDB SHASSIC rating / 97.1% score

PEKA @MRCB Programme

470 Prisoners / offenders upskilled

Good Corporate Governance

Target: Best-In-Class Practices & Disclosures

Compliance with **Malaysian Code of Corporate Governance:**

- 42** out of 43 Practices and
- 4** out of 5 step-ups

Commitment to Anti-Bribery Compliance

Maintained **Anti-Bribery Management System, ISO 37001:2016** certification **since 2019**

98.7%

of our employees completed **anti-bribery training** with **80%+** scores

Zero

cybersecurity and customer data breaches

Key ESG Updates

ESG RATINGS



3.9 Ranked in the
TOP 14% of all
listed companies

MSCI  **“AA”**

AWARDS



Gold
Australasian Reporting Awards 2025



Excellence Award Top 50
National Corporate Governance &
Sustainability Awards (NACGSA) 2024



Gold Excellence Award
National Annual Corporate Reporting
Awards 2024



Asia Pacific's Top 25
Steward Leadership 25 Awards
2025



Gold Award For the most consistent
Performance over 5 years
THE EDGE ESG Awards 2024



Gold Combined Annual & Sustainability
Report: Non-Traditional
2025 International ARC Awards

Key ESG Achievements in 2024

PILLAR



Environment

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

PILLAR



Social

Quality Assessment System In Construction

81%

Average **QLASSIC** score for Alstonia & Jabil's production facility

5-STAR

SHASSIC rating for Kwasa Utama C8

0.17

Loss Time Incident Rate

Well-Being of Staff and Community

2.7%

Gender pay gap

Donated **RM2.2 mn**

that benefited

158,220

Flood victims, B40, underprivileged students and various stakeholders and communities

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

PILLAR



Governance

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

42

out of 43 Practices

4

out of 5 Step-Ups

Recognition for Best Practices in Governance/ESG

National Corporate Governance & Sustainability Awards 2024

Excellence Award – Ranked 44th Out of 854 PLCs

National Annual Corporate Report Awards (NACRA) 2024

Gold Excellence Award For Companies with less than RM2 Billion in Market Capitalisation

The Edge ESG Awards 2024

Gold for Most Consistent Performer Over Five Years

MSCI ESG Rating

MSCI



“AA” ESG Rating Upgraded from A

FTSE4GBM Index

Achieved overall score of

3.9

Achieved a climate change score of

4.0



FTSE4Good

Key ESG Indicators (1/5)

PILLAR	INDICATOR	2022	2023	2024
 <p>Environment</p>	<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
 <p>Environment</p>	<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
 <p>Social</p>	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	
 <p>Social</p>	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) ^(a)	2	0	2	
	Incident Rate / Accident Rate ^{(a) (b)}	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		

Note:

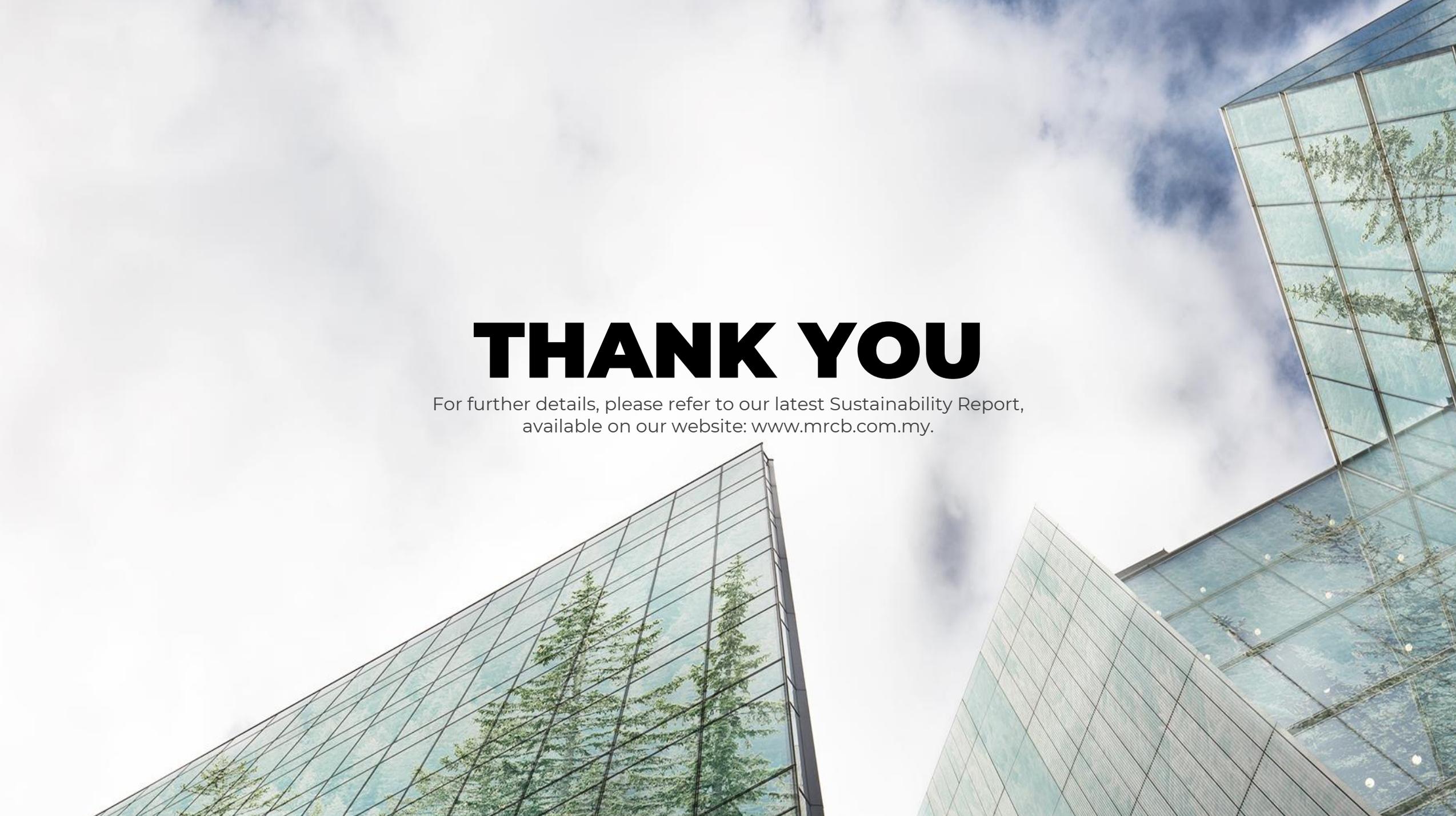
Figures as at 31 December 2024

(a) Reporting period from September to August

(b) Incident rate remained below the Malaysia's Department of Occupational Safety and Health (DOSH)'s acceptable rate of 2.5 over the past three years

Key ESG Indicators (5/5)

PILLAR	INDICATOR	2022	2023	2024
 <p>Governance</p>	<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 glass skyscrapers. The buildings are composed of a grid of dark metal frames and large glass panels. The glass reflects the sky and some greenery. The sky is filled with soft, white clouds, with some blue visible. The perspective is from the ground looking up, creating a sense of height and scale.

THANK YOU

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