

OUR APPROACH TO SUSTAINABILITY

Sustainability as an Integral Business Principle

MRCB embraces a sustainability-first mindset, integrating it seamlessly into our business thinking, decision-making, processes, and project execution. By embedding sustainability into everything we do, we aim to make it an inherent part of our operations.

Our approach to sustainable urban development focuses on designing spaces that connect communities, drive commerce, and promote environmental stewardship. As Malaysia's Transit-Oriented Development (TOD) pioneer, we have set benchmarks with transformative projects such as KL Sentral, which enhance livability and economic vitality. Building on this success, we are replicating the TOD approach in key projects such as PJ Sentral Garden City and Penang Sentral, and The Symphony Centre in Auckland, New Zealand, to transform developments into innovative and sustainable urban developments.



OUR APPROACH TO SUSTAINABILITY

We leverage cutting-edge technologies such as the MRCB Building System (MBS) to reduce waste, energy use, and GHG emissions. Our ongoing Residensi Tujuh will be Malaysia's first high-rise residential project to utilise our pioneering modular construction technology, MBS.

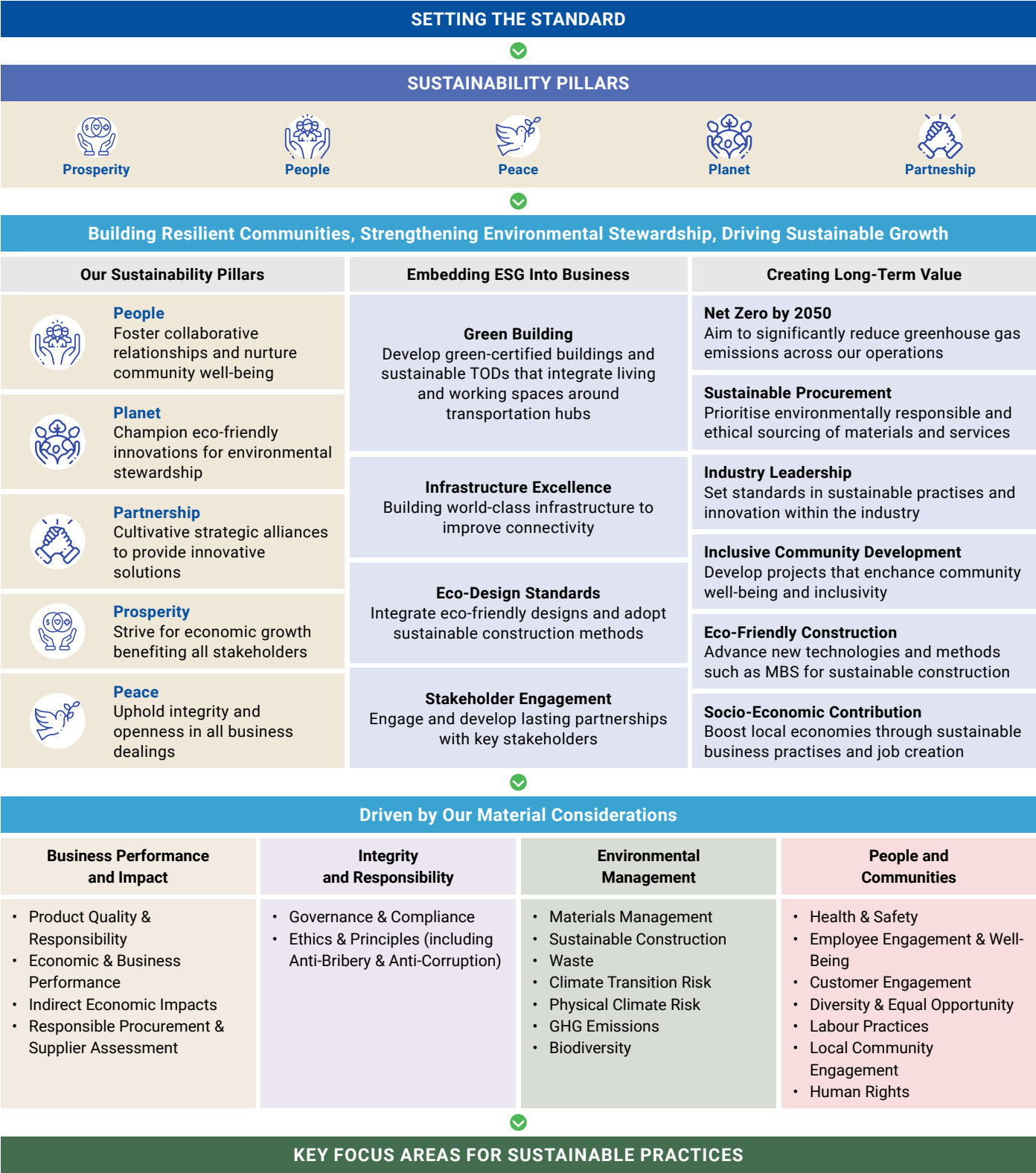
We also invest in solutions such as District Cooling Systems (DCS) to enhance energy efficiency and lower our GHG emissions. Our DCS plants centralise chilled water production for air conditioning, supplying multiple buildings within a defined area through shared infrastructure. This eliminates the need for separate cooling systems in each building within these areas, resulting in substantial reductions in energy consumption. For example, our DCS plants at KL Sentral, PJ Sentral, Penang Sentral, and Kwasa Damansara deliver reliable and efficient cooling to the buildings located in these developments, achieving energy efficiency compared to each building operating its own separate cooling towers.

We also engage closely with our stakeholders to foster a shared understanding of sustainable development and align our objectives in our quest to achieve net zero emissions. Through multi-stakeholder collaborations, we endeavour to maximise positive social impact while continuously striving for excellence in pursuing a sustainable legacy. Our commitment to creating meaningful places ensures that we are building not just for today, but for a better tomorrow.

MRCB is actively working towards aligning its sustainability reporting with the IFRS Sustainability Disclosure Standards (S1: General Sustainability-related Disclosures and S2: Climate-related Disclosures), encompassing both general and industry-specific requirements, including the Engineering & Construction Services standards and the Home Builders standards. While our current reporting already aligns with a significant portion of the standards, we have established a clear roadmap to progressively enhance our disclosures over the short-, medium- and long-term.

OUR APPROACH TO SUSTAINABILITY

MRCB’S SUSTAINABILITY FRAMEWORK



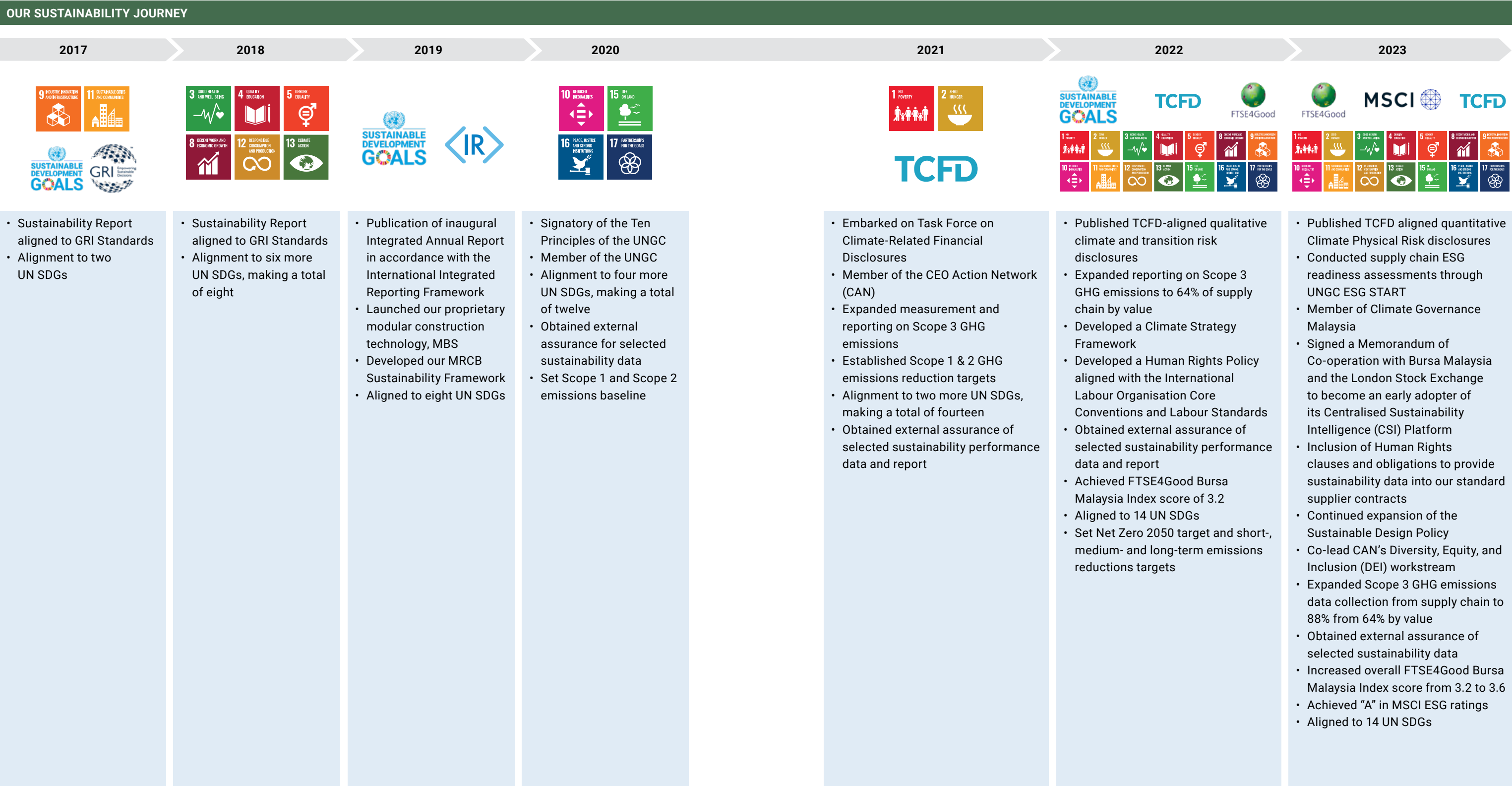
OUR APPROACH TO SUSTAINABILITY

KEY FOCUS AREAS FOR SUSTAINABLE PRACTICES



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OUR SUSTAINABILITY JOURNEY

2024



- Conducted IFRS S1 and S2 gap analysis to enhance alignment with international sustainability reporting standards and improve climate-related disclosures, and developed a short-, medium-, and long-term implementation roadmap
- Developed a new Sustainable Design Policy that incorporates climate change, resource management, quality standards and sustainable material, and procurement considerations into the design and planning of all our projects, demonstrating our commitment to environmentally responsible development
- Aligned our English-language Human Rights Policy with UNICEF’s Children’s Rights and Business Principles
- Introduced a Bahasa Malaysia version of our Human Rights Policy to ensure accessibility and inclusivity
- Expanded Scope 1 and 2 GHG emissions inventory to include emissions from our international operations
- Widened and enhanced Scope 3 GHG emissions reporting to capture a broader range of indirect emissions across the value chain
- Co-lead the CEO Action Network’s (CAN) Diversity, Equity, and Inclusion (DEI) workstream and supported the development of the DEI Implementation Guide for Malaysia launched in May 2024
- Increased FTSE4Good Bursa Malaysia Index score from 3.6 to 3.9 in the end-2024 assessment and improved our ranking to be the top 14% of all listed companies assessed
- Achieved an MSCI ESG Rating upgrade to “AA” from “A”

STRENGTHENING SUSTAINABILITY INTEGRATION INTERNALLY

1. Understanding Our People: Employee Sustainability Pulse Survey

We conducted a pulse survey among employees to assess their baseline understanding of sustainability. The results provided a clear view of knowledge gaps, helping us tailor training and engagement initiatives. One key insight was that language plays a crucial role in shaping sustainability awareness, highlighting the need for clearer communication in internal engagement and reporting.

2. Strengthening Transparency: IFRS Sustainability Gap Assessment

To enhance disclosure quality, we carried out an IFRS Sustainability Gap Assessment to evaluate how our reporting aligns with IFRS S1 and S2 standards. This assessment identified areas for improvement, guiding our approach to a more structured and investor-relevant sustainability and climate-related disclosures.

3. Aligning with Global Standards: IFRS-Based Reporting

For the first time, we incorporated IFRS-based reporting principles into our disclosures, marking an initial step towards full compliance with the IFRS standards. This effort reflects our move towards greater transparency and accountability in sustainability reporting.

ALIGNMENT TO UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Recognising our responsibility as a leader in property and construction, we are committed to actively contribute towards global sustainable growth. We have strategically integrated the UN SDGs into our business, focusing on 14 goals where we can make the most significant impact. Our targeted initiatives aim to significantly advance these specific SDGs, demonstrating our dedication to corporate responsibility.









SDGs Description	Our Responses and Contributions
<div></div> <p>Contribute to poverty reduction by empowering communities through CSR initiatives, including community development, education, skill-building programmes, and targeted local interventions</p>	<ul style="list-style-type: none">• Focused on Corporate Social Responsibility (CSR) efforts aimed at providing relief and long-term support for impoverished and vulnerable communities.• Contributed RM2.2 million to CSR initiatives in 2024, which impacted 158,220 beneficiaries. <p> More information on our CSR initiatives can be found at Local Community Engagement on pages 195 to 203.</p>
<div></div> <p>Recognise that supporting basic human needs to achieve zero hunger is essential for ensuring holistic human rights protection</p>	<ul style="list-style-type: none">• Through Yayasan MRCB, we provided food supplies for 550 Orang Asli individuals of Bongor Village, Royal Belum State Park. <p> More information on our community engagement initiatives can be found at Local Community Engagement on pages 195 to 203.</p>
<div></div> <p>Promote health and well-being by ensuring safe and healthy living and working environments in our development projects, reflecting our commitment to the welfare of our communities and employees</p>	<ul style="list-style-type: none">• Enforced strict safety standards and systems across all operations in line with the Quality, Environmental, Safety, and Health (QESH) Policy.• Conducted continuous safety training to safeguard our workforce and the public.• Organised programmes to support employees’ physical and mental well-being. <p> More information on initiatives to ensure safety at the workplace can be found at Health & Safety, pages 163 to 172 and Employee Engagement & Well-being, pages 173 to 184.</p>

OUR APPROACH TO SUSTAINABILITY

SDGs Description	Our Responses and Contributions
<div></div> <div>Enhance community development and foster a more informed and sustainable society through fostering education and lifelong learning</div>	<ul style="list-style-type: none">Collaborated with CIDB to launch a TVET Tower Crane Training Site under the CIDB-MRCB TVET programme to enhance the employability of TVET graduates in the Malaysian construction industry through improved curriculum, faculty, and infrastructure, with 10 trainees enrolled every two months since May 2024. <div> More information on our CSR initiatives can be found at Local Community Engagement on pages 195 to 203.</div>
<div></div> <div>Recognise women’s contribution to the industry and commit to promoting the advancement of women, especially in fields related to property development, engineering, and construction</div>	<ul style="list-style-type: none">Women make up 40% of our workforce, and we support working mothers through initiatives and benefits that encourage workforce participation and promote children’s well-being.Committed to addressing the gender pay gap and achieving 38% female representation at the Board level.Ensured women’s effective representation and equal opportunities for leadership at all levels of decision-making across business activities.Implemented policies and practices that are free from and prevent gender bias across the Group and our communities.Participated in the 30% Club’s speed mentoring programme to empower women leaders and promote a culture of growth and inclusivity. <div> More information on initiatives to support women’s empowerment can be found at Diversity & Equal Opportunity, pages 184 to 188.</div>
<div></div> <div>Focus on developing TODs that stimulate local economies, create job opportunities, and support economic sustainability, while strengthening inclusive employment policies that promote fair and equal treatment</div>	<ul style="list-style-type: none">Developed TOD and infrastructure projects that drive economic growth, create employment opportunities, and contribute significantly to national development.Offered employees competitive remuneration and training programmes to support career growth and professional development.Protected stakeholder rights under MRCB’s Human Rights Policy, ensuring compliance with local and international laws, maintaining a safe workplace, and opposing forced labour, modern slavery, and child labour. <div> More information on initiatives to support our human capital can be found at Employee Engagement & Well-being, pages 173 to 184 and Diversity & Equal Opportunity, pages 184 to 188.</div>
<div></div> <div>Develop and construct green buildings, and where possible, make efforts to incorporate sustainable construction features in our infrastructure projects</div>	<ul style="list-style-type: none">Developed a new Sustainable Design Policy to integrate sustainable practices into all projects.Applied MBS modular construction technology, with Residensi Tujuh becoming Malaysia’s first residential property development to use this technology.Licensed MBS technology to companies in Hong Kong and Singapore and patented it in 49 countries to drive global innovation in construction. <div> More information on initiatives using MBS can be found at Our Performance: Engineering, Construction & Environment, pages 118 to 125.</div>



OUR APPROACH TO SUSTAINABILITY

SDGs Description	Our Responses and Contributions
<div></div> <div>Promote workforce diversity, community inclusivity, and equitable urban environments to bridge social and economic disparities</div>	<ul style="list-style-type: none">Co-led the Diversity, Equity, and Inclusion Workstream in the CEO Action Network (CAN) and collaborated on the development of the DEI Implementation Guide for Malaysia.Ensured a safe and supportive work environment for female employees, including facilities such as Mother’s Room for nursing mothers.Committed to addressing the gender pay gap and achieved 38% female representation at the Board level. <div> More information on initiatives to support workforce diversity can be found at Employee Engagement & Well-being, pages 173 to 184 and Diversity & Equal Opportunity, pages 184 to 188.</div>
<div></div> <div>Contribute to sustainable urban living by connecting communities and businesses, integrating developments with mass public transport systems to encourage walking and public transport use, thereby reducing GHG emissions and vehicular traffic in cities</div>	<ul style="list-style-type: none">Constructed rail and road infrastructure, green buildings, and housing that reduce GHG emissions, connect communities, and provide affordable, comfortable living in vibrant cities.Delivered climate change adaptation projects, including coastal erosion control and flood mitigation, to enhance urban and rural resilience against natural challenges.Contributed to creating sustainable, inclusive, and thriving cities that align with global goals for sustainable development. <div> More information on our operational activities can be found at Our Performance: Property Development & Investment, pages 106 to 117 and Engineering, Construction & Environment on pages 118 to 125.</div>
<div></div> <div>Implement sustainable resource management and consumption practices, and promote sustainable construction in our development projects, emphasising recycling, energy efficiency, and the use of environmentally friendly materials</div>	<ul style="list-style-type: none">Developed a new Sustainable Design Policy that incorporates resource management and sustainable materials and procurement considerations into the design and planning of our projects.Enforced our QESH Policy at project sites, incorporating the 3Rs (Reduce, Reuse, Recycle) to minimise environmental impact.Monitored water and energy usage and waste generation at project sites and implemented strategies for continuous improvement.Provided regular training courses and toolbox talks to ensure construction site safety for workers and employees.Utilised MBS modular construction technology and sustainable materials to enhance efficiency and reduce environmental impact. <div> More information on environmental efforts can be found at Our Performance: Environmental on pages 208 to 256.</div>

OUR APPROACH TO SUSTAINABILITY

SDGs Description	Our Responses and Contributions
<div></div> <div>Actively engage in climate action initiatives aimed at reducing greenhouse gas emissions and promoting resilience in urban planning</div>	<ul style="list-style-type: none">• Measured and disclosed GHG emissions for Scope 1, Scope 2, and Scope 3.• Expanded our Scope 1 and 2 GHG emissions inventory in 2024 and broadened Scope 3 reporting to capture a wider range of indirect emissions across our value chain, including employee commute and supply chain activities.• Monitored energy and water consumption, as well as waste generation, and developed strategies to increase energy efficiency and reduce waste across all operations.• Aligned climate risk reporting with IFRS S1 and IFRS S2 standards, and completed a gap analysis in preparation for adopting the full suite of IFRS sustainability standards.• Strengthened climate risk management by quantifying transition risks and implementing strategies to ensure resilience and transparency in preparing for a low-carbon future. <div> More information on environmental efforts can be found at Our Performance: Environmental on pages 208 to 256.</div>
<div></div> <div>Prioritise biodiversity conservation in our development projects, actively integrating green spaces and ecological considerations into urban planning</div>	<ul style="list-style-type: none">• Committed to the Ramsar Convention and aligned our operations with the five principles of Malaysia’s National Policy on Biological Diversity where applicable. <div> More information on environmental efforts can be found at Our Performance: Environmental on pages 208 to 256.</div>
<div></div> <div>Foster transparent and responsible business practices, uphold good corporate governance, ensure ethical conduct, and promote peaceful and inclusive societies through responsible urban development</div>	<ul style="list-style-type: none">• Complied with 42 of the 43 Practices and 4 of the 5 Step-Up Practices prescribed in the MCCG 2021.• Enhanced our human rights policies by aligning with UNICEF’s Children’s Rights and Business Principles and developing a Bahasa Malaysia version to ensure inclusivity and understanding across the workforce.• Maintained active participation in the CEO Action Network (CAN), co-leading the Diversity, Equity, and Inclusion (DEI) workstream, and contributed to the development and launch of the DEI Implementation Guide for Malaysia in 2024.• Operated an ISO 37001:2016 internationally certified Anti-Bribery Management System, providing robust channels for whistleblowing and grievance reporting.• Upheld a zero-tolerance policy towards bribery and corruption, as articulated in our Anti-Bribery and Anti-Corruption Policy, and ensured alignment with international governance standards. <div> More information on governance efforts can be found at the Governance and Compliance on pages 157 to 159, Ethics and Principles on pages 160 to 161 and Corporate Governance Overview Statement on pages 276 to 316.</div>

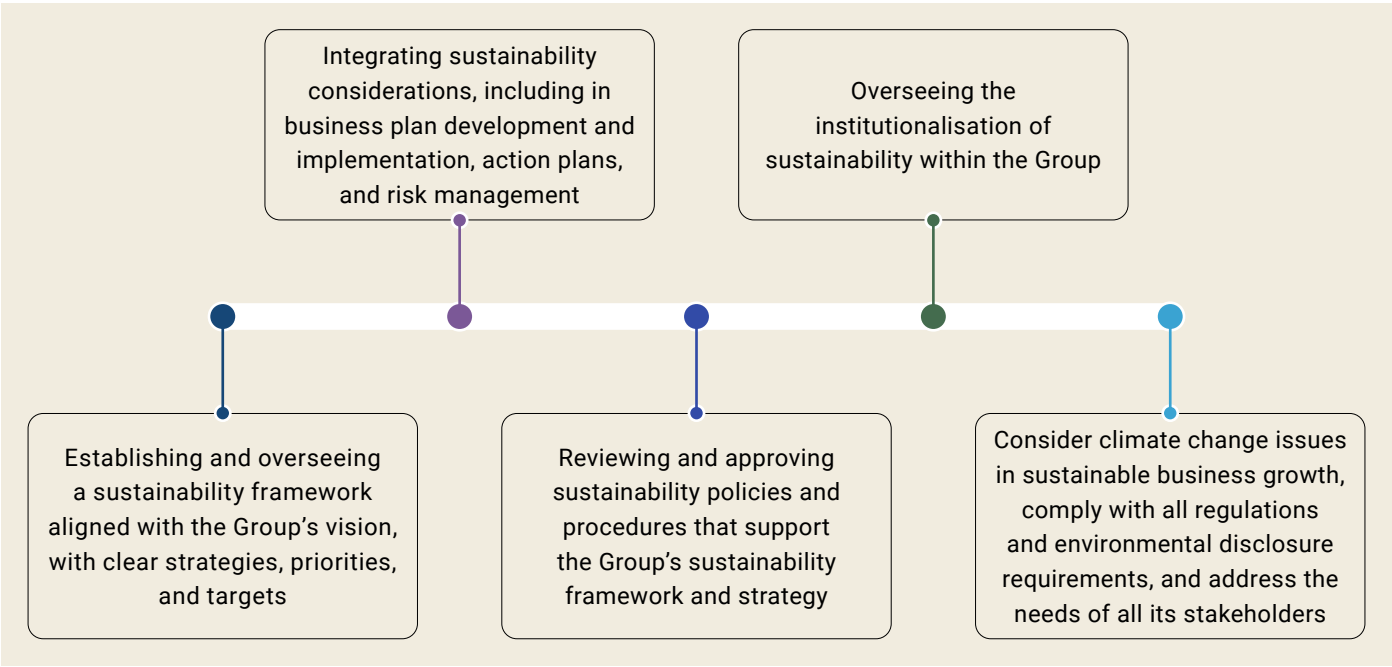
OUR APPROACH TO SUSTAINABILITY

SDGs Description	Our Responses and Contributions
<div></div> <div>Engage in collaborative partnerships with various stakeholders, including government, industry peers and community organisations, to achieve sustainable development goals through innovative and responsible urban projects</div>	<ul style="list-style-type: none">• Adopted the universal Ten Principles, as a signatory of the United Nations Global Compact (UNGC) and a member of the United Nations Global Compact Network Malaysia & Brunei (UNGCMYB).• An active member of the CEO Action Network’s (CAN) and its Diversity, Equity, and Inclusion (DEI) workstream, and co-lead its DEI workstream.• Member of 30% Club Malaysia, Climate Governance Malaysia, Malaysian Institute of Corporate Governance, and Minority Shareholders Watch Group. <div> More information on our commitment to sustainability can be found at Our Performance: Approach to Sustainability, pages 142 to 161 and Corporate Governance Overview Statement on pages 276 to 316.</div>

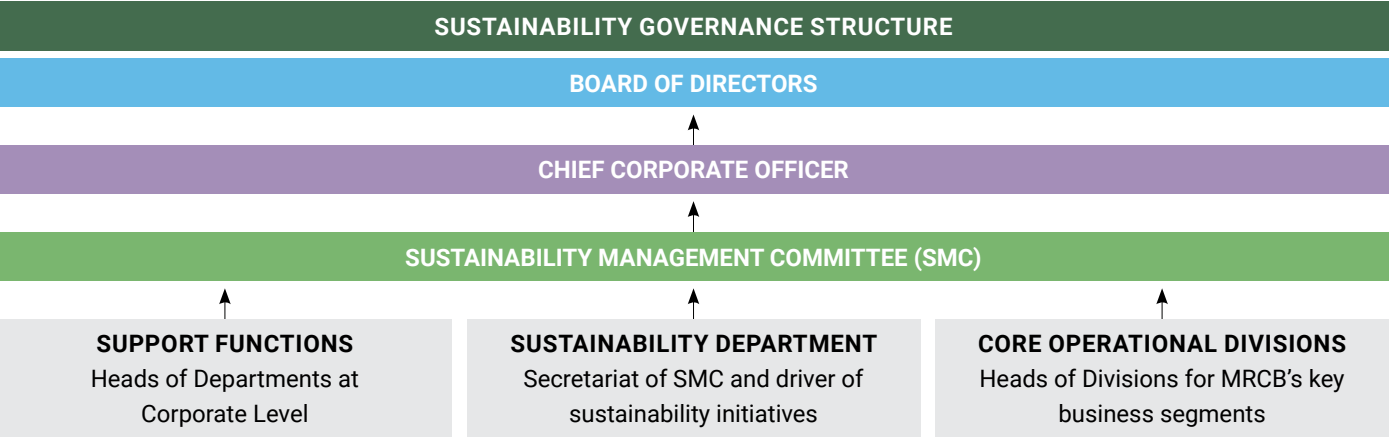
SUSTAINABILITY GOVERNANCE

Board Oversight

To ensure effective oversight, the Board of Directors is responsible for establishing MRCB’s overarching strategy, which includes a sustainability strategy to guide its sustainability efforts. The Board ensures that sustainability-related and climate-related risks, opportunities, and trade-offs are systematically embedded into strategy, major transactions, and risk management processes. Our Board Charter outlines the Board’s responsibility with respect to sustainability, which includes:



OUR APPROACH TO SUSTAINABILITY



MRCB’s sustainability governance aligns with IFRS Sustainability Disclosure Standards (IFRS S1 and S2).

More information on our Corporate Governance Framework can be found in our Corporate Governance Overview Statement on pages 276 to 316.

Strategic decisions, major asset acquisitions, and development proposals undergo a comprehensive risk assessment conducted by Business Units, which is thereafter presented to the Board, assessing financial, climate, environmental, and social risks, and how these will be managed and mitigated. The Board reviews these trade-off assessments to balance financial, sustainability, and climate objectives, ensuring that short-term gains do not compromise long-term resilience.

The Board maintains active oversight through updates on sustainability and climate risks and opportunities as a permanent agenda item at its quarterly board meetings. These updates provide critical insights that shape the Board’s strategic decisions, guiding the integration of sustainability and climate considerations into the Group’s operations and long-term planning. Once these decisions are made, Management is responsible for executing them across relevant functions.

Board Effectiveness – Skills and Expertise

The Nomination & Remuneration Committee (NRC) is responsible for identifying suitable candidates who possess the necessary skills and competencies to fulfil the roles of the Board, as outlined in the Board Charter, which includes sustainability and climate-related responsibilities.

In line with its Terms of Reference, the NRC ensures that the Board of Directors participates in relevant programmes and training courses to enhance their understanding of sustainability and climate-related risks and opportunities. All Directors are also required by Bursa Malaysia to complete the Mandatory Accreditation Programmes II, which delves deeply into key focus areas to help directors navigate through existing and emerging sustainability issues.

In 2024, dedicated sessions were held for the Board of Directors to further strengthen their understanding of key sustainability matters, in particular TCFD aligned assessments for quantifying the group’s climate-related physical risks and opportunities. This continuous development process equips the Board with the necessary expertise to effectively steer the organisation on its sustainability journey.

Management Execution and Operationalisation

The board’s strategic direction is driven and implemented by the Group Managing Director and Senior Management. MRCB continuously assesses, monitors, and benchmarks against industry-specific trends and developments, both local and international, to identify sustainability-related risks and opportunities. Senior Management and Business Units monitor the competitive landscapes and present potential opportunities.

To translate these strategic priorities into measurable progress, Key Performance Indicators (KPIs) are then established to ensure alignment with sustainability objectives.

OUR APPROACH TO SUSTAINABILITY

Sustainability Performance Linked to Remuneration

Sustainability performance is integrated into the Group Managing Director and Senior Management’s KPIs and directly linked to their remuneration. These KPIs include managing sustainability, climate change, and addressing climate-related risks and opportunities.

PERFORMANCE-LINKED REMUNERATION	
GHG Emissions Reduction Targets contribute: <ul style="list-style-type: none">• 15% of the Group Managing Director’s (GMD) KPIs• 10% of the Group Chief Operating Officer’s KPIs• 10% of the Chief Corporate Officer’s (CCO) KPIs	<ul style="list-style-type: none">• Renewable Energy Expansion is weighted at 20% of both the GMD’s and Group Chief Financial Officer’s total KPIs
Corporate Governance & Sustainability Performance: <ul style="list-style-type: none">• 10% of the CCO’s KPI is tied to the MSWG Asean Corporate Governance and Sustainability Scorecards• 15% of the CCO’s KPI is linked to the Group’s Bursa Malaysia FTSE4Good Score	<ul style="list-style-type: none">• Health & Safety KPIs are included in the Engineering, Construction & Environment Division’s Chief Executive Officer’s remuneration KPIs and cascaded down to Project Directors and relevant site-based staff

Sustainability KPIs are cascaded down and integrated into the roles of middle management and employees, fostering a cohesive company-wide culture of sustainability. Departments work closely to drive impactful progress towards our sustainability goals. We have implemented the following initiatives to achieve these objectives:

<p>Competency building</p> <ul style="list-style-type: none">• Conducted skills gap analyses to identify capability needs.• Implemented targeted talent development initiatives to build the organisation’s sustainability competencies.	<p>Enterprise Risk Management</p> <ul style="list-style-type: none">• Monitor sustainability and climate-related risks at multiple levels to ensure a comprehensive risk management approach.• Systematically integrating sustainability-related risks in our Enterprise Risk Management (ERM) and documenting them within a risk register incorporating likelihood and magnitude criteria for comprehensive risk assessments.• Physical climate-related risk assessments are integrated into departmental operational and project risk registers. <p> More information on our ERM can be found in our Risks and Mitigations on pages 78 to 87.</p>	<p>Scenario Analysis</p> <ul style="list-style-type: none">• Climate scenario analysis covering the locations of the Group’s assets has been conducted to assess potential future climate risks and enhance resilience, allowing for proactive decision making.• Safety and Health Department conduct scenario analysis as part of its Emergency Response Plan and Hazard Identification, Risk Assessment, and Determining Control (HIRADC) processes. These analyses cover a broad range of risks, including natural disasters, disasters caused by human activities, and everyday workplace hazards. <p>Moving forward, we intend to broaden our scenario analysis to cover other material sustainability-related areas for risk identification beyond the climate and safety & health topics.</p>
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OUR APPROACH TO SUSTAINABILITY

The Chief Corporate Officer (CCO), as chair of the SMC, is delegated by the Board to lead the strategic management of sustainability and climate-related risks and opportunities.

The CCO is responsible for:

Overseeing sustainability and climate-related policies, risk management, and internal controls and procedures	Aligning sustainability governance with key functions such as risk, procurement, and human resources
Driving capability-building initiatives to strengthen sustainability and climate-related competencies	Chair of the Sustainability Management Committee

Sustainability Management Committee

The Sustainability Management Committee (SMC) sets operational sustainability targets, monitors performance, and integrates sustainability considerations into decision-making.

The SMC comprises Heads of Divisions and Departments of our core operations and corporate functions. Outcomes from the SMC meetings, along with other pertinent sustainability updates, are presented to the Board for discussion and deliberation.

Key Matters Discussed at the 2024 SMC Meetings

Topics of Discussion	Initiatives and Outcomes
Decarbonisation Strategies	<ul style="list-style-type: none">Deliberated on Divisional decarbonisation strategies to reduce MRCB’s carbon footprint and enhance energy efficiency.Business divisions provided updated emissions reduction data to ensure progress tracking.
Policies	<ul style="list-style-type: none">Enhanced human rights policies by aligning with UNICEF’s Children’s Rights and Business Principles and developed a Bahasa Malaysia version to ensure accessibility and understanding across the workforce.
Other Sustainability Matters	<ul style="list-style-type: none">Reviewed ongoing sustainability initiatives.Discussed IFRS Sustainability Disclosure Standards (IFRS S1 and S2) gap assessment and early adoption.

OUR APPROACH TO SUSTAINABILITY

MATERIAL MATTERS: BUSINESS ETHICS AND INTEGRITY

<p>Principled Governance</p> <p>Page 157</p> <p>GC</p>	<p>Upholding Integrity</p> <p>Page 160</p> <p>EP</p>
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GC	GOVERNANCE & COMPLIANCE
WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">Ensuring compliance with all applicable laws, regulations and listing requirements is critical to maintaining our license to operate.Strong governance structures ensure regulatory adherence, enhance investor and stakeholder confidence, and safeguard MRCB against legal and reputational risks.Effective compliance strengthens business resilience and operational stability.	<ul style="list-style-type: none">We are guided by applicable laws, regulations, and Bursa Malaysia’s Main Market Listing Requirements.Our well-established policy framework ensures compliance, accountability and good governance.We regularly evaluate and enhance policies to align with evolving regulations and best practices.
OUR AIMS	<ul style="list-style-type: none">Ensure zero regulatory breaches, fines or penalties.Improve ESG governance and compliance ratings (FTSE4Good and MSCI).Enhance quality and transparency of disclosure in our annual integrated report.
OUR INITIATIVES AND PROGRESS	

MRCB is committed to upholding the highest standards of governance and regulatory compliance to ensure transparency, accountability, and business resilience. Compliance with applicable laws and regulations, including Bursa Malaysia’s Main Market Listing Requirements (MMLR) and industry-specific regulations, is a fundamental priority that enables us to maintain our license to operate and sustain investor and stakeholder confidence. We also ensure that we align our practices with environmental and socio-economic standards to support sustainable business growth.

OUR APPROACH TO SUSTAINABILITY

Improved ESG Ratings

- FTSE4Good Bursa Malaysia Index score increased from 3.6 to 3.9 in the end-2024 assessment and improved our ranking to be the top 14% of all listed companies assessed.
- MSCI ESG rating upgraded from “A” to “AA”.

Enhanced Alignment with the Malaysian Code on Corporate Governance (MCCG) 2021

- Achieved compliance with 42 out of 43 Practices and 4 out of 5 Step-Up Practices.

Expanded Board Diversity

- Achieved 38% female board representation, surpassing our 30% target as part of our commitment to fostering a more inclusive and representative leadership team.

Strengthening Human Rights Policies

- Aligned English-language Human Rights Policy with UNICEF’s Children’s Rights and Business Principles.
- Developed a Bahasa Malaysia version to improve accessibility and understanding among employees.

Board Oversight and Governance Enhancements

The Board ensures that key regulatory developments, risk assessments, and compliance priorities are proactively addressed. Regular reporting to the Board on governance matters enhances transparency, supports informed decision-making, and drives the implementation of governance improvements across the Group.

Policies and Frameworks Supporting Compliance

MRCB operates under a comprehensive policy framework that guides governance and compliance practices. Key policies include:

- Code of Business Ethics
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy

We conduct periodic reviews and enhancement of governance policies to ensure that MRCB remains at the forefront of corporate governance excellence. In 2024, we established 10 new policies and procedures and enhanced 28 of our existing policies.

Aligning with IFRS S1 & S2

MRCB initiated a gap analysis to assess alignment with IFRS S1 (General Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures). This analysis evaluates our existing governance, risk management, and reporting frameworks against the disclosure requirements set by the International Sustainability Standards Board.

This initiative will enable MRCB to enhance sustainability governance, improve disclosure quality, and strengthen investor confidence, positioning the Group for compliance with international reporting expectations. Moving forward, we will develop an action plan to address identified gaps and progressively integrate IFRS-aligned disclosures into our reporting framework.

OUR APPROACH TO SUSTAINABILITY

Ongoing Improvements and Future Focus

Building on our governance progress, we will continue to:

- Conduct regular training and capacity-building initiatives to enhance compliance awareness at all levels.
- Strengthen compliance reporting mechanisms to ensure timely identification and resolution of regulatory risks.
- Align governance practices with international ESG and sustainability frameworks to further integrate sustainability considerations into decision-making.

 For more information on our governance please refer to our Corporate Governance Overview Statement on pages 276 to 316.

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none">Keeping up with evolving regulations to ensure compliance with new laws, listing requirements, and sustainability standards.Embedding a strong governance culture across all levels of the organisation to reinforce accountability and ethical decision-making.Integrating ESG into governance to align decision-making with sustainability and climate-related financial disclosures.	<ul style="list-style-type: none">Strengthening governance frameworks to enhance transparency, risk management and regulatory compliance.Reinforcing tone from the top by ensuring leadership drives a culture of integrity and compliance.Leveraging governance in ESG leadership to improve investor confidence and sustainability performance.
OUTLOOK	
<p>We will continue to strengthen our governance culture by enhancing compliance frameworks, improving regulatory alignment, and reinforcing oversight from the Board and leadership. As laws and listing requirements evolve, we will ensure proactive adaptation to new governance and sustainability standards.</p>	

OUR APPROACH TO SUSTAINABILITY

EP ETHICS & PRINCIPLES

WHY IS THIS IMPORTANT	OUR APPROACH
<ul style="list-style-type: none">Embedding ethical values and integrity into our corporate culture helps ensure consistently sound and responsible decision-making.Upholding principles of fairness, honesty, and responsibility ensures trust and credibility among internal and external stakeholders.Ethical business practices safeguard stakeholder interests and corporate reputation.	<ul style="list-style-type: none">We comply with ISO 37001:2016 Anti-Bribery Management System (ABMS) to strengthen ethical governance.We conduct regular training and awareness programmes to embed anti-bribery, anti-corruption culture across the organisation.Our ABMS ensures strict compliance with anti-corruption laws and reinforces accountability.We continuously enhance internal controls and monitoring mechanisms to uphold ethical business practices.Regular training and awareness programmes embed anti-bribery, anti-corruption, and across the organisation.
OUR AIMS	
<ul style="list-style-type: none">100% of operations assessed for corruption-related risks.Zero incidents of corruption, bribery or unethical business conduct.100% of employees complete mandatory training on anti-corruption.	
OUR INITIATIVES AND PROGRESS	

MRCB upholds strong ethical values and integrity, embedding them into our business practices to foster transparency, accountability, and responsible decision-making across all operations.

We have zero tolerance for all forms of bribery and corruption and are committed to conducting business ethically and in compliance with all applicable laws and regulations in the countries where we operate.

We also implemented an ISO 37001:2016 Anti-Bribery Management System (ABMS) certified, to prevent, detect, and respond to bribery risks and demonstrate a culture of integrity, transparency, openness, and compliance.

OUR APPROACH TO SUSTAINABILITY

2024 INITIATIVES

Programme	Outcome
Strengthening Anti-Bribery and Corruption Compliance	<ul style="list-style-type: none">Ensured continued compliance with ISO 37001:2016 certification for the Anti-Bribery Management System through regular audits and compliance reviews.100% of operations are assessed for corruption-related risks through audits and compliance reviews.Zero incidents of corruption, bribery, or unethical business conduct were reported across all operations in 2024.
Upholding Conflict of Interest & Ethical Business Conduct	<ul style="list-style-type: none">Conducted comprehensive conflict of interest assessments across key business units to ensure transparency in decision-making.Held two cycles of Bribery Risk Facilitations to support each department to identify and mitigate potential risks.
Building a Responsible Supply Chain: Due Diligence and Ethical Standards	<ul style="list-style-type: none">Ensure 100% of suppliers and business partners comply with MRCB’s Code of Business Ethics and Anti-Bribery Policies.Conduct supplier due diligence assessments to identify and mitigate potential ethical risks in the supply chain.Organised anti-bribery and anti-corruption training for our vendors, attended by 111 individuals from 85 companies.Delivered policy, regulatory and relevant anti-bribery guidelines to 3,000 suppliers in our database via electronic digital mail (EDM).
Internal Training and Capacity Building	<ul style="list-style-type: none">Conduct mandatory anti-bribery, anti-corruption, and anti-competition training for all employees, including targeted sessions for high-risk roles.98.7% of employees completed mandatory anti-corruption and ethics trainings annually and achieved a score of 80% and above in the assessment.Held six Anti-Bribery Management System ISO 37001:2016 standard training for 133 employees.

For more information on our Anti-Bribery Management System (ABMS) ISO 37001:2016 and how we manage and communicate our anti-bribery and corruption policy and initiatives, please refer to page 326 (Statement on Risk Management and Internal Control).

CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none">Maintaining vigilance against corruption risks.Managing third-party compliance risk by ensuring suppliers, contractors, and business partners uphold the same ethical standards.	<ul style="list-style-type: none">Building stakeholder trust by demonstrating a firm stance on ethical business practices and responsible corporate behaviour.

OUTLOOK

We will continue to reinforce ethical business practices, ensuring integrity, transparency, and accountability remain central to our operations and decision-making.