

**BUILDING
TOGETHER**

Malayan Cement Berhad
Sustainability Report 2024

Malayan Cement Berhad **Sustainability Report 2024**



BUILDING TOGETHER

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ABOUT THIS REPORT

This Sustainability Report (“Report”) covers the sustainability strategy, priorities, initiatives, and performance of Malayan Cement Berhad and its subsidiaries in Malaysia (“MCB”) where the majority of our activities are carried out, unless stated otherwise.

This Report is published alongside MCB Annual Report 2024 and both are made available for our stakeholders and the general public on our corporate website ytlcement.my

Reporting Scope and Period

Our Sustainability Reports are issued on an annual basis. This Report covers the sustainability performance of MCB from 1 July 2023 to 30 June 2024 (FY2024). Through this Report, we endeavour to provide our stakeholders an update on our sustainability performance for each of our material matters. Data and information from past reporting cycles have been included, where available. We have organised our material matters into four sustainability pillars, which demonstrate how sustainability is incorporated in everything that we do.

Reference and Guideline

This report has been prepared in accordance with Bursa Malaysia’s Main Market Listing Requirements, and the Sustainability Reporting Guide, 3rd Edition. We have incorporated the recommendations of the Global Reporting Initiative (“GRI”) Standards and FTSE Russell ESG Data Model (2022/2023). All references to ‘MCB’, ‘the Company’, ‘the Group’, ‘YTL Cement’, ‘we’ and ‘our’ refer to Malayan Cement Berhad.

Statement of Assurance

In strengthening the credibility of MCB’s Sustainability Statement, this Report has been subjected to an internal review by internal auditors. The internal review covers all contents of this Report and the scope of review includes companies under this Reporting Scope.

Forward-looking statements

This Report contains forward-looking statements related to MCB’s ambition, strategies, plans, and initiatives. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator.

Actual results may differ materially from the forward-looking statements because of several risks and uncertainties, including but not limited to the uncertainties related to the market conditions and the implementation of our plans.

Readers are urged to read this Report and carefully consider the risks, uncertainties, and other factors that affect our business and operations. The information contained in this report is subject to change without notice, and we are not obligated to publicly update or revise forward-looking statements after the date hereof or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Feedback

We value feedback and suggestions from our stakeholders. Any comments and queries may be addressed to:
Communications Department
Email: communication@ytlcement.com.my

GROUP MANAGING DIRECTOR'S MESSAGE

I am pleased to update you on the continued progress of YTL Cement Group's Environmental, Social, and Governance (ESG) Programme. Sustainability is deeply embedded in every facet of our operations. Over the past year, we have made significant strides across all areas, reinforcing our leadership in ESG within the construction industry.

Our commitment to sustainability is underscored by four key actions:

First and foremost, we are proud to be "Helping Malaysia Build Greener" by offering the market low-carbon alternatives through our ECO product range. These products empower our customers to adopt more sustainable building practices without compromising on quality or safety. With lower embodied carbon, the inclusion of recycled materials, and enhanced durability requiring minimal maintenance, our ECO range is a testament to our innovation and responsibility.

Secondly, we are committed to minimising the environmental impact of our operations. Through targeted initiatives, we reinvest in our facilities and workforce, exploring and expanding the use of alternative fuels, raw materials, waste heat recovery systems, and renewable energy. I am proud to report that in the last three years, we have utilised over three million tons of industrial, commercial, and agricultural waste as alternative materials. Our goal is to ensure that our operations not only meet but exceed environmental standards.

Thirdly, raising awareness and promoting the adoption of ESG practices remains a cornerstone of our strategy. Since 2019, our CDL Academy has facilitated over 80 knowledge-sharing sessions, working closely with industry associations and top local universities. These sessions have been pivotal in fostering important conversations around ESG practices, particularly in supporting SMEs in their sustainability journey. This year, we expanded our masterclass series to East Malaysia, collaborating with UNIMAS and UMS.

Lastly, our commitment to innovation is driven by in-house research through our Construction Development Lab (CDL). In addition to product development, we continue to explore decarbonisation R&D and product innovation, ensuring that we remain at the forefront of sustainable construction.

Our efforts extend beyond our immediate operations. We actively engage with stakeholders and collaborators on nationwide and state-wide initiatives. Our partnership with the Construction Research Institute of Malaysia (CREAM), marked by the signing of a MOU last year and a RM1 million research grant, exemplifies our commitment to developing industry personnel, advancing R&D on eco-friendly materials, and facilitating the transition towards sustainable construction.

We continued our partnership with The Edge Malaysia to organise the second Sustainable Construction Symposium. Themed "Sustainable Construction: The Next Level," this event recognises that the shift towards sustainable construction requires a unified effort across all sectors. The symposium has proven to be an effective platform for sharing insights and expanding conversations on sustainability in construction.

Looking ahead, we recognise that while we have made continued progress, there is still work to be done. We remain steadfast in our commitment to achieving our sustainability goals, including decarbonisation, resource efficiency, and community engagement. We know that our journey is far from over, and we are dedicated to doing our part to contribute to a more sustainable future.

We are deeply grateful for the continued support and partnership of our stakeholders. It is with your collaboration that we can strive to make a meaningful difference in the construction industry. Together, we can work towards building a better, more sustainable future.

Thank you.

Dato' Sri Michael Yeoh Sock Siong
Group Managing Director

HIGHLIGHTS OF THE YEAR

Over the past 12 months, MCB has teamed up with external partners on projects addressing key environmental and social issues, demonstrating our commitment to sustainability and stakeholder concerns.

- July 2023**

● YTL Cement kicked off its collaboration with CREAM with the first Steering Committee Meeting. The partnership focuses on advancing sustainable construction in Malaysia through personnel development, R&D, and facilitating the adoption of sustainable construction practices. YTL Cement has contributed RM1 million in research funding to support these initiatives.
- August 2023**

● In our drive to promote resource recovery and circular economy, Geo Alam presented Sustainable Waste Management via Co-Processing in Cement Plants at the Scheduled Waste Circular Economy Workshop with technical agencies and industries on 28 August 2023 and to over 200 industry practitioners at the Waste Management Association of Malaysia's Annual Conference 2023 on 2 August 2023.
- September 2023**

● Collaborated with Kolej Vokasional Kuala Kangsar (KVKK) to organise a Recycling Open Day and Tree Planting activity. We organised a similar recycling open day in Petaling Jaya in October 2023. In total, we collected 4,550 kg of recyclables.
- October 2023**

● YTL Cement showcased its ECO Product Range at MBAM OneBuild 2023 Exhibition and BuildXpo 2023.

● YTL Cement and the Ministry of Higher Education (MOHE) launched Malaysia's first University-Industry Research Consortium (UIRC), in partnership with five top local universities. The UIRC will award up to 40 research grants over five years to post-graduate students studying tropical limestone karst.

● Groundbreaking of the Group's second waste heat recovery system (WHR) in APMC Kanthan Cement Plant. The WHR is scheduled to be completed in July 2025.
- November 2023**

● APMC Kanthan Awarded 5-Star Rating for Responsible and Sustainable Mining by Department of Mineral and Geoscience Malaysia (JMG). A 5-stars rating represents the highest score awarded for the entire audited criteria namely Compliance, Best Practices, Socio-economic Benefits, Green Practices, Community Social Responsibility, and Aesthetic Values.
- January 2024**

● The Cement and Concrete Association of Malaysia (C&CA) delivered the first batch of Simen Rahmah to a housing project in Port Dickson, Negeri Sembilan. Under the Simen Rahmah scheme, C&CA has committed to supply up to 1 million tonnes of cement at a special price to qualified affordable housing.
- May 2024**

● YTL Cement donated RM1 Million to Sarawak Unity Education Fund. The donation is in support of the initiative's efforts to provide scholarships to students from Sarawak and develop them into future leaders for the state.

● CDL Academy extended its Seminar Series to East Malaysia with University Malaysia Sabah and University Malaysia Sarawak sessions.



ABOUT MALAYAN CEMENT BERHAD (MCB)

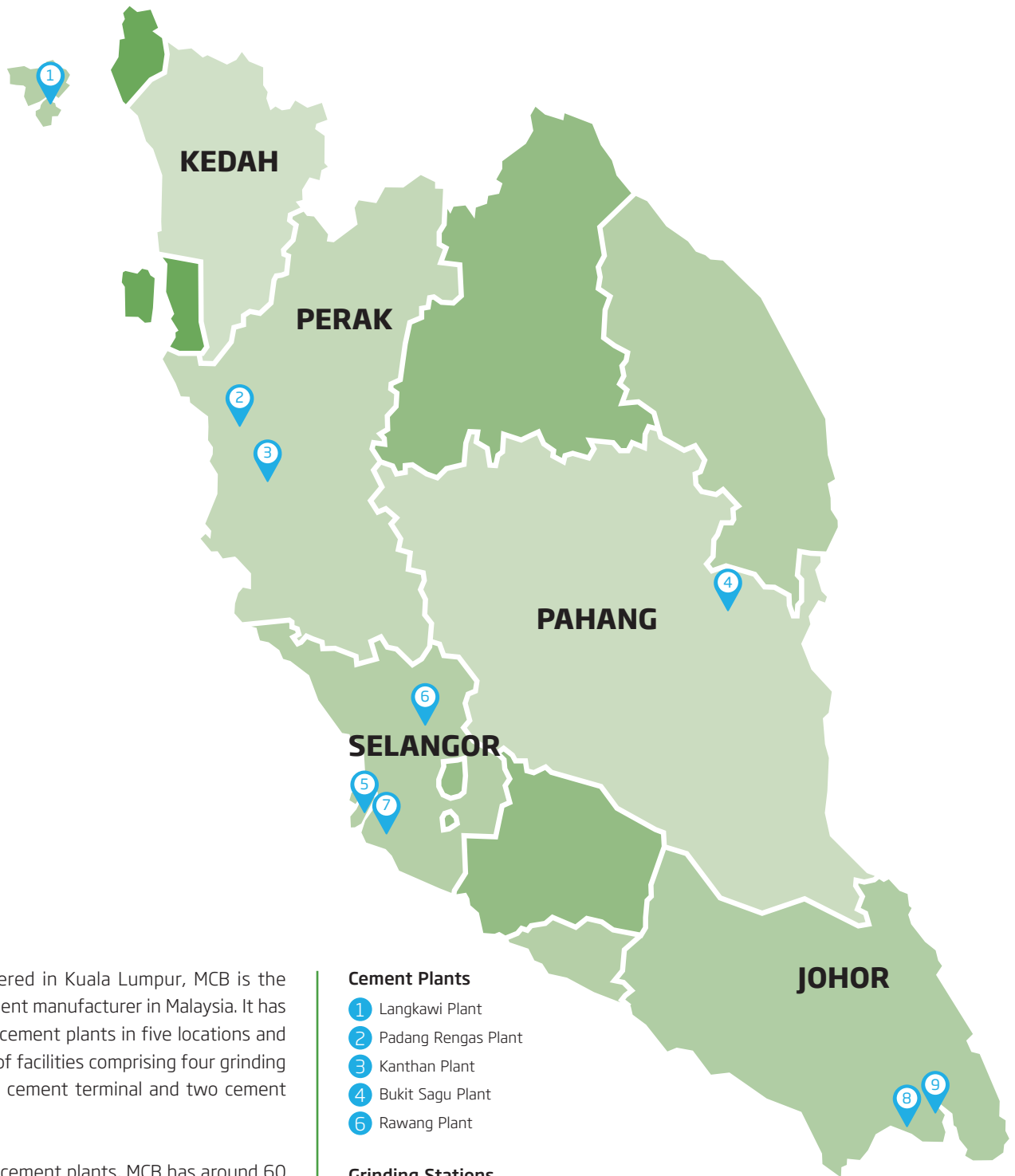
MCB is Malaysia's leading cement and building materials group with the widest network of operations. It is a publicly owned company that has been listed on Bursa Malaysia Securities Berhad since 17 March 1961, under the Building Materials sub-sector of the Industrial Products & Services sector.

Through its subsidiaries, the MCB Group is involved in the production, manufacturing, and trading of cement, clinker, ready-mixed concrete, and other building materials. MCB has contributed to the construction of many buildings, homes, and infrastructure. It is the preferred supplier for complex and large-scale developments.

MCB has a proven track record in supplying to technically sophisticated projects. MCB has a fleet of over 1,500 trucks serving customers Peninsular Malaysia. It also operates the Construction Development Lab (CDL), a research and development facility dedicated to developing customised cement and concrete solutions.



BUSINESS SITES



Headquartered in Kuala Lumpur, MCB is the largest cement manufacturer in Malaysia. It has integrated cement plants in five locations and a network of facilities comprising four grinding plants, one cement terminal and two cement depots.

Beyond its cement plants, MCB has around 60 ready-mixed concrete batching plants, one aggregate quarry and two drymix plants throughout Peninsular Malaysia.

Cement Plants

- 1 Langkawi Plant
- 2 Padang Rengas Plant
- 3 Kanthan Plant
- 4 Bukit Sagu Plant
- 6 Rawang Plant

Grinding Stations

- 5 West Port
- 8 Pasir Gudang

Cement Terminal and Depots

- 7 West Port & Port Klang
- 9 Pasir Gudang

BUSINESS SEGMENTS



Cement

MCB, the leading homegrown cement company of Malaysia, supplies our top-quality cement products to both local and international markets. Our extensive range of cement offerings has been meticulously developed and rigorously tested to cater to diverse applications, including high-rise buildings, underground tunnels, precast structures, marine projects, and more.

Our vision is deeply rooted in supporting Malaysia's ongoing progress towards sustainable construction. With this commitment in mind, we have crafted a range of low-carbon cement products under the ECOcem™ brand name. ECOcem™ is specifically designed to meet the stringent requirements of green buildings and infrastructure.

ECOcem™ products contain up to 45% recycled materials, promoting environmentally friendly construction. Our CO₂ emissions are reduced by 20-50% compared to conventional cement. Our ECOcem™ range includes certified products endorsed by SIRIM Eco-Label, Singapore Green Label, and Singapore Green Building Product, highlighting their strong sustainability credentials.



Concrete

We are the largest supplier of ready-mixed concrete in the country, with over 60 plants. Our focus is on delivering high-quality products and meeting our customers' various construction needs. Our experienced team at the Construction Development Lab (CDL) provides technical support to our customers on selecting and developing bespoke mix design for different applications.

To contribute to sustainable construction, we offer ECOConcrete™, our range of concrete with 20-60% lower embodied carbon. By reducing the environmental impact of construction, we aim to provide more eco-friendly solutions for the industry.

BUSINESS SEGMENTS



Aggregates

Together with the aggregates quarries under the YTL Cement Group, we are the largest construction aggregates producer in the country. Our flagship product is ECOSand™.

ECOSand™ has superior particle shape, ensuring optimal performance in various construction applications. Its consistent size distribution guarantees uniformity, allowing for precise and efficient usage. It is meticulously crafted to be free from any organic impurities, meeting the highest quality standards. ECOSand™ is recognised as an environmentally friendly substitute for natural sand in both Malaysia and Singapore.



Drymix mortars

Our Drymix business is spearheaded by QuickMix Solutions, a trusted industry pioneer for over two decades. Throughout this time, QuickMix® has evolved into a comprehensive solutions provider, offering an extensive range of products tailored to meet the diverse needs of our valued customers. With a portfolio comprising more than 25 different offerings that meet BQUAS and QCLASSIC standards, QuickMix® enables customers to achieve flawless walls and floors with ease.

We continuously develop products to meet customer needs for durability and the promotion of wellness. In 2023, we proudly introduced ECODrymix™. This eco range includes products that hold the prestigious SIRIM Eco-label certification and have undergone rigorous testing to ensure low Volatile Organic Compound (VOC) emissions, a crucial factor in ensuring optimal indoor air quality.



Sustainable waste management

Through our subsidiary, Geo Alam Environmental Sdn. Bhd., we help industries transition from the traditional take-make-waste model towards the circular cradle-to-cradle model. Our approach focuses on reducing carbon emissions, natural resource consumption and disposal to landfills. Suitable waste streams are assessed through on-site assessment and laboratory analysis. Qualified materials are processed for use as either alternative raw materials or lower carbon alternative fuels.

1

Our Strategic Approach to Sustainability

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OUR STRATEGIC APPROACH TO SUSTAINABILITY

The MCB Group is committed to ensure that its businesses and operation are sustainable. To incorporate sustainability into our long-term growth strategy, effective governance is essential. We have put in place a governance structure so that decisions and actions we take at every level of our Group are aligned with our sustainability priorities. This framework encompasses the Board of Directors, the Sustainability Committee, our management teams, and the individuals working within our operations.

BOARD STATEMENT

The Board recognises the importance of leadership involvement in sustainability management at MCB and is committed to ensuring that MCB continues to meet its long-term sustainability targets. The Board provides guidance and works closely with the management on MCB's overall sustainability strategy and business objectives, taking into consideration material economic, environmental, social and governance factors. This includes setting its environmental, social, and governance (ESG) strategies, priorities and targets, overseeing the progress of ESG strategy and performance. The Board has oversight of MCB's Code of Conduct and Business Ethics, risk management and reviews the effectiveness of the risk management process.

The Board holds ultimate responsibility for MCB's sustainability initiatives, ensuring that long-term strategies integrate ESG considerations to strengthen the Group's resilience and uphold its commitment to delivering sustainable value to stakeholders.

Directors receive updates on MCB's sustainability progress, covering stakeholder expectations, action plans, and performance in addressing ESG concerns. Directors are kept abreast on broader ESG developments through specialised training programmes, as outlined in the Remuneration and Nomination Committee Statement featured in our Annual Report.

In FY2024, the Board has reviewed MCB's materiality assessment and progress made in the year. The Board also approved this Sustainability Report, which includes climate-related risks and corresponding risk management strategies in its phased approach to adopting recommendations of the Task Force on Climate-related Financial Disclosures.

SUSTAINABILITY GOVERNANCE

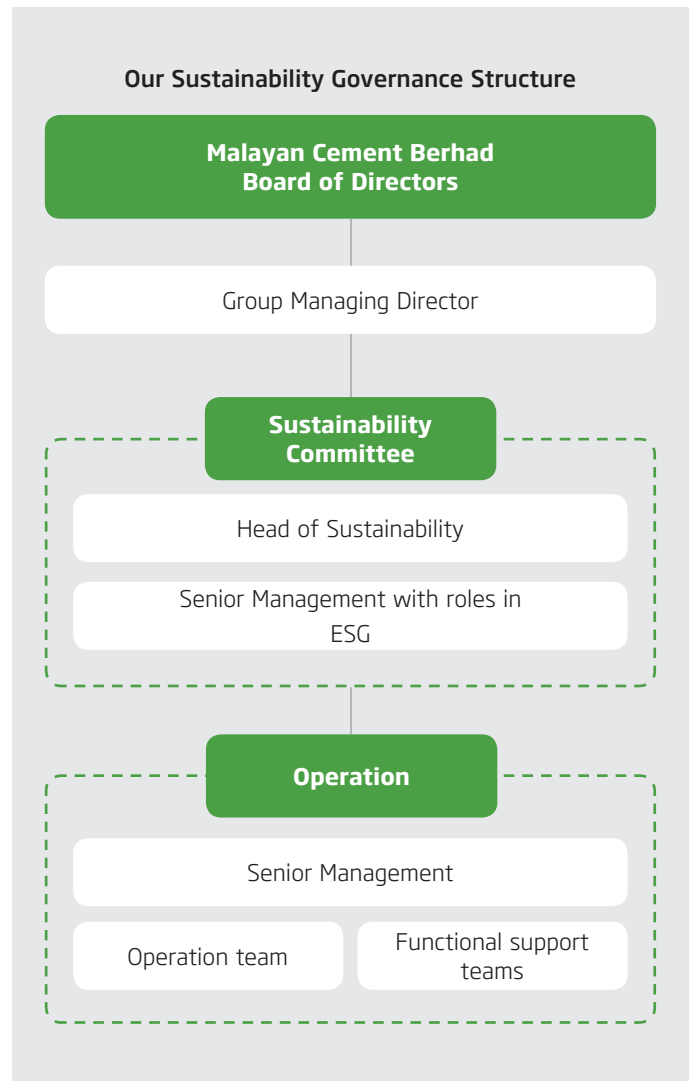
MCB's Sustainability Committee, led by Group Managing Director, Dato' Sri Michael Yeoh Sock Siong, plays a pivotal role in driving the company's sustainability agenda. Supported by the Head of Sustainability and members from diverse functional areas within senior management, the Committee actively engages in the ever-growing internal and external communication and engagement on sustainability matters.

The Sustainability Committee, with the guidance of the Board, sets the ESG direction and strategic focus for the entire business. It formulates a robust sustainability framework, ensuring that the environmental, social and governance considerations are embedded into the Group's strategies and operations. The Committee works closely with management teams within each business unit to mobilise the operations teams in implementing MCB's sustainability strategies. The Committee maintains oversight of the potential and actual impacts of MCB's activities on the environment and people, as well as reviews material sustainability topics, targets, initiatives and performance.

The Committee updates the Board on key sustainability matters, key concerns as well as progress of initiatives.

The management teams at each business unit hold the responsibility of integrating sustainability priorities into their day-to-day operations. They play a critical role in ensuring the effective implementation of sustainability initiatives throughout the organisation. By embedding sustainability into their operations, these teams contribute to MCB's overall commitment to responsible and sustainable business practices.

To promote long-term success and embed sustainability into our business operations, sustainability and climate-related goals have been integrated into the key performance indicators of senior management and operation management.



STAKEHOLDER ENGAGEMENT

MCB recognises the importance of understanding how to create value for our key stakeholders. MCB gathers feedback and gains insights on the actual and potential impacts of material matters by maintaining open communication with our stakeholders and keeping them informed and updated. Through the engagement, we monitor changes in stakeholder expectations and develop appropriate initiatives in response to the findings.

The table below lists our key stakeholders, how we identified and engaged with them.

Stakeholders and why they matter	Engagement methods	Their topic of interests	Our responses
<p>Employees</p> <p>With more than 2,000 employees working in our operation and office, we have a vast resource of knowledge, innovation and insight to guide us on our ESG journey. We regularly engage our people on ESG topics, valuing their perspectives.</p>	<p>Internal communication channels</p> <ul style="list-style-type: none"> Weekly Bulletin and Blueprint Toolbox talks throughout the year ESG workshops and training throughout the year ESG roadshows <p>Dialogue with senior management</p> <ul style="list-style-type: none"> Weekly operation meeting Annual ESG plan roll-out <p>Events</p> <ul style="list-style-type: none"> Brown Bag Luncheon BUILDS programmes <p>Public channels</p> <ul style="list-style-type: none"> Corporate website, LinkedIn, Facebook, Instagram 	<ul style="list-style-type: none"> Group strategic plan and performance Group sustainability material matters identified and plan for the year Workplace safety, environment and employee well-being Employee development and talent retention programme 	<ul style="list-style-type: none"> We regularly share updates on company strategic focus and initiatives via internal digital channels. Our leadership team attends weekly meetings chaired by the Group Managing Director We have and will continue to enhance our talent management We will continue to make progress in ESG and leading the way in promoting sustainability via training programmes, R&D and collaborations We foster strong safety culture through training, workplace inspection and OH&S management system implementation We support employee well-being through Brown Bag Luncheon activities and BUILDS programmes
<p>Customers</p> <p>We want to create value by first understanding customer priorities and interests.</p>	<p>Regular engagement with customers</p> <ul style="list-style-type: none"> Sales visits and meetings throughout the year Monthly group updates through corporate website, LinkedIn, Facebook, Instagram <p>Events</p> <ul style="list-style-type: none"> Product roadshows Annual Sustainable Construction Symposium Trade exhibitions Sector conferences CDL Academy Seminar Series throughout the year 	<ul style="list-style-type: none"> Product responsibility (Compliance to standards, product safety & quality, information accuracy) Customer relationship management Product innovation Product impact to the environment and measures taken by the Group 	<ul style="list-style-type: none"> We have embedded these into our business strategies and operation plan, elaborated under the following Sustainability Pillars <ul style="list-style-type: none"> Helping Malaysia Build Greener Operating Sustainably Operating Responsibly

STAKEHOLDER ENGAGEMENT

Stakeholders and why they matter	Engagement methods	Their topic of interests	Our responses
<p>Investors</p> <p>The support from investors is crucial to the success of MCB. We want to create long-term value for our investors by focusing on managing talent, strategy, and risks.</p>	<ul style="list-style-type: none"> Annual General Meeting Financial result announcements Annual Report and Sustainability Report Engagement through meetings, emails, phone calls and other means Digital platforms (website, LinkedIn, Facebook) Company events and seminars 	<ul style="list-style-type: none"> Group growth and financial performance Challenges facing the Group Sustainability strategy, and performance Scope 1 emissions and strategy to manage climate-related risks and opportunities Product innovation 	<ul style="list-style-type: none"> We implement strategies to enhance business and financial resilience, as described in our Annual Report and this Sustainability Report We take measures to continuously improve in our ESG performance During the year we have reviewed and updated our climate-related risks management plan
<p>Government, Local Authorities & Regulators</p> <p>We are committed to stay informed about regulatory changes, contribute to policy discussions and ensure compliant business operations.</p>	<p>Regular engagement</p> <ul style="list-style-type: none"> Official meetings Site inspections Topic-specific industry dialogues <p>Events</p> <ul style="list-style-type: none"> Industry dialogues Annual Sustainable Construction Symposium Trade exhibitions Sector conferences 	<ul style="list-style-type: none"> Compliance with rules and regulations Operation environmental impacts and company initiatives Company participation and support in initiatives organised 	<ul style="list-style-type: none"> We ensure our operation and products meet national standards, guidelines, laws and regulations We maintain close communication and actively support initiatives led by the various authorities
<p>Suppliers</p> <p>We engage with our suppliers to share our ESG direction as a Group and to understand what their plans are to advance sustainability. We are also actively seeking new, innovative production technologies and more sustainable products.</p>	<p>Regular engagement</p> <ul style="list-style-type: none"> Meetings, site visits and emails Annual performance evaluation of key suppliers <p>Events</p> <ul style="list-style-type: none"> Trade exhibitions Sector conferences 	<ul style="list-style-type: none"> Group direction in ESG On-site health and safety management, labour practices 	<ul style="list-style-type: none"> We have started Supplier Assessment on environmental and social criteria in FY2023 Our occupational health and safety management includes ensuring a safe workplace for our contractors and safety training We engage our suppliers and contractors to ensure their labour practices comply with regulations We continue to take actions to improve our procurement process
<p>Communities, NGOs</p> <p>We aim to contribute positively to the broader community by providing support and leadership on issues our communities care about.</p>	<p>Community engagement programmes</p> <ul style="list-style-type: none"> Participation of employee volunteers in community projects Environmental outreach activities BUILDS programmes Festive season celebrations <p>Public channels</p> <ul style="list-style-type: none"> Corporate website, LinkedIn, Facebook, Instagram 	<ul style="list-style-type: none"> Any environmental and social impacts of Group's operation Operation compliance to regulations Community investment Job opportunities 	<ul style="list-style-type: none"> We continue our CSR programmes through BUILDS and plant initiatives We have increased the number of employee volunteering programmes during the year We ensure our operations are compliant with regulations We collaborate with CSR partners on community projects and environmental outreach activities

STAKEHOLDER ENGAGEMENT

Stakeholders Engagement (Government)

Harmony visit by Department of Industrial Relations Malaysia (JPP)

APMC Kanthan Plant received 21 officers from the Department of Industrial Relations Malaysia (JPP) for a harmony visit. The group was led by Puan Saadiah binti Saad, the Head of Department from JPP Putrajaya, and included other officers from branches in Putrajaya, Selangor, and Perak. During the visit, JPP toured the plant and met with the team.

In her speech, Puan Saadiah explained that Kanthan Plant was one of the selected plants because of the positive working relationship between the department and the plant. JPP was pleased to see that Kanthan Plant had established initiatives to foster interactions and communication with employees through various engagement channels, providing updates on the company's initiatives as well as enabling employee feedback. This visit has offered YTL Cement an opportunity to gain a better understanding of the government's expectations towards the industry.



Stakeholders Engagement (Customer)



Quickmix Solutions Conducts Roadshow in East Malaysia

Quickmix Solutions recently hosted its first roadshow in East Malaysia at Bluechem Marketing Sdn Bhd in Kota Kinabalu, Sabah. The event aimed to raise awareness about QuickMix's® superior wall and floor solutions while educating participants on proper product application and techniques.

The half-day event attracted retailers, small to medium contractors, and renovators. It featured in-depth product presentations, live demonstrations, and interactive sessions. Participants had the opportunity to apply QuickMix® products firsthand and engage directly with our wall and floor experts to gain valuable tips and insight.

MATERIALITY ASSESSMENT

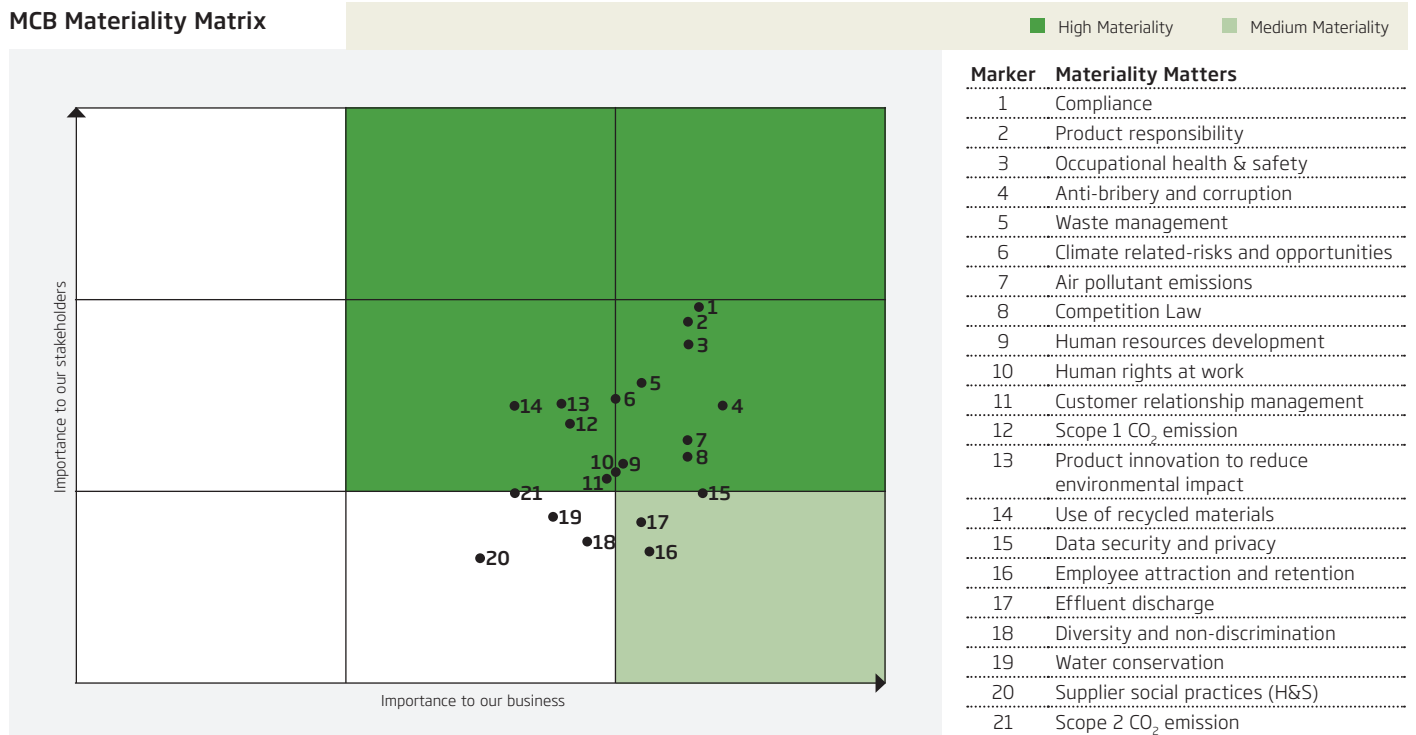
MCB conducts annual materiality assessment to better understand the key sustainability topics pertaining to MCB and our stakeholders. In FY2024, we have updated our list of potential sustainability topics for the assessment, taking into consideration the common indicators in Bursa’s enhanced sustainability reporting and feedback from Sustainability Committee and leadership teams on emerging topics. The Group then undertook a materiality assessment exercise that had gathered 119 survey responses. Participants rated the importance of each topic on a scale of 5. The results were aggregated and plotted on a materiality matrix depicting the importance of each topic to our stakeholders and our business respectively.

The result is a refreshed list of material topics and topics of ongoing importance. While the topics of ongoing importance may not be classified as material by stakeholders, MCB acknowledges their importance to the business and continues to provide information on the management of these areas.

The results and the materiality matrix were validated by the Sustainability Committee prior to presentation to the Board of Directors for approval.

Generally, while there are some changes in the rated levels of importance of some sustainability topics, the pool of material matters rated as of high and medium importance to stakeholders and our business, remains largely the same as last year.

MCB Materiality Matrix



In September 2022, Bursa Malaysia has issued a revision to Main Market Listing Requirements Practice Note 9 which states that sustainability matters are considered material if they:

- (a) reflect the listed issuer’s significant economic, environmental and social impacts; or
- (b) substantively influence the assessments and decisions of stakeholders; and
- (c) fall under the common material sustainability matters as set out in Annexure PN9-A. (“Common Sustainability Matters”).

While some sustainability matters from the Common Sustainability Matters list align with our identified material matters, others do not currently appear on our list. We are working to incorporate these into our sustainability strategy and daily operations. Additionally, we will report the indicators in accordance with the updated Main Market Listing Requirements.

The key concerns and interests of various stakeholders group are presented in Stakeholder Engagement of this Report.

OUR SUSTAINABILITY PRIORITIES

The identified materials matters and topics of on-going importance are organised into four pillars: Helping Malaysia Build Greener, Operating Sustainably, Operating Responsibly and Building Capacity and the Community. Our four Sustainability Pillars guide our focus and approach to managing our key sustainability matters.

Sustainability Pillars	Strategic objectives	Material Matters
 <p>Helping Malaysia Build Greener</p>	<p>We help build greener by:</p> <ul style="list-style-type: none"> Producing quality products that meet the standards Offering low carbon products and solutions Collaborating with our customers Supporting sustainable construction 	<ul style="list-style-type: none"> Product responsibility (Compliance to standards, product safety & quality, information accuracy) Customer relationship management Product innovation
 <p>Operating Sustainably</p>	<p>We operate sustainably by:</p> <ul style="list-style-type: none"> Enabling low carbon and energy efficient production Promoting resource conservation Practicing responsible waste management Supporting biodiversity management Promoting sustainable procurement 	<ul style="list-style-type: none"> Scope 1 CO₂ emission Scope 2 CO₂ emission Climate related-risks and opportunities management Waste management Use of recycled materials Water conservation Supplier social practices (H&S management)
 <p>Operating Responsibly</p>	<p>We conduct our business consistent with:</p> <ul style="list-style-type: none"> Anti-bribery and corruption policy Competition Law Labour standards and practices Data security and privacy act Laws and regulations 	<ul style="list-style-type: none"> Anti-bribery and corruption Competition law Diversity and non-discrimination Human rights at work Data security and privacy Air pollutant emissions Effluent discharge Compliance
 <p>Building Capacity & The Community</p>	<p>We build capacity through:</p> <ul style="list-style-type: none"> Making Health & Safety an important part of our operations Knowledge sharing and helping our people fulfil their potential We contribute to causes through BUILDS, our CSR arm 	<ul style="list-style-type: none"> Occupational health & safety Human resources development Employee attraction and retention Community investment

OUR SUSTAINABILITY PRIORITIES

Material Matters	Description
Product responsibility	MCB's efforts in ensuring its products meet quality and safety standards.
Customer relationship management	MCB's efforts in customer engagement and management of customer feedback.
Product innovation	MCB's initiatives in product research and development, with the objectives to meet evolving customer needs and to reduce its environmental footprint.
Scope 1 and Scope 2 emission, climate related-risks and opportunities	MCB's initiatives in reducing direct CO ₂ emissions from its operation, energy efficiency and conservation, contributing to mitigating climate related-risks.
Waste management	MCB's efforts in responsible management of waste generated from our operation, including recycling, waste reduction, and disposal.
Use of recycled materials	MCB's initiatives in promoting circular economy and the use of recycled materials in its production process.
Water conservation	MCB's efforts in reducing freshwater withdrawal, ensuring efficient water usage and water recycling within its operation.
Supplier social practices (H&S management)	MCB's endeavours to support suppliers in advancing health and safety management.
Compliance	This describes how MCB ensures its operations are in compliance with laws and regulations and take additional measures to implement industry best practices.
Anti-bribery and corruption	MCB's efforts to uphold high standards of integrity, governance and responsible business practices. This includes policies and initiatives to build awareness and prevent bribery and corruption in MCB businesses.
Competition law	MCB's efforts to uphold anti-competition practices and foster a fair and competitive business environment.
Data security and privacy	MCB's efforts to safeguard the confidentiality and integrity of information and data related to its business, operations, customers and third parties.
Air pollutant emissions	MCB's efforts to ensure its plants operate within the limits of Clean Air Regulation 2014.
Effluent discharge	MCB's efforts in ensuring the quality of effluent discharge from its operation is within regulatory limits and not harmful to the environment.
Occupational health and safety	MCB's initiatives in promoting safety culture and providing a healthy and safe work environment for its employees and contractors.
Human rights at work, diversity and non-discrimination	MCB's efforts to create a positive workplace environment that promotes diversity, uphold human rights and observes good labour practices and standards.
Human resources development, employee attraction and retention	MCB's efforts to help employees achieve better performance at work and to grow with the company. Our actions center around building a diverse and inclusive workforce, ensuring employee wellness and growing out talents.
Community investment	MCB's investments and efforts in contributing to the communities in which it operates.

OUR CONTRIBUTION TO THE GLOBAL AGENDA

Through the implementation of our sustainability strategy, we work towards meeting the ambitious targets of the SDGs. We have aligned our efforts with the SDGs to which we can most effectively contribute, as outlined below:

How we contributed towards SDGs through sustainability initiatives



Through BUILDS, we contributed to causes that enrich lives and improve community livelihood.



We produce our products in such a way that meet high quality and safety standards to protect consumers' health and wellbeing.

We maintain a zero-harm, healthy, and safe work environment by enforcing H&S protocols, establishing safe work procedures, and training for employees and contractors.



Quality education includes life-long learning opportunities. We organise the CDL Academy Seminar Series to foster collaborations with industry practitioners for knowledge sharing and competency development.

Through BUILDS, we implement programmes to inspire and encourage creative curiosity across all levels of education, skillsets, and talent. We improve children's access to quality education through our "Back to School" programme.



We invest in improving energy efficiency in our operations to reduce energy consumption as well as installing renewable energy such as solar PV and waste heat recovery (WHR) for clean energy generation.



We create decent jobs and support equal access to employment to offer community and people a sustainable source of income.

Each year, we invest in technical and soft skills training to develop the skillset and knowledge of our employees.



We invest in research and development focusing on product innovation to produce products with low carbon, low environmental footprints, and meeting the market's evolving needs.

We engage and collaborate with third-parties and authorities to accelerate our results. This includes the partnership with the Construction Research Institute of Malaysia (CREAM) to advance sustainable construction in Malaysia.

OUR CONTRIBUTION TO THE GLOBAL AGENDA

How we contributed towards SDGs through sustainability initiatives



We have a policy of non-discrimination. We value and respect age, gender, cultural and religious differences of our employees.



We offer a range of low carbon products to support the development of low environmental impact buildings and resilient infrastructure while minimising resource use.



We promote circular economy through co-processing to reduce resource consumption and the need for extracting and processing virgin resources for production of cement and concrete.



We manage and reduce CO₂ emissions throughout our operation through various initiatives in operation management and new production technologies, complementing our initiatives in product innovation and promotion of low carbon products. We aspire to achieve carbon neutrality by 2050, where we are guided by a roadmap to realise this aspiration.



Through our CSR arm, BUILDS, we are supporting universities and subject matter experts in their research on karst conservation and wildlife protection.



We manage customer complaints and feedback effectively to enhance our partnership with our customers and to develop tailored construction solutions.

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Helping Malaysia Build Greener

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PRODUCT RESPONSIBILITY

YTL Cement has taken significant steps in promoting sustainable construction in Malaysia. The success of our initiatives is in part based on our product quality and technical support. We take measures to continuously advance in this area. Hence during year, we have defined a policy on responsible selling.

Responsible Selling Policy

Our goal is to produce and deliver high quality products and solutions that fulfil the needs and expectations of our customers. We are committed to understanding and respecting the needs of our customers, striving to earn their trust through everything we do.

Our commitment:

- **Transparent Labelling:** Our products are clearly and comprehensively labelled and always display accurate information so that customers can make informed choices. We comply with product labelling laws.
- **Ethical, Truthful and Responsible Communication:** We use clear marketing communications that provide fair and accurate information to our customers. We always communicate about our products and their features honestly and accurately. We do not make misleading comparisons between our products and other solutions in the market.
- **Product Quality and Safety:** Our products are SIRIM certified and conform to the respective product standards and regulatory requirements. We ensure that all our products are of consistent quality and are produced according to standards by applying stringent quality control measures and tests at every stage of production. We provide clear product safety information on our product packaging. We describe the purpose and correct usage of our products and ensure that it is readily understood.
- **Protection of Customer Data:** We ensure our customers' personal information are protected and we take measures to prevent data leakage.
- **Compliance:** We constantly work to comply, and exceed when possible, with all applicable laws and regulations in the markets in which we operate. All reports of non-compliance may be directed to YTL Cement Group's Communications Department.

At the core of our manufacturing process lies our commitment to quality. To achieve this, we have a well-established quality assurance organisation in place that enables us to deliver products of consistent quality and meeting the prescribed standards.

PRODUCT RESPONSIBILITY

Our Performance

	FY2022	FY2023	FY2024
Sites with ISO 9001:2015 Management System certification	100% of our cement plants are certified.	100% of our cement plants are certified.	100% of our cement plants are certified.
Laboratories accredited with MS ISO/IEC 17025:2017	100% of laboratory in cement plants are certified.	100% of laboratory in cement plants are certified.	100% of laboratory in cement plants are certified.
Number of product safety incidents	0	0	0

YTL Cement’s CDL Concrete Lab is ISO accredited

The CDL’s Concrete Lab has achieved the prestigious MS ISO/IEC 17025:2017 accreditation, affirming its technical competence in mechanical testing, specifically for cube testing. This accreditation, recognised internationally, ensures that the lab meets rigorous standards for producing consistently valid test results. The certification covers essential testing areas, including the determination of hardened concrete’s compressive strength, aligning with industry standards like MS EN 12390-3:2012 and BS EN 12390-3:2019. This achievement underscores CDL’s commitment to maintaining high-quality testing and calibration practices. Additionally, all our cement labs, both at our plants and at the CDL, are also MS ISO/IEC 17025:2017 accredited.



We take measures to ensure that all our products and marketing communications meet regulatory requirements. We provide information needed by our customers to use our products in a safe manner. In FY2024, there were no incidents of non-compliance concerning product information or labelling. There were also no incidents of non-compliance in marketing communications.

	FY2022	FY2023	FY2024
Number of incidents of non-compliance concerning product information or labelling	0	0	0
Number of incidents of non-compliance in marketing communications	0	0	0

CUSTOMER RELATIONSHIP MANAGEMENT

Our customers have always been the center of what we do. In our efforts to support the construction sector’s transition towards sustainable construction, maintaining strong communication and relationship with our customers is crucial to our success.

To help us understand better our customer needs, we have formed a taskforce named the Solutions Team, bringing together leaders from across our product lines to re-examine current and future needs of our direct customers and project owners.

Our Performance

	FY2022	FY2023	FY2024
Number of confirmed product complaints related to health and safety	0	0	0
Number of confirmed product complaints related to environment	0	0	0

Customer engagement on sustainability and our ECO product offerings

Following the successful launch of our ECO product range at the inaugural The Edge Malaysia Sustainable Construction Symposium, we observed a significant surge in interest in both our sustainable product offerings and our broader ESG programme. This momentum was further driven by a series of targeted, face-to-face presentations led by our Head of Sustainability, supported by our Sales team. These sessions provided an in-depth introduction to our innovative products and solutions while highlighting our comprehensive ESG strategy. This strategy encompasses key investments and initiatives across our plants aimed at decarbonisation, cutting-edge R&D efforts, and strategic collaborations.



PRODUCT INNOVATION

As the leader in the market, we seek to create value-adds for our customers while supporting them in achieving their sustainability goals. We invest product research and development in-house and in partnership with like-minded industry partners to develop new generation building materials.

We combine material science, production and construction technologies to develop products that meet construction challenges and with lower environmental footprints.

A range of ECO products for different applications

 <p>Low Carbon Cement</p> <ul style="list-style-type: none"> ✓ Min. 25% clinker substitution ✓ Contains recycled materials ✓ 20-50% lower CO₂ emission 	 <p>Low Carbon Concrete</p> <ul style="list-style-type: none"> ✓ 20-60% lower embodied carbon compared to CEM I concrete ✓ Wide range of mixes for different application and strength requirements 	 <p>High-quality Engineered Sand</p> <ul style="list-style-type: none"> ✓ Preserve river ecosystem ✓ Consistent size distribution ✓ No organic impurities 	 <p>Solution for Walls and Floors</p> <ul style="list-style-type: none"> ✓ Low-VOC emission ✓ Suitable for green building design, QLASSIC certification
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Merdeka 118: Malaysia's first use of ultra-high strength cast-in-situ ECOConcrete™ (G105MPa)

YTL Cement proudly served as the primary concrete supplier for this groundbreaking mega project, showcasing our unparalleled expertise in providing bespoke concrete mixes. This endeavour required rigorous testing, a complex delivery process, and seamless collaboration with all project stakeholders. Our vertical integration allowed us to control the entire production process, from raw material sourcing to the delivery of the finished product, ensuring superior quality control.

Project highlights:

- ECOConcrete™ with up to 70% cementitious material replacement achieving high early strength at 12 hours.
- Record-breaking concrete pumping 500 meters vertically from ground level.
- Reduced over 15,000 metric tons of CO₂ emission.



SPEARHEADING THE TRANSITION TO SUSTAINABLE CONSTRUCTION



Since 2019, the YTL Cement Seminar Series has served as a vital platform for connecting industry practitioners, stakeholders, young talents, and subject matter experts, encouraging discussions and sharing insights to propel the sector toward sustainable construction.

In the year under review, we rebranded the programme under CDL Academy to underscore our commitment to becoming an education, training, and knowledge transfer hub for the construction industry. Marking a significant milestone, we expanded our Masterclass series to East Malaysia for the first time in FY2024, broadening our reach and impact.

Throughout the year, we successfully conducted 22 seminars, engaging a total of 2,325 participants. This achievement contributes to our cumulative total of 88 seminars, which have benefitted 8,775 individuals since the series' inception.



The full list of YTL Cement Seminar Series organised in FY2024 can be found on pages 92 to 93.

MalaysiaGBC Seminar Brings Architects and Consultants Together to Discuss "Embodied Carbon in Construction"

The MalaysiaGBC (mGBC), in collaboration with Arup Jururunding, brought together some 35 architects and sustainability consultants in a seminar entitled "Embodied Carbon in Construction" on 18 January 2024. During the seminar, the speakers delved into the challenges and opportunities associated with embodied carbon reduction in construction, covering various aspects from construction design to lifecycle assessment. The seminar offered insights into opportunities in material innovation and building retrofits.

MCB's Head of Sustainability spoke at the event. In her presentation titled "Advancing Sustainable Concrete in Malaysia", she shared MCB's solutions for sustainable construction, highlighting the low embodied carbon characteristic of ECOConcrete™ and decarbonisation initiatives taken by the Group.

SPEARHEADING THE TRANSITION TO SUSTAINABLE CONSTRUCTION

Progressing Together in Sustainable Construction

July 2022
YTL Cement
Masterclass



March 2024
Seminar and Building
Tour at the Tzu Chi
International School



April 2023
Collaboration with CREAM

- Construction Personnel Development
- R&D initiatives
- Promoting sustainable construction in Malaysia



2023 - 2024
Collaboration in ESG
implementation training for
the construction sector



Recognising the importance of collaboration in advancing sustainable construction, we have actively engaged with various stakeholders across the industry. Our partnerships with universities like UTP, UPM, UiTM, and UM have enabled us to conduct Masterclasses for their undergraduates, fostering the next generation of construction professionals. In April last year, we began a significant collaboration with CREAM, and more recently, we have developed specialised training programmes to help businesses future-proof themselves with ESG strategies. So far, we have conducted three training sessions on starting ESG implementation, in collaboration with AoCT, CREAM, and MBAM.

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Operating Sustainably

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CLIMATE AND ENVIRONMENTAL MANAGEMENT APPROACH



At MCB, we recognise that climate and environment are important because they can affect many aspects of our lives and the success of our group. At MCB, we are committed to doing our part in reducing carbon emissions and minimising the environmental impact of our activities. Our approach is to conduct our operations in an environmentally responsible manner and actively explore solutions to contribute to our efforts, which includes technology, financial models, construction sector mobilisation, regulatory support and people development.

We have established a governance structure to manage environmental performance and climate-related risks and opportunities effectively. The Board has the overall responsibility for the Group's long-term resilience while the Management is tasked with the assessment, design and implementation of the Group's strategies in response to identified risks and opportunities.

The Board considers environmental and climate-related factors during strategic planning, risk management policy reviews, annual budgeting, and business plan evaluations. The Management provides regular updates to the Board on environmental and climate-related issues and progress on actions taken to address them.

The Group Managing Director, supported by the Sustainability Committee, has the responsibility to ensure environmental and climate-related issues are assessed, appropriately monitored and managed via implementation of the Group's strategy in this regard.

The Sustainability Committee keeps track of environmental and climate-related issues by engaging with government organisations, external stakeholders, and through internal meetings with relevant departments. With the feedback received, the Committee develops the Group's strategy to address issues identified and support operational management in implementation. Opportunities for process improvement are managed through existing processes, while opportunities related to product innovation and new production technology involve dedicated working groups with the participation of relevant Sustainability Committee members. Actions progress is monitored and discussed in operation meetings chaired by the respective Director of Operations and reviewed in management meetings chaired by the Group Managing Director.

We communicate and engage with our employees through weekly production meetings, the Bulletin - the Group's internal electronic newsletter that is disseminated through employee emails, and ESG training and events. Our internal communication channels ensure that every level of our organisation acts and contributes proactively to the ongoing enhancement of our environmental and climate performance. We want all employees to be catalysts for positive change, driving our collective efforts towards a more sustainable future.

CLIMATE AND ENVIRONMENTAL MANAGEMENT APPROACH

Climate and Environmental Protection Policy

We firmly believe that sustainability is a key driver to future business growth. Focusing on sustainable development allows us to adapt our corporate culture to meet the long-term challenges of our business. We are committed to carrying out our business activities in an environmentally responsible and sustainable manner and to minimise the environmental implications of our activities.

Our commitment:

- **Compliance:** Adhere to environmental laws, regulations, and standards.
- **Minimise Impact on Climate Change:** Develop and promote sustainable products. Reduce greenhouse gas emissions by improving manufacturing processes, employ energy-efficient equipment, and promote the use of alternative fuels, alternative raw materials, and renewable energy with reduced carbon footprints.
- **Sustainable Operation:** Reduce waste generation. Increase reuse, recycling, and co-processing. Progressively reduce disposal to landfills.
- **Biodiversity Management:** Ensure that all our quarries are in locations gazetted by the local government for mining and production. Ensure each site has a mining development plan that adheres to environmental requirements. Promote awareness and invest in programs that conserve biodiversity.
- **Sustainable Sourcing:** Engage with our suppliers to promote greater environmental responsibility, conservation of non-renewable resources and good environmental management practices.
- **Communication:** Maintain open and effective communication channels with our employees, contractors, customers, the community and stakeholders who work with us.
- **Performance:** Translate our commitments into actions. Integrate our ESG goals into day-to-day operations and set clear targets to monitor our progress.
- **Continuous Improvement:** Seek to improve and develop processes, tools, and capabilities that will guide our teams to achieve sustainability targets. Explore latest innovations in cement and concrete solutions to promote green building.





Everyone who works for the company is responsible for demonstrating correct environmental behaviours and reporting potential environmental risks. This includes employees, suppliers, contractors, and third parties.

CLIMATE AND ENVIRONMENTAL MANAGEMENT APPROACH

Co₂ Emission Reduction

Our aspiration is to achieve carbon neutral operation by 2050. We have developed a decarbonisation strategy to meet our long, medium and short-term GHG reduction targets to prioritise our efforts and effectively allocate resources. Our strategy comprises four areas of priority - Production, Sustainable Construction, CO₂ Technologies and the Fundamentals.

Malayan Cement Berhad's 2050 Carbon Neutrality Roadmap

AREAS	PRESENT TO MID-TERM INITIATIVES	
Production 	Production Efficiency <ul style="list-style-type: none"> • Equipment design and efficiency • Process automation and digitisation • Operation mastery 	Low Carbon Energy <ul style="list-style-type: none"> • Alternative fuel • Waste heat recovery • Solar power
Sustainable Construction 	Product <ul style="list-style-type: none"> • Low carbon cement (ECOCem™) and concrete (ECOConcrete™) • Product solutions for different applications • YTL Cement Sustainable Construction Tools 	Market <ul style="list-style-type: none"> • Capacity building programmes • Raising awareness through CDL Academy Seminar Series, collaborations, and stakeholder engagement
CO₂ Technologies 	Cement <ul style="list-style-type: none"> • Alternative production method to facilitate decarbonisation 	Concrete <ul style="list-style-type: none"> • Ultra-low carbon concrete
Fundamentals 	People <ul style="list-style-type: none"> • People development • Stakeholder engagement 	Regulatory Framework <ul style="list-style-type: none"> • Regulatory framework promoting and supporting transition to low carbon economy

To support achievement of our 2050 goal, we have in addition defined the following 2030 targets focusing on the main sources of our Scope 1 operational GHG emissions; ie process emissions and fuel combustion emissions from clinker production.

2030 Targets

Production

To reduce emissions from fuel combustion by increasing the use of alternative fuel to 6.8% by 2030

Sustainable Construction

Reduce clinker/cement factor to 72.2% by 2030

CLIMATE AND ENVIRONMENTAL MANAGEMENT APPROACH

MID- TO LONG-TERM DEVELOPMENT

Production Method

- Alternative cementitious material
- New generation of production process

Clean Energy

- Renewable energy as main fuel for clinker production
- Increase conversion to solar power

Product Innovation

- Ultra-low carbon cement and concrete
- New generation of building materials

Market

- Market for new generation of cement and concrete

Cement

- Alternative production method to facilitate carbon capture
- Carbon capture and utilisation/sequestration

Concrete

- Carbon utilisation/sequestration

People

- People development
- Stakeholder engagement

Regulatory Framework

- Support for technology transfer
- Regulatory framework for low carbon economy

CO₂ Technologies

In-house R&D or collaboration with external parties to assess at least 2 technologies each year

Fundamentals

8 hours ESG training each year for managers and above

CLIMATE AND ENVIRONMENTAL MANAGEMENT APPROACH

Ref	Indicator	Unit	FY2022	FY2023	FY2024
ECC48	Cement production GHG emissions intensity	kg CO ₂ per ton cementitious product	699	663	654
	Clinker substitution	clinker-to-cement ratio	80.2%	80.9%	79.8%
	Fossil fuel substitution	%	5.2%	5.4%	4.4%

In FY2024 we had further reduced specific net CO₂ emissions from 663 kg to 654 kg CO₂ per ton cementitious product. This is mainly attributed to the improvement in clinker substitution. The emission reduction potential of this lever is evident. We will continue our efforts to promote low carbon products. For more information on our initiatives, please refer to Section 2 Helping Malaysia Build Greener of this Report.

In the reporting period, fossil fuel substitution was lower than the previous year due to significant increase in the acquisition cost of alternative fuel and temporary suspension of alternative fuel usage at one of our plants as we commence tests for the construction of our second waste heat recovery facility plant.

Our initiatives are not limited to the above. We actively seek ways to improve energy efficiency and optimise our cement production process. We form external collaborations to explore new technologies that will enable us to further reduce our carbon footprint.

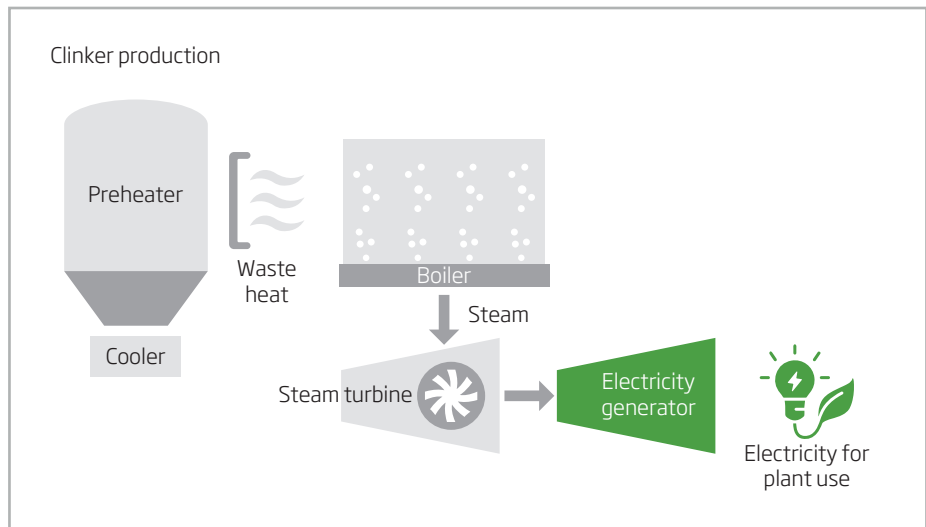
Scope 2 Emissions

We recognise energy efficiency has an important role in addressing climate change. In our Climate and Environmental Protection Policy, we have committed to minimise its impact on climate change by improving manufacturing processes, employing energy-efficient equipment and promoting the use of renewable energy.

Our approach to reducing Scope 2 emissions focuses on performance benchmarking, competency development and investment in new production technology and renewable energy. Plant power consumption is monitored and benchmarked monthly through operation reviews. Areas for improvement and new opportunities for further reduction are translated into action plans. Our Technical & Projects Department leads assessment of new technologies in the market and works closely with Plants in defining annual investment plan and supporting its implementation.

Following assessments conducted in 2023, we are investing in a second waste heat recovery (WHR) plant at one of our cement plants. The WHR plant is expected to be commissioned in the third quarter of 2025. This will further increase our clean energy generation capacity and reduce Scope 2 emissions, in addition to supporting our nation's energy transition.

Power generation from recovered waste heat



CLIMATE AND ENVIRONMENTAL MANAGEMENT APPROACH

During the reporting period, our energy consumption increased compared to the previous year due to higher production volume. Our investment in waste heat recovery and solar power has contributed to higher clean energy generation during the year. We continue our initiatives to engage the relevant authorities to secure approval for investing in solar PV farms, which will enable us to generate renewable power for our cement plants and contribute to our country's energy transition goals.

Ref	Indicator	Unit	FY2023	FY2024
C4(a), EC15	Total electricity consumption	MWh	951,468	985,723
		GJ	3,425,283	3,548,603
	Clean energy generated	MWh	47,230	54,816
C11(b), EC14	Scope 2 emissions	ton CO ₂	685,412	705,627

Note:

1. Conversion factor used. 1 MWh = 3.6 GJ
2. 2021 Grid emission factor for Peninsular Malaysia was 0.758 Gg CO₂e/GWh
3. The data above covers MCB cement plants, concrete batching plants and quarry operation.

Scope 3 Emissions

We have started to assess our Scope 3 emissions with Category 7: Emissions arising from employee commuting. In assessing this emission in FY2023 and FY2024, we have referred to the Greenhouse Gas (GHG) Protocol. We had designed and issued an online survey to collect data on the modes of transportation used by MCB employees to commute between their homes and their worksites. The survey was participated by employees working at our offices and plants nationwide.

The survey result was consistent with our projection that the average emission from employees working at our head office in Kuala Lumpur is lowest among all locations. This is due to better public transport connectivity in the city compared to towns where transportation by rail is limited.

Ref	Indicator	Unit	FY2023	FY2024
C11(c), ECC49	Category 7: Emissions arising from employee commuting	ton CO ₂	3,312	3,334

CLIMATE AND ENVIRONMENTAL MANAGEMENT APPROACH

CO₂ Technology

Technology is at the heart of our decarbonisation initiatives. We continue to explore and assess emerging decarbonisation technologies and new developments in existing production technology. Where we have identified technologies that have the potential to be applied in our operation, we formed multi-disciplinary working group to lead the feasibility study.

Decarbonisation R&D

Exploring concrete early-age carbonation

Concrete reabsorbs a significant amount of CO₂ over its lifetime in a process known as carbon uptake or recarbonation. Recarbonation is a natural process, occurring when concrete reacts with CO₂ in the air. The actual amount of carbon uptake will depend on a range of parameters including the concrete mix design, thickness of the concrete element and exposure conditions.

Early-age carbonation for concrete curing has gained increasing attention as a potential lever for climate mitigation. Exposure of fresh concrete to CO₂ is found to have effect on improving concrete compressive strength and therefore offers the opportunity to reduce cement content while also sequester CO₂ in the concrete.

During the year, we have assessed this lever in collaboration with experienced developers in this field. We complement this with in-house research to study the effects on concrete performance and opportunities to increase the reported sequestration rate.

Project ReGen

Microalgae cultivation has been extensively studied as a promising technology for CO₂ capture, long-term storage, and biofuel production. Much like trees, microalgae capture CO₂ through photosynthesis and convert it into biomass. However, microalgae offer significant advantages over terrestrial plants, growing up to ten times faster and requiring less space to produce the same amount of biomass. Additionally, certain microalgae strains are known for their high lipid content, making them potential sources for biofuel production.

While the potential of microalgae as a decarbonisation tool is promising, questions remain about its viability. Key challenges include scaling the technology, managing its energy consumption, and reducing the cost to make it commercially viable.

In 2022, we launched Project ReGen with the goal of reducing the energy consumption involved in microalgae cultivation. Our focus has been on optimising tank design, growth conditions—including lighting, temperature, and aeration—and evaluating the impact of growth media selection and dosing.

As we move into the next phase of Project ReGen, we will continue to advance our research and trials in growth media, contamination control, and testing an in-house low power consumption tank design.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

As part of our commitment to effective climate governance, we continue to report our progress in addressing climate-related risks and opportunities based on phased adoption of the TCFD recommendations.

The first step to our climate change adaptation strategy is to assess the potential risks that will impact our business in the short, medium and long-term. To ensure we accurately and comprehensively record all potential risks, we trained our leadership teams in the requirements of TCFD and organised workshop to assist our operations in conducting the risk assessment.

During the year, we conducted refresher training for leadership teams at all locations on climate-related risks and opportunities identification and management plan. This is the second training we had conducted on this subject. The first training was a two-parts workshop in 2022. The training was organised with the objective to raise awareness on the different types of risks that could impact our Group, to equip operation leadership teams with the knowledge and skills to conduct climate risk and to compile feedback from each location on the risks and opportunities specific to the location and those specific to the business segment or the Group. Head Office support functions were invited to participate in the training to ensure company-wide awareness and to expedite implementation.

With the risk assessments conducted by operations, we consolidated the results and integrated these into group risk management.

We define the time horizons as below:

- Short-term: One to two years
- Mid-term: Two to 10 years
- Long-term: More than 10 years

And we have assigned risk rating to each as follows:

H High risk

M Medium risk

L Low risk

Actions related to operational sites are integrated into the operational plan and the plant's annual CAPEX budget. Market-related risks and opportunities are discussed during QA/QC meetings and then assigned to the relevant departments to lead the initiatives.

To support the implementation of our programme, achieving company CO₂ reduction targets is a key criterion for the remuneration of the senior leadership team. Each year, plant emission calculations and consolidated business segment operational CO₂ emissions are independently verified by Group Internal Audit. The Head of Sustainability then presents an update on MCB's climate change strategy and performance to the Board. The Executive Chairman and Group Managing Director lead discussions on MCB's performance and the effectiveness of its strategic initiatives.

Our commitment extends beyond our own operations. We actively support national climate change mitigation efforts and policy formulation through our roles as members of the Cement & Concrete Association of Malaysia (C&CA) and the Waste Management Association of Malaysia. Additionally, we promote sustainable practices in the construction sector by serving on the Environment, Green Technology, and Sustainability Committee at the Master Builders Association Malaysia (MBAM), and by participating in the ASEAN Taxonomy Board's initiative to develop the ASEAN Taxonomy for Sustainable Finance. We ensure alignment between our climate policy and the positions of these associations by actively participating in all relevant meetings. Senior leaders, well-versed in these subjects, represent us to effectively communicate our positions and support the associations' stakeholder engagement efforts.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Category: Policy and Legal				
Risks and Opportunities	Short-term	Mid-term	Long-term	Management approach
<p>Political instability and economic policies have significant impact on our business and customers. Risks include changes in regulations resulting in higher compliance costs and currency exchange.</p> <p>Segment and geography impacted: All business segments, nationwide</p>	L	H	H	<ul style="list-style-type: none"> We actively monitor the political environment to identify and anticipate any adverse scenario. We regularly engage with the relevant authorities in meetings and by active participation in seminars and trade associations. We have developed a roadmap to reduce our operation emissions, which includes a pipeline of projects to upgrade our plants and equipment. We continue our engagement with the relevant authorities and stakeholders for the approval to invest in ground-mounted solar PV at our cement plants. Following climate risk assessment and strategy definition, the Technical Department works closely with plants to identify approach to risk mitigation. Any CAPEX project required is added to the annual CAPEX budget planning. Any forecast for increase in OPEX is added to operation budget.
<p>Depending on the approach taken in the implementation of carbon pricing in Malaysia, this may increase operating costs and lead to early retirement of equipment. If the programme will be complemented by sufficient government support such as financing (expansion of the scope of GITA, innovation fund, import duty exemption, withholding tax exemption), making biomass available for cement industry use and promoting the use of low carbon cement, this will expedite local decarbonisation initiatives.</p> <p>Segment and geography impacted: Cement business, nationwide</p>	H	H	H	
<p>At the moment, we are still engaging with related authorities to enable us to invest in ground-mounted solar PV and reduce our Scope 2 emissions.</p> <p>If the current prohibitions persist, this could have impact on our ESG performance and product competitiveness in the export market due to higher grid emission factor in Peninsular Malaysia compared to other countries.</p> <p>Segment and geography impacted: Cement business, nationwide</p>	H	M	L	

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Category: Technology				
Risks and Opportunities	Short-term	Mid-term	Long-term	Management approach
<p>With countries transitioning towards low carbon economy, we have observed an increase in the number of new production technologies more than ever.</p> <p>However, the introduction and revision of carbon pricing in traditional equipment producer countries, along with high demand, can have impact on the prices of such equipment.</p> <p>Segment and geography impacted: Cement business, nationwide</p>	M	H	M	<ul style="list-style-type: none"> We regularly participate in international technical seminars to stay up-to-date with technological developments. We are upgrading our plants and replacing older equipment with new technology to be more energy efficient. We participate in trade associations and form technical collaborations with external parties to fast-track learning and implementation. Through our membership at the ASEAN Federation of Cement Manufacturers, we form technical collaboration with other countries. We will continue to engage with the relevant authorities on the support needed.
<p>The invention of alternatives to replace conventional clinker can be a risk to our cement business if we fail to innovate or adopt the new technologies.</p> <p>Segment and geography impacted: Cement business, nationwide</p>	L	M	H	
<p>The substantial CAPEX required to implement carbon capture and storage, and the required plant modifications will have significant impact on business viability if the new technology is unable to perform per intended scope. In addition, the carbon capture technologies and geological storage services are proprietary in nature. This potentially anti-competitive environment can have significant impact on cement plant operation costs.</p> <p>Segment and geography impacted: Cement business, nationwide</p>	H	H	H	

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Category: Market				
Risks and Opportunities	Short-term	Mid-term	Long-term	Management approach
<p>In the mid-term, increasing public awareness on the importance of sustainable construction will change construction design, material selection and construction method. Materials with high embodied carbon will start to lose competitiveness.</p> <p>Segment and geography impacted: All business segments, nationwide</p>	L	M	M	<ul style="list-style-type: none"> We have introduced a range of low carbon products to meet the needs of different applications. We continue to expand the range through our R&D and product innovation initiatives, while taking measures to reduce the environmental footprints of our operations.
<p>Financial institutions are tightening the criteria for green financing.</p> <p>Segment and geography impacted: All business segments, nationwide</p>	L	M	M	<ul style="list-style-type: none"> We ensure the market has the right information on our products by actively engaging with our customers and through The CDL Academy Seminar Series and speaking at external seminars.
<p>As countries and industries take actions to decarbonise, the competition for low carbon fuels is greater than ever. Backed by regulatory support and incentives, several countries are now major importers of biomass and end-of-life car tyres. This has greatly impacted our ability to secure low carbon alternative fuels to meet our decarbonisation programme.</p> <p>Segment and geography impacted: Cement business, nationwide</p>	H	H	H	<ul style="list-style-type: none"> We continue our engagement with the relevant government agencies for support in making sources of biomass and low carbon fuels accessible to the local cement industry.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Category: Physical Risk				
Risks and Opportunities	Short-term	Mid-term	Long-term	Management approach
<p>Heavy rainfall adversely impacts the productivity, efficiency and energy use at our operations, mainly because of the outdoor nature of our activities, and our raw material suppliers. In addition, the site activities of our concrete customers can also be disrupted by prolonged heavy rainfalls.</p> <p>Although we were not impacted by floods during the reporting period, floods remain a physical risk that can disrupt our deliveries to our customers and can cause asset losses and safety risk to our people and operation.</p> <p>Segment and geography impacted: All business segments, nationwide</p>	M	M	M	<ul style="list-style-type: none"> • We have invested in additional storage facilities in our cement plants and continue to include weather patterns in operation planning. • We manage our supply risks by ensuring we have more than one supplier for critical supplies. We work with our key suppliers to ensure they have in place a risk management plan and sufficient inventory. • Sites identified to have risk of flooding have this included in site Emergency Response Plan and training. We routinely assess our sites for necessary preventive measures.

RESOURCE CONSERVATION

Waste Management

Resource conservation plays a crucial role in reducing greenhouse gas emissions and enhancing operational efficiency. At MCB, everyone contributes to minimising operational waste, guided by the Waste Management Hierarchy. We prioritise waste avoidance, and when waste is unavoidable, we focus on reducing, reusing, recycling, or co-processing. Disposal is considered only after all other options have been exhausted.

Our cement plants' operation and maintenance activities generate hazardous wastes, such as spent lubricants, grease, and expired laboratory chemicals. In 2022, we committed to minimising hazardous waste directed to disposal by 2027. Each cement plant reviewed its on-site waste streams and identified those suitable for co-processing. With approvals from the Department of Environment, our plants are now diverting approved hazardous waste from disposal and managing it through co-processing within the facility.

Ref	Indicator	Unit	FY2022	FY2023	FY2024
C10(a)	Waste generation at cement operation				
EPR24	Hazardous waste/scheduled waste	ton	105	112	156
EPR25	Non-recycled waste/general waste	ton	739	708	977
	Total	ton	844	820	1,132
C10(a)(i)	Waste diverted from disposal				
	Generated waste recycled or reused	ton	40	101	186
	Third-party waste recycled or co-processed	ton	935,734	982,424*	961,457
EPR26	Total waste recycled or reused	ton	935,774	982,525	961,643
C10(a)(ii)	Waste directed to disposal from cement operation				
	Hazardous waste/Scheduled waste	ton	65	11	2
	Non-recycled waste/general waste	ton	739	708	977
	Total	ton	804	719	979

To enhance waste reduction efforts, we have implemented additional measures in our operations. For example, we have improved preventive maintenance scheduling, which optimises the use and changes of lubrication oil. Spent lubricant from critical equipment is reused as chain conveyor lubricant, further reducing waste generation.

* FY2023 volume for third-party waste recycled or co-processed has been updated in this report following reclassification of one material as not a by-product. Volume reported in the last report was 1,129,327 ton.

Recycling Programme in Collaboration with Stakeholders in Perak

In conjunction with the Hari Alam Sekitar Negara (HASN) 2023 celebration event held in Kolej Vokasional Kuala Kangsar (KVKK), a recycling programme was carried out in our cement plants in Kanthan and Pandang Rengas from 14 August to 29 September 2023.

A total of 2.95 tons of various recyclable waste such as paper waste, plastics, metals, and e-waste were collected and transported to KVKK for consolidation and eventual sale. The proceeds from the sale were donated to KVKK for its education programme.

Throughout the programme's duration, designated green bins were strategically placed at the Main Office and Distribution Office at our two Plants to enable employees to conveniently drop off the items brought from home and their work areas. Additionally, a collection booth was set up to collect e-waste.

Think reuse, recycle before dispose.



Recycle bins at our Kanthan Plant



RESOURCE CONSERVATION

Resource Recovery

Waste generated from industrial and commercial activities often contains minerals or energy that are not feasible to recycle, leading to its disposal. Since the 1970s, cement plants have pioneered an innovative circular economy solution for waste management and resource recovery.

Through co-processing, suitable waste materials are transformed into alternative fuels and raw materials for clinker production in cement plants. This process converts the traditional cradle-to-grave industrial materials utilisation model into a sustainable cradle-to-cradle approach. Co-processing helps industries and municipalities avoid landfilling, foster industrial symbiosis and increase resource efficiency.

At MCB, we are committed to promoting circular economy in the country. Through our collaboration with industries, we give materials a second life, conserve natural resources, avoid landfills and reduce greenhouse gas emissions.

Our 2030 targets to reduce greenhouse gas emissions have dual impact.

Areas	Targets	Resource recovery targets
Production	To reduce emissions from fuel combustion by increasing the use of alternative fuel to 6.8% by 2030	Increase the volume of energetic waste streams converted as alternative fuels, by 30% vs 2022
Sustainable Construction	Reduce clinker/cement factor to 72.2% by 2030	Increase the proportion of alternative raw materials in total production by 10%

Ref	Indicator	Unit	FY2022	FY2023	FY2024
Waste diverted from disposal					
EPR26	Total waste recycled or reused	ton	935,774	982,525*	961,643

Each year, we invest in our plants and people to enable our facilities to continue to receive materials for co-processing. Our priority is to conduct our operation in a responsible manner and at the same time ensuring our product quality is guaranteed. Our investment include:

- Laboratory equipment specifically for chemical analysis of waste materials.
- Shredder equipment for in-coming material size reduction at two plants.
- Online material quality analysers provide us with real-time insights into raw material compositions data.
- R&D and process debottlenecking to increase use of alternative materials

In addition, our cement plants hold ISO9001 and ISO14001 certifications and are equipped with dedicated material handling facilities and upgraded air pollution control technologies. We are licensed by the Department of Environment Malaysia to provide co-processing services to various industries in the country.

* FY2023 volume for third-party waste recycled or co-processed has been updated in this report following reclassification of one material as not a by-product. Volume reported in the last report was 1,129,327 ton.

DOE Malaysia's Workshop on Circular Economy and Management of Scheduled Waste

On 23 August 2023, the Hazardous Materials Division under the Department of Environment Malaysia (DOE) organised a workshop involving technical and industrial agencies for the Circular Economy Feasibility Study for Scheduled Waste Management in Malaysia, a development project under the 12th Malaysia Plan.

The workshop attended by 13 technical agencies and about 70 industry representatives was held to present policy proposals, frameworks and cost benefits analysis for the implementation of the circular economy of scheduled waste as well as the methods of reuse and recovery of scheduled waste in the industrial, construction, agriculture and plantation sectors.

Geo Alam Environmental Sdn. Bhd., a subsidiary company of MCB, presented a paper titled Sustainable Waste Management via Co-processing in Cement Plants. We shared MCB's experience in implementation, its success stories, challenges and recommendations for increasing the rate of resource recovery in Malaysia.



RESOURCE CONSERVATION

Geo Alam Environmental Sdn Bhd Presents at the Waste Management Association of Malaysia's Annual Conference 2023

On 2 August 2023, the Waste Management Association of Malaysia (WMAM) held its Annual Conference in Ipoh, Perak, themed "Green Technology and Circular Economy for a Sustainable Future." The event brought together industry experts to discuss sustainable waste management strategies, emphasising the integration of green technology and circular economy principles.

Geo Alam presented a paper on the role of cement plants in waste management. The company emphasised the Waste Management Hierarchy—prioritising waste avoidance, reduction, reuse, recycling, and co-processing. Geo Alam highlighted how co-processing in cement plants turns waste into alternative fuels and raw materials, reducing greenhouse gas emissions and diverting waste from landfills.

The presentation also covered the waste selection process and the stringent prerequisites for accepting materials at cement plants, ensuring environmental integrity and product quality. Geo Alam addressed common concerns about emission management and quality control, underscoring the high standards in place.

The conference was a key platform for sharing industry knowledge, reinforcing a collective commitment to advancing the circular economy.

Operation Water Usage

We are committed to improving water consumption efficiency and reducing water use across our operations. Where we operate, water conservation offers significant environmental benefits. Treating and pumping freshwater requires energy, so conserving water also helps reduce our carbon footprint. Additionally, minimising water use preserves natural ecosystems, supporting wildlife and aquatic plants.

In cement production, water is primarily used for cooling, where it circulates through the system and eventually evaporates. In concrete production, water is used to prepare concrete mixes and wash out mixer trucks.

The first step in our water management plan is to assess whether any of our operating locations are in water-stressed areas. We benchmark operational water usage across our sites and against industry standards to identify areas where improvements are needed.

To reduce municipal water usage, we harvest rainwater and recycle water for reuse. Our goal is to increase the number of sites with water reuse or recycling by 30% by 2030 (compared to 2023). In FY2023, 17 sites had implemented water recycling and reuse, and this number has increased to 22 sites as of FY2024.

RESOURCE CONSERVATION

Indicator	Unit	FY2023	FY2024
Number of facilities, assets, production, revenue in water-stressed regions	Number of sites	0	0
Number of sites with water reuse or recycling	Number of sites	17	26
Water withdrawals or consumption in water stressed regions	m ³	0	0

Indicator	Unit	FY2024
Total volume of water used	m ³	3,117,710
Total water withdrawal	m ³	3,208,082
Municipal potable water	m ³	962,309
Surface water	m ³	1,013,528
Groundwater	m ³	891,839
Harvested rainwater	m ³	340,407
Used quarry water collected in quarry	m ³	0
External wastewater	m ³	0
Sea water	m ³	0
Total water discharge	m ³	106,475
Ocean	m ³	0
Surface water	m ³	105,134
Subsurface/well	m ³	1,341
Off-site water treatment	m ³	0
Beneficial/other use	m ³	0

OTHER ENVIRONMENTAL INITIATIVES

Supporting Biodiversity Management

Our commitment to sustainability starts at the beginning of the cement manufacturing process; at our quarries. There are currently two active biodiversity conservation initiatives in Kanthan and in Langkawi. YTL Cement has been working with a team of experts to scientifically map the geological, geomorphological, and biological high-value components of Bukit Kanthan Geosite. This effort to delineate a boundary for conservation was in support of the Perak State Government's designation of Lembah Kinta as a National Geopark that promotes a balanced sustainable development.

YTL Cement is the first and currently, the only company in Malaysia to undertake conservation efforts at an active quarrying site. In this regard, we also plan to set up a dedicated Research Centre at the Bukit Kanthan Geosite that will serve as a Research and Education Hub on Tropical Limestone Karst.

Launch of Malaysia's First University-Industry Research Consortium by YTL Cement and KPT

YTL Cement and the Ministry of Higher Education (KPT) have jointly launched the country's first University-Industry Research Consortium, in collaboration with five local universities: Universiti Kebangsaan Malaysia, Universiti Sains Malaysia, Universiti Malaysia Pahang Al-Sultan Abdullah, Universiti Malaysia Sabah dan Universiti Malaysia Sarawak.

YTL Cement is awarding scholarships to 40 Masters and PhD students for research on sustainability of Tropical Limestone Karst Landscape in Malaysia, with a matching grant from KPT over five years. An exchange of Memorandum of Understanding (MOU) between the parties was witnessed by the then Minister of Higher Education, Y.B. Dato' Seri Mohamed Khaled Nordin, at an event held at the Ministry of Higher Education, in Putrajaya in October 2023.

The Research Consortium will take a multi-disciplinary approach and will focus on five key areas:

1. Geodiversity and tropical limestone karst landscapes.
2. Biodiversity and tropical limestone karst ecosystem.
3. Archaeology, history, and culture in tropical limestone karst.
4. Economic and sustainable management of limestone resources.
5. Sustainable use of tropical limestone karst landscape for conservation and public education.



OTHER ENVIRONMENTAL INITIATIVES

Sustainable Supply Chain

MCB recognises the importance of sustainable supply chain management in creating value for all our stakeholders. We seek to manage our supply chain in a way that encourages our suppliers to share our commitment to conduct business ethically, reduce impact to the environment where they operate and incorporate social responsibility in their operation. Through our sustainable supply chain management initiatives, we strive to create a positive influence on our suppliers while continuing to meet the evolving needs of customers and other key stakeholders.

We are aware of the challenges faced by small and medium enterprises (SMEs), including limited resources and knowledge gaps. Through our suppliers ESG assessments, we help SMEs identify and address sustainability gaps.

Looking ahead, we remain committed to exploring new avenues to support our suppliers in their sustainability journey.

	FY2023	FY2024
Number of existing suppliers assessed using		
Environmental criteria	122	247
Social criteria	122	247
Number of new suppliers assessed using		
Environmental criteria	NA	38
Social criteria	NA	38
Proportion spending on local suppliers (%)	NA	70%

MCB has established a Sustainable Procurement Policy, which sets out the standards expected of any supplier dealing with any MCB Group Company. This Policy also serves as a communication and improvement tool for suppliers, our procurement personnel and other stakeholders.

Among the expectations defined in the policy are:

- **Environment:** Suppliers shall comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment. Suppliers should wherever possible support a precautionary approach to environmental matters and undertake initiatives to promote greater environmental responsibility such as reduction of greenhouse gas and other emissions harmful to the environment, conservation of non-renewable natural resources, responsible waste management and promotion of circular economy. Suppliers are encouraged to have their operations certified to meet internationally recognised standards for good environmental management practices, such as ISO14001.
- **Labour Practices and Standards:** Suppliers are required to comply with all applicable labour laws and practices, and respect the fundamental principles of the International Labour Organisation's various conventions. Suppliers shall prohibit slavery and use of forced or child labour across the supply chain. Suppliers shall promote diversity, inclusion and equal opportunities in its operations. Suppliers must not engage in any unlawful discriminatory conduct or harassment. Suppliers shall verify that they and their upstream supply chains operate in compliance with regulations and best practices relative to human rights, working conditions, and minimum wage.

During the year, we have organised online engagement sessions with our suppliers to communicate our policy and to support our suppliers in improving their scores in our Supplier ESG Assessment.

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Operating Responsibly

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 - 56 Labour Standards and Practices
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 - 59 Compliance to Environmental Regulations
-



CODE OF CONDUCT AND BUSINESS ETHICS

We recognise that strong corporate governance is critical to the sustainability of business and important to our stakeholders. It provides the foundation to empower MCB to make well-informed decisions and improve our value creation.

Our Code of Conduct & Business Ethics (“the Code”) reinforces the values of our group and guides how we conduct business at MCB. All our directors, senior managers and employees must act in compliance to this Code in all our business activities.

To help our employees understand and internalise important information about the Code, all employees are required to complete training modules with quizzes on our group’s online training platform. The e-learning is available in two languages; our national language and English.

The Board oversees the Code and group’s Anti-Bribery and Corruption Policy, ensuring that both policies cover the different types of corruption and anti-corruption measures are comprehensive and effective. The responsibility for enforcing and abiding by these policy commitments falls on the senior leadership team and employees at each business segment. This ensures that the policy commitments are integrated into daily tasks, upholding their commitment to responsible business practices.

For convenient access by our stakeholders, the Code is available on our corporate website www.ytlcement.com as well as our employee communication platform, The Blueprint.



ANTI-BRIBERY AND CORRUPTION

MCB is committed to conducting our business with honesty and integrity, and we expect all employees to maintain a high standard of integrity. Our risk management strategy comprises of policy, training, risk assessment, audit and whistle-blowing.

Our Anti-Bribery & Corruption (ABC) Policy further emphasises the Code of Conduct & Business Ethics to ensure that employees understand their responsibilities in compliance with the Group's zero tolerance for anti-bribery and corruption within the organisation. The ABC Policy sets out the guiding principles and basic requirements to address and manage bribery and corruption risks that may arise in dealings in the course of business, including dealings with public officials, third parties and donations.

To guide our employees to display the appropriate acceptable behaviours when faced with potential corruption or bribery situations, MCB requires employees to complete regular training programme on our Anti-Bribery and Corruption Policy. The online training completion status is reported to the Board on an annual basis.

Similarly, all suppliers must comply with anti-bribery and corruption laws as part of compliance with MCB's Sustainable Procurement Policy to ensure that high standards of ethics and business conduct are adhered to across the value chain.

In 2024, we have updated our corruption risk assessment format. All locations are assessed for corruption risk using this new template. In addition, high risk areas and selected sites are audited by Group Internal Audit to ensure compliance and effectiveness of our anti-corruption programme.

MCB's anti-bribery and corruption risk assessment components

1. Top Level Commitment	Zero tolerance	4. Systematic Review, Monitoring and Enforcement	Record Keeping
	Tone at the top		Monitoring and Internal Control
	Accountability		Ongoing Enhancement
2. Risk Assessment	Risk Assessment Elements	5. Training and Communication	New Hires
	Risk Assessment Design		On-going training
3. Control Measures	Human Resources		Communication
	Gift, Entertainment and Hospitality		
	Procurement and Third Parties		
	Facilitation Payments		
	Political Contributions		
	Charitable Contributions and Sponsorship		
	Whistleblowing Framework		
	Subsidiaries & Significant Investment		

Figure: Components in MCB's anti-bribery and corruption risk assessment

ANTI-BRIBERY AND CORRUPTION

Ref	Indicators	FY2023	FY2024
Percentage of employees who have received training on anti-corruption			
C1(a)	Company total	95%	91%
C1(a)	By employee level		
	Top management	100%	100%
	Senior and middle management	99%	99%
	Executive	100%	96%
	Non-executive	81%	73%
C1(a)	By function		
	Technical & Production	92%	89%
	Admin, sales, support functions	100%	96%
C1(b)	Percentage of operations assessed for corruption-related risks	Was part of annual audit plan	100%
C1(c)	Number of confirmed incidents of corruption	0	0
GAC12	Total amount of political contributions made	RM 0	RM 0
GAC13	Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	0	0
GAC14	Cost of fines, penalties or settlements in relation to corruption	RM 0	RM 0

PREVENTING ANTI-COMPETITIVE BEHAVIOUR



The Competition Act 2010 prohibits anti-competitive agreements and the abuse of dominant position in the market. As the largest cement and ready-mixed concrete producer and supplier in Malaysia, MCB views compliance with competition laws as critical to our reputation and we take measures to manage risks that potentially have significant impact to our results and continued success.

All employees are expected to demonstrate awareness of competition laws when engaging with any competitor, customer or supplier. To ensure employees who interact with trade associations, competitors, customers, distributors and suppliers, are familiar with competition laws and regulations, we require identified employees to attend and complete regular training on this subject. For the refresher training in 2024, we had created a multiple modules online training with quizzes and assessment. 280 employees completed this training. This is complemented by legal update and training by external professional legal advisors as and when the need arises.

During the year under review, no breaches of Competition Act 2010 were reported against any MCB Group company nor any of its employees.

LABOUR STANDARDS AND PRACTICES

We are committed to creating a work environment where all employees are treated fairly and with dignity, respect and consideration for their human rights. We ensure that basic human rights are upheld for our employees and are in accordance with local laws and regulations, including our national employment act. These include:

- **Prohibition of child labour, forced labour and human trafficking.** We are against all forms of forced labour and child labour, including modern slavery, bonded labour, and human trafficking. We ensure all employment are voluntary, and workers' assent obtained without coercion. We are committed to the elimination of child labour by prohibiting the use of underage workers at our operations and by our contractors.
- **Equal opportunities, diversity, and inclusion.** We are against all forms of discrimination against our employees based on race, colour, gender, language, religion, political or other opinion, sexual orientation, age, disability, or other characteristics. At MCB, we value talents and performance. We promote equal pay for equal work.
- **Prevention of harassment.** We strive to protect workers from any acts of physical, verbal, sexual or psychological harassment, bullying, stalking, intimidation, abuse, or threats.
- **Safe and healthy working condition.** We provide working conditions and environment that are safe, hygienic, and in accordance with industrial hygiene principles. We also provide safe water for consumption and restrooms according to hygiene standards.
- **Freedom of association and collective bargaining.** Employees are granted the flexibility to express their opinions freely and safely. Feedback and constructive criticism are treated with confidentiality and raised to the relevant parties for follow up and action. We do not prevent our employees from being associated with any external bodies, so long as it does not jeopardise the Company's reputation, represent a conflict of interest and/or hinder their performance at work.
- **Compensation.** Employees are ensured the right to minimum wage and fair compensation. In addition to compliance with regulations, we strive to exceed minimum wage by regularly benchmarking our compensation programme with that of the industry as part of our talent attraction and retention initiative.

We value diversity and are committed to hiring and promotion by merits. We are committed to providing employees with access to equal opportunities across MCB, regardless of their:

Race

Religion

Gender

Age

Disabilities

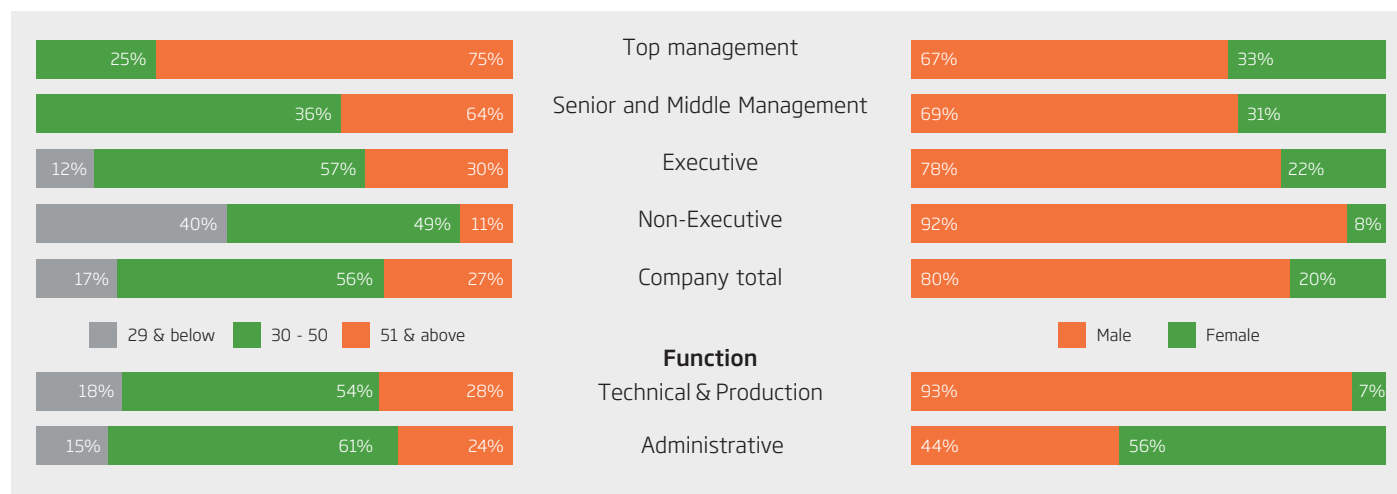
Our policy on labour standards is incorporated in our Code of Conduct and Business Ethics, which is communicated to employees through our internal Bulletin and is published on both our corporate website and internal communication platform, The Blueprint.

We commit to provide a work environment where our employees can perform their best. We prevent bullying and workplace harassment by stating this expectation of non-discrimination and professional conduct in our Code of Conduct. In addition to equipping new managers with the right skills to handle reports of bullying or harassment, we have established whistleblowing channel to enable employees and stakeholders to report incidents in confidence.

During the reporting period, we did not have any incident of labour standards non-compliance.

LABOUR STANDARDS AND PRACTICES

Diversity at MCB



Ref	Indicators	FY2023	FY2024
C6(b), SLS25	Percentage of employees that are contractors or temporary staff	8%	11%
SLS32	Percentage of global staff with a disability	0.5%	0.4%
SLS33	Percentage of women in the global workforce	20%	20%
C6(d)	Number of substantiated complaints concerning human rights violations	0	0

Board of Directors

Ref	Board of Directors	FY2023	FY2024
GCG03	Number of directors, company total	8	8
GCG04	Number of independent directors	3	3
Gender			
GCG05	Number of women on the board	3	3
C3(b)	Female, percentage	37.5%	37.5%
C3(b)	Male, percentage	62.5%	62.5%
Age group			
C3(b)	29 and below	0	0
C3(b)	30 - 50	0	0
C3(b)	51 - 60	0	0
C3(b)	61 and above	100%	100%

DATA SECURITY AND PRIVACY

We respect our customers' privacy and take measures to ensure the security of personal data that we collect, store, and process. We take precautions to keeping the data received safe and secure.



Our approach

Limit collection of personal data

We limit the collection of personal data to only as needed. Where we must collect the data, we are transparent about how the data will be used, and we do not disclose or use personal information for any purposes other than those agreed upon.

Raising awareness and educate

We constantly raise awareness on cyber security among our employees through various communication and training programmes. Through such programmes, we raise awareness of cyber threats and our information technology program, and share best practices with our employees, creating a culture of shared responsibility for the security of personal and sensitive data.

Continuous enhancement of security systems

Each year, we review the effectiveness of our system controls. The outcome of the review is translated into an action plan to enhance our security systems.

Ref	Indicators	FY2023	FY2024
C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0
GRI 418-1	(i) Received from external parties	0	0
GRI 418-1	(ii) Received from regulatory bodies	0	0

COMPLIANCE TO ENVIRONMENTAL REGULATIONS

At MCB, we commit to avoid and reduce potential environmental impact from our operation. A key aspect of our environmental management system is the prevention of pollution through air emission pollutants control, effluents management, waste management and compliance with regulations.

We take a proactive approach in minimising our environmental impact by adopting good manufacturing practices, equipping our plants with pollution control systems and raising awareness among our employees.

During the reporting year, we had

- 5 employees registered and attended training for Certified Environmental Professional in Scheduled Waste Management (CePSWaM).
- Recorded a total of 484 hours of training on pollution control, environmental compliance and waste management.
- No significant incidents related to environmental compliance in locations where we operate.

	FY2022	FY2023	FY2024
Sites with ISO 14001:2015 Environmental Management Systems	100% of our cement plants are certified.	100% of our cement plants are certified.	100% of our cement plants are certified.



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Building Capacity and the Community

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- 62 Occupational Health and Safety
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OCCUPATIONAL HEALTH AND SAFETY

Our approach

At MCB, we recognise that health and safety are fundamental to the success of our business strategy. Our goal is to create a work environment where zero harm is our aim. Achieving this requires visible leadership and a strong sense of personal accountability at every level of our organisation.

We hold our contractors to the same high standards, extending our Health and Safety Policy to all employees, contractors, and vendors working on our sites.

Our commitment:

- **Zero Harm:** Provide conducive working environment for employees and contractors that is safe, healthy and secure.
- **Compliance to Legislations:** Conform to relevant standards, policies, rules and procedures, within the national legal and regulatory framework.
- **Safety Risk Management:** Establish safety guidelines and procedures to minimise occupational health and safety risks from operations.
- **Safety Culture:** Empower employees to take ownership and support each other in creating a safe and healthy working environment for everyone.
- **Open Communications:** Provide channels for the dissemination of information and to receive feedback.
- **Continuous Improvement:** Periodic review of H&S performance to monitor progress and further improve leading and lagging indicators, with the aim to reduce H&S incidents.

To ensure continued relevance and effectiveness, the H&S Policy is reviewed annually.

MCB's H&S strategy is guided by 3 key thrusts, comprising

- Board oversight and H&S organisation.
- OH&S management system.
- Training and communication.

This approach empowers our people and promotes best practices with the goal of creating a zero-harm working environment.

OCCUPATIONAL HEALTH AND SAFETY

Board Oversight and H&S Organisation

The Board of MCB oversees the company's Health & Safety (H&S) strategy and performance. The Group Managing Director provides regular updates to the Board, detailing initiatives and progress in this critical area.

The Group Managing Director leads reviews with the Senior General Manager of Health & Safety. These reviews focus on analysing safety performance trends and evaluating the effectiveness of the safety management framework. The Group Managing Director ensures that MCB's safety management system is both effective and compliant with regulatory requirements and industry best practices.

MCB's H&S organisation is anchored by a Corporate H&S Department at the head office, which supports H&S functional teams across all business units and subsidiaries. To maintain consistency in H&S practices, the Corporate H&S Department spearheads the standardisation of policies and procedures across the group.

Each subsidiary within MCB tailors its H&S programmes to address specific site requirements and workplace hazards. These programmes are planned and implemented by the respective subsidiary companies, with ongoing monitoring to ensure effectiveness.

At the operational level, each cement plant, ready-mixed concrete batching plant, and aggregate quarry region establishes its own Safety and Health Committee (SHC). The primary objective of these committees is to enhance workplace health and safety conditions.

Employees at each location are represented in the SHC, contributing observations and suggestions to improve health and safety management and performance. The responsibilities of the SHCs include:

- Monitoring the implementation of the annual Occupational Health and Safety (OH&S) plan for their location.
- Reviewing and enhancing policies to ensure a robust OH&S Management System.
- Communication efforts, and site engagement initiatives to foster a safety-conscious culture.
- Conducting workplace inspections to identify and correct unsafe practices.
- Reviewing audit findings and monitoring the status of corrective actions in the location's action plan.
- Organising quarterly meetings to assess performance and review action plans for continuous improvement.

The plant manager or head of operations at each site chairs the SHC as the management representative, serving as the link between the location's SHC and the head office. Performance, action plan progress, and any support or resource needs are discussed during weekly review meetings with the Director of Operations for the business segment.

OH&S Management System

Our employees and contractors are guided by our Health and Safety Policy. MCB's OH&S Management System focuses on effective safety management at the workplace and the promotion of safety ownership among our employees and contractors. This is achieved through:

- Clear definition of safety roles and responsibilities.
- Hazard identification and risk management.
- Training and communication.
- Standard Operating Procedures (SOP) reviews and workplace inspection.
- Performance review and continuous improvement.

OCCUPATIONAL HEALTH AND SAFETY

Improving Safety at Our Concrete Operation

The ACES (Aware - Correct & Comply - Enhance - Sustain) Programme is a new Health & Safety initiative launched by our Concrete division. This comprehensive programme includes multiple modules that focus on safe work procedures, safe access, risk assessment, and housekeeping.

In the initial stage of the programme, all plant employees, mixer truck drivers, material delivery truck drivers, and contractors were briefed on the enhanced H&S rules and safe work practices, ensuring they are fully aware of the new requirements.

Following these briefings, audits were conducted at each plant to evaluate compliance with the ACES Programme's standards.



Briefing on ACES Programme to RMC Plant Team

Based on the audit findings, corrective actions were implemented to address any unsafe practices and close identified gaps. These audits are conducted semi-annually to provide ongoing feedback to plant teams and measure progress. This continuous cycle of audits and corrective actions is designed to sustain the improvements made and ensure long-term safety performance.

Engagement with employees and contractors

We actively engage with employees and contractors on Health & Safety (H&S) matters through regular toolbox talks and open dialogues at the workplace. Safety and Health Committee meetings provide a dedicated platform for employees to voice any concerns related to H&S, fostering a culture of open communication and continuous improvement.

In addition to these formal engagements, site management regularly visits operational areas, directly interacting with workers. During these visits, they address any unsafe conditions or behaviours, while also reinforcing and encouraging safe practices. This hands-on approach ensures that H&S remains a priority across all levels of our operations.



Toolbox briefing before starting work

During major plant stoppages for maintenance, daily meetings are held between the Health & Safety (H&S) Team and contractors' H&S coordinators. These meetings focus on discussing safety observations, addressing unsafe acts, highlighting best practices, and reinforcing the safety requirements that contractors must adhere to.

Regular information sharing keeps both employees and contractor workers updated on H&S-related news, incidents, and safety alerts. In the event of serious incidents, a detailed lessons-learned document is prepared and distributed. This document outlines the incident, identifies its causes, and specifies preventive measures, ensuring that all parties are aware and can take steps to prevent recurrence.

OCCUPATIONAL HEALTH AND SAFETY

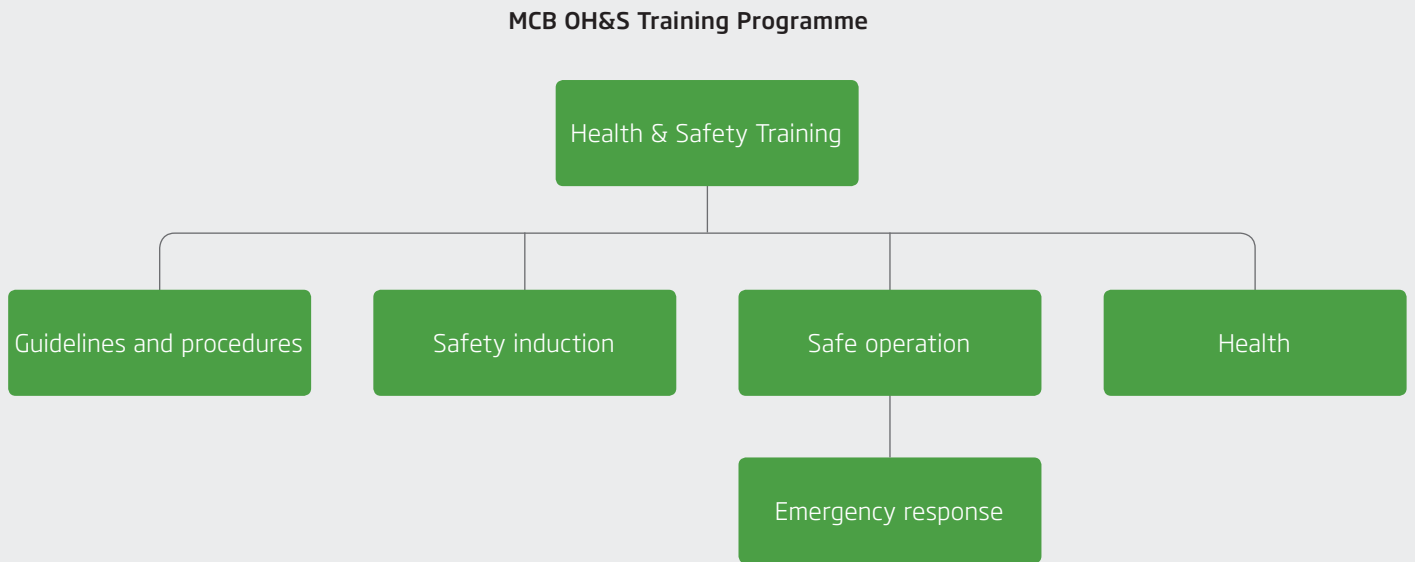
OH&S Training Programme

To ensure everyone can perform their job safely, we provide comprehensive Health & Safety (H&S) training tailored to each employee's specific job scope. New employees working at our sites, as well as head office staff visiting plants for the first time, are required to attend a safety induction training led by qualified workplace safety and health personnel at the site.

Training needs are assessed annually based on job functions, legislation and safe work procedures. This includes refresher courses on effective safety management and best practices. Where relevant, these trainings are also extended to contractors working on-site, as well as approved contractors involved in plant maintenance and services. This approach fosters an environment where employees and contractors can exchange ideas and share best practices, collectively strengthening our safety measures.

We continuously strive to enhance workers' awareness of workplace hazards and control measures. Training programmes cover general H&S induction and specific topics, such as forklift operation, Permit-to-Work systems, confined space safety, and health-related subjects. This on-going effort ensures that all workers are well-informed and prepared to maintain a safe working environment.

Our OH&S training programme covers four areas:



OCCUPATIONAL HEALTH AND SAFETY



Mandatory safety induction for workers before they can work in the plants



On-site demonstration on the use of fall restraint system at quarry face



On completion of defensive driving training, drivers are assessed on their understanding, including the performing of daily pre-start inspection of the vehicle



On-site demo on the use of full body harness and lanyard during Working-At-Height (WAH) training



Training on defensive driving for truck drivers - classroom session



Drill on emergency response procedures



Basic first-aid & CPR training



Safe forklift handling training for employees and contractors



Participants are assessed after the training session to gauge their understanding of the topic



For our head office employees, training sessions on Emergency Response Procedures are conducted to equip them with the knowledge on how to respond effectively to medical emergencies or fire incidents within the building

OCCUPATIONAL HEALTH AND SAFETY

Fire Emergency Training for Concrete Mixer Drivers

During the year, concrete mixer drivers participated in specialised fire safety training designed to equip them with the essential skills and knowledge to respond effectively to fire emergencies on the road.

The training focused on identifying common fire hazards associated with vehicle operations and maintenance. Drivers received hands-on demonstrations on the proper use of fire extinguishers, ensuring they are prepared to act swiftly in an emergency.

The session concluded with a review of company policies and procedures for reporting incidents and seeking assistance. This comprehensive training has provided our concrete mixer drivers with the skills and confidence needed to mitigate fire risks effectively, ensuring their safety, as well as that of other road users and surrounding communities.

Inspections

Regular workplace inspections are conducted by the Health & Safety (H&S) and operations teams. During these inspections, safe practices are reinforced, and any unsafe practices are promptly reported for corrective action.

Before work begins, all tools, equipment, and machinery are thoroughly inspected to ensure they are safe for use.

Fire-fighting systems and other safety devices are subjected to periodic inspections.

To ensure the effectiveness of emergency response plans at the quarry, joint inspections were conducted with emergency service providers at select sites. These inspections allowed the service providers to familiarise themselves with the terrain, enabling them to respond more effectively in the event of an emergency.



Skylift Inspection to ensure all safety devices are functional before use



Periodic inspection of fire extinguishers in the plant

Routine workplaces inspections are also done by local authorities such as DOSH and BOMBA. Improvement actions are implemented following these inspections, to enhance the H&S practices at the plants.



Quarry face inspection with BOMBA to review emergency procedures

Health

Continued efforts are taken to identify workplace health hazards. In this regard, noise level assessments are done at the plants in accordance with the Noise Regulation 2019. Audiometric testing and hearing assessments are done for employees identified as having exposure to high noise levels.



Noise level monitoring to identify high noise areas in the plant

Signage to alert workers on areas in the plants identified to have high noise levels are installed at all locations. Workers are also provided with hearing protection devices to be used when they are exposed to noise at the workplace.

OCCUPATIONAL HEALTH AND SAFETY

Our H&S Performance in FY2024

In our pursuit to make workplaces safe for our people, we continue to put effort to implement various initiatives aligned with the company's Health & Safety Policy. Workplace inspections to identify and correct unsafe situations plays an important role in making the workplace safer and in FY2024 total number of these inspections carried out were 2248. These inspections were performed by the H&S Teams as well as Operations Team members. To continue our effort to increase H&S awareness among the workers, in FY2024, 31197 manhours were invested in H&S training covering regular H&S induction, training on specific topics, as well as sharing of safety alerts and incidents lessons learnt.

The lagging indicators did not improve during this reporting period where one fatality incident occurred and the LTIFR and TIFR indicators were 2.50 and 5.31 respectively, compared to 2.27 and 3.24 in FY2023. Further efforts to increase hazards awareness and compliance to procedures and safe practices are required in the coming years, to lower the numbers of workplace incidents.

Ref	Indicators	Unit	FY2022	FY2023	FY2024
Leading Indicators					
Health & safety training					
	Total training hours	Hours	18,663	31,073	31,197
C5(c), SHS13	Number of employees trained on health & safety standards	Persons		972	1,365
Monitoring					
	Workplace inspections	Number	981	1,344	2,248
	Employee health surveillance	Persons	624 ¹	470	645
	Standard Operating Procedure (SOP) Reviews	Number	448	556	561
Reporting					
	Near-miss report received	Number	17	19	25
Management					
SHS12	Percentage of cement plants with ISO45001	%	100%	100%	100%

OCCUPATIONAL HEALTH AND SAFETY

Ref	Indicators	Unit	FY2022	FY2023	FY2024
Lagging Indicators					
C5(b)	Number of hours worked	Hours	9,964,356	9,270,489	9,594,013
	Work-related fatalities				
C5(a), SHS38	Employee fatalities	Number	1	0	0
C5(a), SHS40	Contractor fatalities	Number	0	1	1
C5(b)	Lost time injuries (LTI)	Number	31	21	24
	Employee LTI	Number	17	13	12
	Contractor LTI	Number	14	8	12
	Lost Time Injuries Frequency Rate (LTIFR) ³	Rate	3.11	2.27	2.50
	Employee LTIFR	Rate	3.34	2.80	2.73
	Contractor LTIFR	Rate	2.87	1.73	2.30
	Total Injuries Frequency Rate (TIFR) ⁴	Rate	4.42	3.24	5.31
	Employee TFIR	Rate	4.71	3.44	4.56
	Contractor TFIR	Rate	3.90	3.03	5.95
C5(b), SHS15	Lost Time Incident Rate (LTIR) ⁵	Rate	0.62	0.45	0.50
	Employee LTIR	Rate	0.67	0.56	0.55
	Contractor LTIR	Rate	0.57	0.34	0.46

Note:

1. We have changed the units for reporting. In FY2022 we had reported the number of health surveillance conducted. This is now replaced with the number of employees.
2. Cases of lost time injuries include both employees and contractors. The breakdown of LTIFR and TIFR into employees and contractors are provided.
3. LTIFR: LTI/million hours worked.
4. TIFR: Total number of injuries/million hours worked.
5. Following the formula provided in Bursa's Sustainability Guideline for Common Indicator C5(b).

OCCUPATIONAL HEALTH AND SAFETY

Performance Monitoring and Improvement

With the implementation of the Logistics Safety Standard (LSS) in 2023, internal audits have been carried out at all business units. Corrective actions to address the audit findings are implemented to progressively improve compliance to the LSS.

Truck drivers' behaviour is monitored using data from the GPS system, which is then used to generate Driver Behaviour Reports (DBRs). If a driver's demerit points exceed 20 points per 100 kilometers travelled, they are required to attend a counselling session with site management.

In the year under review, three subsidiaries of MCB underwent audits by the Road Transport Department to ensure compliance with the Road Safety Industry Code of Practice (ICOP) set by the Land Public Transport Agency (APAD). All three entities successfully passed the audits.



Briefing and dialogue with concrete mixer truck drivers



Daily Vehicle Checklist verified during LSS Audits

HUMAN RESOURCE DEVELOPMENT

Our employees are the core of our business. We focus on attracting, training, developing, and retaining top talent, fully aware of the critical role they play in our success. We are committed to creating a supportive environment that helps our team grow, achieve their goals, and take ownership of their success. Guided by our HR pillars, we work on creating a safe, healthy, and engaging workplace that encourages growth, learning, and development. This commitment ensures that our employees thrive, enabling them to achieve their full potential while consistently delivering top quality products and services.

Our Human Resource Pillars:

Building a Diverse and Inclusive Workforce



We have a diverse and inclusive workforce with various platforms for open communication and employee engagement. Through BUILDS, we encourage volunteerism in our various CSR activities. We build a diverse and inclusive workforce by:

- Maintaining communications and engagement platforms for two-way communications.
- Encouraging employee volunteerism under our CSR arm, BUILDS.
- Creating a work environment that is inclusive and promotes diversity.

Ensure Employee Wellness



We uphold the well-being of our employees by prioritising H&S to promote a healthy and safe working environment. We ensure employee wellness by:

- Putting in place H&S competencies and systems.
- Continuous initiatives to promote employee wellness.

Growing Our Talent



We recognise and reward our employees fairly. We are committed to continuously re-skill and up-skill our employees to help them grow and maintain a talent pipeline, which is essential for the continuation of our business. We grow our talent by:

- Attracting and retaining talent.
- Having a robust performance management system that is consistent and measurable.
- Training and development programme.

HUMAN RESOURCE DEVELOPMENT

Building a Diverse and Inclusive Workforce

Our workforce diversity is an important asset of the group. Valuing the differences and strengths of each employee has enabled us to create a positive work environment for our employees and nurture a competence culture. Each year, we have various initiatives to promote an inclusive environment that provides equal rights and opportunities for all employees, regardless of gender, age, ethnicity, physical ability, and religious beliefs. This includes:

- Brown Bag Luncheon activities where employees can sign up to learn something fun or new, outside their usual scope of work.
- Nature and community-linked CSR programmes that offer opportunities for our employees from all levels and age groups to participate as volunteers.
- We regularly form cross-functional teams to manage projects and innovation programmes. This not only brings together employees from different functions but also creates opportunities for employees to lead initiatives outside their departments.
- Our Human Resources Department support Heads of Department in identifying training needs, considering not only performance goals per se but also the needs of individual groups.
- Maintaining communications and engagement platforms for two-way communication.

Pillar 2 Ensure Employee Wellness

Employee wellness is essential for boosting productivity, reducing absenteeism, and minimising turnover. It supports mental well-being of our employees, and contributes to the overall well-being of the organisation.

We are committed to our employees' well-being by prioritising health and safety, ensuring a secure and healthy working environment. For detailed updates on our Health & Safety initiatives, please refer to pages 62 to 70.

We also encourage our employees to maintain a healthy work-life balance, promoting the development of interests and the pursuit of knowledge beyond the workplace. In FY2024, we continued our Brown Bag Luncheon (BBL) programme, which was introduced the previous year to encourage lifelong learning and strengthen connections among colleagues from different departments. This initiative not only enriches our employees' knowledge but also provides a space for socialising, fostering a sense of enjoyment and camaraderie within our workplace.

Brown Bag Luncheon Series

Crafting with Cement - July to August 2023

Our Brown Bag Luncheon Series in this financial year focused on crafting with our very own Quickmix DIY Craft Cement. Employees were taught how to make trinket trays and coasters. Workshops were held in Menara YTL and at our cement plants in Kanthan, Padang Rengas and Bukit Sagu. In total, some 150 employees participated in these fun crafting workshops.



HUMAN RESOURCE DEVELOPMENT

Helping Employees with Financial Management - April 2024

The session was organised to provide practical tips with the aim of helping employees better manage their finances especially during that time of the year with the upcoming festivities, the start of the schooling session, and the influx of income from bonuses, A total of 60 employees from across the company's nationwide operations attended the session held on 27 March 2024.

The trainer shared valuable insights on building a strong financial foundation, saving, and tips on how to invest. As a bonus, she also shared insights on personal tax filing and the various categories where colleagues can claim for tax relief.



The 2-hour session was filled with interactive quizzes to encourage employees to test their financial knowledge while learning something new. The speaker also shared a method on how employees can assess their personal financial well-being.

HUMAN RESOURCE DEVELOPMENT

Pillar 3 Growing our Talent

We recognise and reward our employees fairly. We are committed to continuously re-skill and up-skill our employees to help them grow and maintain a talent pipeline, which is essential for the continuation of our business.

We grow our talent by:

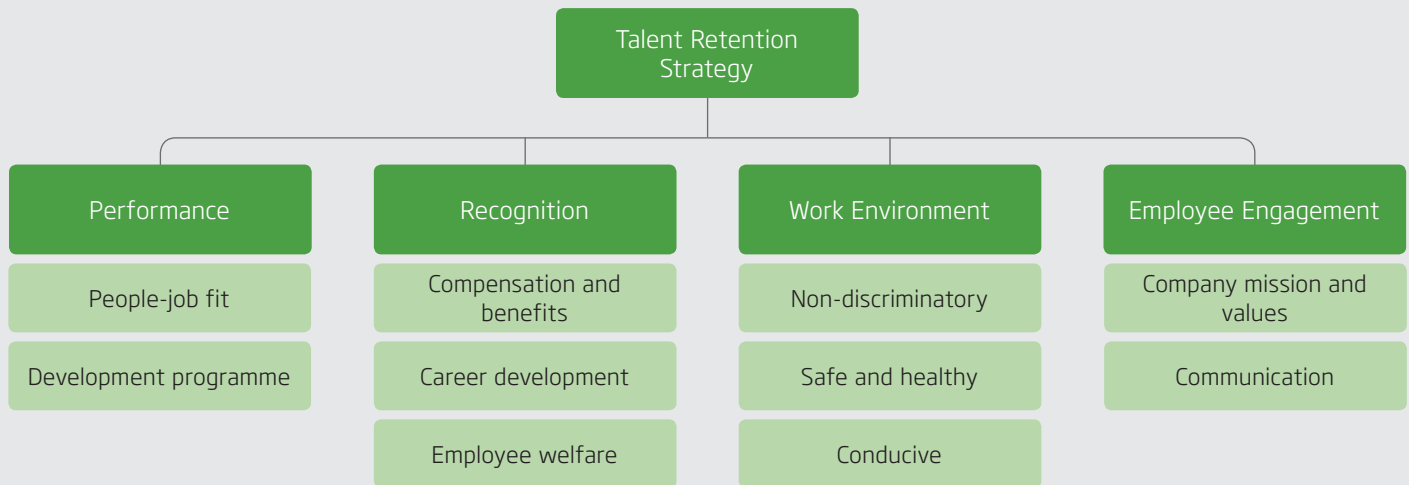
Talent Attraction

The ability to attract talent has long been a key factor in our Group’s success, especially in today’s competitive business landscape. To bring in and keep top talent, we understand the importance of creating a positive company culture that supports employee growth and development. A thriving culture values diversity, encourages inclusivity, and fosters a strong sense of belonging among our workforce. During the reporting period, we continued to engage with tertiary students through our Masterclass series, university career talks and career fairs. These interactions provide students with opportunities to meet with our employees and gain insights into our industry and Group.

Talent Retention

Over the decades, our Group has developed into Malaysia’s largest building materials group with growing regional presence. This evolution has been driven by the commitment and expertise of our people. Time and again, our team members have showcased outstanding abilities, and accomplished remarkable milestones. For this reason, talent retention is a key priority in our talent management programme.

Our strategy for retaining talent is centered around four key areas: performance, recognition, work environment, and employee engagement.



HUMAN RESOURCE DEVELOPMENT

Performance

We strive to continuously improve our performance management template for better alignment of individual performance with departmental goals and overall company strategies. By providing greater clarity, this initiative helps employees focus their efforts more effectively, resulting in outcomes that are recognised and lead to increased engagement.

To further support employee development, we conduct performance appraisals twice a year. These appraisals include one-on-one discussions between managers and team members, providing an opportunity to review progress and facilitate two-way feedback.

Recognition

We recognise the importance of cultivating an environment where employees can flourish, with equal opportunities for growth and career advancement based on merit. Our goal is to create a fulfilling career journey for our team, one where accomplishments are duly acknowledged and appropriately rewarded.

We consistently benchmark our compensation and benefits programmes against industry standards to ensure we remain competitive and our employees are fairly rewarded and recognised. This commitment helps us attract and retain top talent while ensuring our team members feel valued and appreciated for their contributions.

Work Environment

We seek to provide an environment where every employee is able to feel and perform their best. Our initiatives focus on three areas: non-discriminatory employment, safe and healthy workplace as well as conducive environment.

We are committed to fostering a workplace where every employee can thrive and achieve their full potential. Our initiatives focus on three key areas:

- A non-discriminatory employment where we believe in creating a workplace where everyone is respected, valued, and given the chance to contribute meaningfully.
- A work environment that is safe and healthy, adhering to the high standards of occupational health and safety.
- A conducive work environment that is essential for productivity and innovation. We strive to create a culture where collaboration, creativity, and open communication are encouraged.

Employee Engagement

We recognise the importance of maintaining open lines of communication with our workforce. We understand the significance of keeping communication channels open with our employees. Keeping our workforce informed about company performance, key initiatives, and ongoing projects is a top priority. To facilitate this, we have multiple communication platforms and various engagement activities.

Please refer to pages 72 to 73 for more information on our initiatives.

HUMAN RESOURCE DEVELOPMENT

Training and Development

We are dedicated to ensuring a steady pipeline of talent by prioritising continuous re-skilling and up-skilling within our organisation. By investing in training and development, we empower our workforce to tackle challenges and seize new opportunities with confidence. This encourages a creative and agile culture, enabling us to remain competitive and successful in a rapidly changing business landscape.

As of 30 June 2024, our group employed over 2,000 individuals, representing both women and men across various business sectors. We are committed to promoting equal opportunities for all employees, promoting a culture that emphasises continuous learning and growth. To support this, we actively help our people identify their strengths and development needs, offering personalised development programs tailored to their specific goals.

In the past year, our employees completed a total of 26,466 training hours, averaging 13.1 hours per employee. This is a 13% increase versus the year before. This commitment to learning and development underscores our dedication to cultivating a skilled, capable workforce.



HUMAN RESOURCE DEVELOPMENT

Employee development training to enhance knowledge and individual skills

		FY2022	FY2023	FY2024
Total hours as a company	Hours	26,088	23,427	26,466
Average hours per employee	Hours	12.3	11.7	13.1

Total hours of training by employee category in FY2024

Employee Category	Total training hours		
	Female	Male	Total
Top Management	60	78	138
Senior and Middle Management	2,437	5,020	7,456
Executive	3,630	14,276	17,906
Non-Executive	169	797	966
Total	6,295	20,171	26,466

Employee Role	Persons trained	Training hours
Technical & Production	1,095	19,459
Administrative	545	7,113

Total number of employee turnover by employee category

Employee Turnover	FY2023	FY2024
Company total		
Function		
Technical & Production		149
Administrative		40
Gender		
Female	45	43
Male	148	146
Age group		
Under 30		64
30-50		65
Over 50		60

	Full-time staff voluntary turnover* rate		
	MCB	Sector	Country
Ref	SLS24	SLS28	SLS28
Turnover	9%	No data	16.2%

* Turnover rate calculated as the total number of turnover during the reporting period against total number of employees as of 30 June 2024.

COMMUNITY INVESTMENT

BUILDS, Our CSR Arm

BUILDS, the CSR arm of YTL Cement, is committed to supporting initiatives that extend beyond business objectives, focusing on the well-being of people, the environment, and sustainable progress. Our efforts are centered on three core pillars: community, sustainability, and education.

These pillars, while distinct, are interconnected with the goal of creating a positive and lasting impact on the communities where we operate.

In the past year, we invested RM1,499,744 in BUILDS initiatives: a 573% increase from the previous year. This funding benefited 35,635 individuals and resulted in 1,473 volunteer hours.

BUILDS drives meaningful change through strategic initiatives that prioritise community empowerment, environmental sustainability, and educational advancement. Our approach, which includes sponsorships and partnerships, underscores our commitment to equity and inclusion.

A prime example of our commitment to the three BUILDS pillars is our collaboration on Malaysia's first University-Industry Research Consortium. By partnering with the Ministry of Higher Education, local universities, and industry experts, we are contributing valuable research findings to the National Mineral Policy. This initiative aims to enhance sustainable resource management by providing critical insights into Malaysia's tropical limestone karst landscapes. Additionally, the Consortium will foster the development of postgraduate students, who will become the next generation of experts shaping the nation's sustainable future.

At a state-level context, this commitment is exemplified by our work in Langkawi, Perak, and Pahang where we have actively collaborated with local stakeholders such as the state Department of Environment (DOE), NGOs, nearby schools and local communities to support programmes that significantly enhance the well-being of the local communities. Initiatives such as environmental conservation programmes, educational support for underserved schoolchildren, and first-aid training for local teachers are central to our long-term strategy of fostering strong, mutually beneficial relationships with the community. These programmes are designed to ensure that our operations contribute to sustainable, positive change, directly benefiting the local communities.

BUILDS three core pillars:



Community

We work alongside community members and various stakeholders to enrich lives and improve livelihoods.



Sustainability

We are proactive in our effort to protect wildlife and conserve the environment around us. We aim to operate sustainably and responsibly following the appropriate standards.



Education

We aim to inspire and encourage creative curiosity across all levels of education, skillsets, and talent.

COMMUNITY INVESTMENT

BUILDS' Community Engagement Process

Our Community Engagement Process involves proactive collaboration with local communities, managed by our dedicated plant-level committee to ensure effective and responsive engagement.



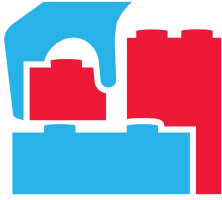
All Community Investment

	Unit	FY2022	FY2023	FY2024
Total amount*	RM	217,536	222,839	1,499,744
Number of beneficiaries	Persons	8,753	32,646	35,635
Number of volunteers	Persons	68	216	458
Total volunteering hours	Hours	610	1,102	1,473

* Total amount invested in the community where the target beneficiaries are external to the listed issuer

COMMUNITY INVESTMENT

Community



BUILDS works alongside community members and various stakeholders to enrich lives and improve livelihoods.

Community Projects

	Unit	FY2023	FY2024
Total spend	RM	69,851	81,955
Number of beneficiaries	Persons	12,393	14,585
Number of volunteers	Persons	88	249
Total volunteering hours	Hours	355	616

Continuing our commitment to the community, we have launched multiple impactful initiatives aimed at creating positive change. By actively participating in these efforts, we aim to enhance the well-being and prosperity of local communities.

Support for Local Communities Through Financial, In-Kind, and Manpower Contributions

First Aid Training for Langkawi School Teachers

We organised a first aid training session by our appointed training provider for local teachers from Sekolah Kebangsaan Ewa and Sekolah Kebangsaan Penghulu Ahmad.

This initiative, organised under the community pillar of our CSR arm, BUILDS, aimed to increase awareness of life-saving skills and strengthen the relationship between the community and our team. By equipping teachers with essential first aid knowledge, BUILDS continues its commitment to enhancing community welfare and safety.



BUILDS volunteers donate blood to save lives

We continue to demonstrate our commitment to community well-being by participating in two blood donation drives. The first drive, held in December 2023 at a local community clinic, saw 38 employees donate 15.9 litres of blood. In another drive in May 2024, organised by Hospital Sultanah Maliha at our Langkawi Plant, 52 employees contributed 14.75 litres of blood. Collectively, these efforts gathered over 30 litres of blood, potentially saving more than 200 lives.

Cement Donations

We made cement donations to public centres and schools such as the Jawatankuasa Pembangunan dan Keselamatan Kampung Kanthan Baru and Sri Subramanyar Alaya Devasthanam Paribalana Saba Temple, Sungai Siput in Perak.

The cement donated was utilised to enhance and upgrade the facilities.

COMMUNITY INVESTMENT



Spreading Joy to Local Communities through Festival Celebrations

Festival celebrations are a time for bringing communities together, and we actively participate by organising initiatives to spread joy and provide support. Our staff volunteers play a crucial role in these efforts, distributing festive hampers and essential items to those in need.

For Chinese New Year, we provided cash donations and food items to the elderly in Kanthan Baru. During Ramadan, we hosted and supported iftar events for nearly 3,000 individuals in Padang Rengas, Perak, Teluk Yu, Langkawi, and Taman Dovenby, Perak.

For Hari Raya Aidilfitri, we hosted two Hari Raya Open House to share the joy with our neighbouring community members from Kuala Kangsar and Padang Rengas, Perak as well as Kampung Teluk Yu, Langkawi. We also distributed food hampers to Taman Dovenby, Perak, and channeled financial aid to host Hari Raya Aidilfitri celebration to Jawatankuasa Pembangunan dan Keselamatan Kampung (JKPKK) Kampung Bukit Goh, Pahang and Ibu Pejabat Daerah Kuah, and Masjid Nurussalam Ewa, Langkawi. This year we distributed “daging korban” to 200 underprivileged members in Kampung Teluk Yu, Kampung Belibis, and Kampung Kubang Badak, Langkawi.

For Deepavali and temple celebrations, we distributed food items to the underprivileged community in Taman Ramasamy and Sri Mariamman Temple in Ladang Dovenby, Perak.

Revitalising Urban Landscapes through Partnerships

BUILDS partners Global Environmental Centre (GEC) to revitalise Taman Chemor Idaman through KUDAH programme

On 22 June 2024, BUILDS, in collaboration with the GEC, successfully conducted a Kutip Sampah Sambil Riadah (KUDAH) Programme in celebration of World Environment Day 2024 at the Taman Chemor Idaman Community Garden in Perak. This initiative was a joint effort between BUILDS, GEC, and the Taman Chemor Idaman Committee, supported by Perak Department of Environment (DOE). The event, launched by the Deputy Director of Perak DOE, Encik Hazizi bin Esa, saw participation from various government agencies, including the Kinta District Office of National Unity and Integration, the Ipoh City Council, and the Perak Department of Irrigation and Drainage, as well as volunteers from our cement plants and quarry in Perak.

The day's highlights included the unveiling of the Chemor Idaman Kawasan Rukun Tetangga (KRT) River Address, aimed at educating and raising awareness about long-term river conservation. Other key activities included a community clean-up, recycling of household waste, tree planting, and beautification of public facilities in Taman Chemor Idaman.

The event also featured recyclables donation drive, encouraging local residents to collect and segregate waste in their neighbourhoods. Residents were also encouraged to separate recyclable items at home, including liquid waste like used cooking oil. Proceeds from recycled items were donated to support community activities. Additionally, guests and residents worked together to plant trees in the Chemor Idaman Community Garden, contributing to the state's tree planting initiatives.



COMMUNITY INVESTMENT

BUILDS and DOE Kedah Collaborate for HASN 2023 to Celebrate National Environment Day

On 25 October 2023, the Kedah DOE, in partnership with Rakan Alam Sekitar (RAS), celebrated Hari Alam Sekitar Negara 2023 (HASN 2023) at Jemuruk Island. This event, supported by BUILDS focused on coral reef preservation and conservation. The initiative aimed to enhance community awareness and responsibility for protecting Langkawi's marine ecosystem through coral rack planting activities.

The event was officiated by Kedah DOE's Director, Puan Sharifah Zakiah Syed Sahab. The coral rack planting effort is part of a broader commitment to foster a greater appreciation for these vital marine structures.

During the event, 80 volunteers, including our volunteers and other partners, participated in the planting of coral racks at Jemuruk Island. These racks provide a base for coral fragments to regrow in degraded reef areas, supporting the recovery of affected ecosystems.

30 coral racks were deployed into the ocean with the assistance of local divers. The Kedah DOE will monitor the growth of these racks to ensure the restoration of biodiversity in the affected areas.



Creating high-value jobs for the local community

Our operations across the country create high-value jobs for the local community, with 90% of our plant workforce comprising local talent, including engineers, technicians, and managers. We also extend our commitment to local economic growth by engaging and supporting local suppliers throughout our supply chain. By sourcing materials and services locally, we create additional job opportunities, strengthen local businesses, and foster a more resilient and interconnected economy. This approach not only drives sustainable growth but also ensures that the benefits of our operations contribute directly to the long-term prosperity and stability of the communities we serve.

Our performance

FY2024

Bursa C7(a)	Proportion of spending on local suppliers	70%
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COMMUNITY INVESTMENT

Sustainability



BUILDS is proactive in our effort to protect wildlife and conserve the environment around us. We aim to operate sustainably and responsibly following the appropriate standards.

Sustainability Projects			
	Unit	FY2023	FY2024
Total spend	RM	62,282	69,646
Number of beneficiaries	Persons	1,671	2,500
Number of volunteers	Persons	86	165
Total volunteering hours	Hours	650	737

Tree planting at Kuala Kangsar and Langkawi Plants

In celebration of Hari Alam Sekitar 2023, we planted a total of 169 trees through two initiatives. First, we received an in-kind donation of 115 fruit trees from the Department of Agriculture Perak, which were planted within the grounds of Kolej Vokasional Kuala Kangsar, Perak. This effort was further complemented by our Langkawi Plant team, who planted 54 additional trees, personally donated by our employees, within the Langkawi Plant compound. Among these were Pokok Kelat Paya and other local fruit trees.

These tree-planting activities were particularly meaningful as they aligned with the nationwide “100 Million Tree-Planting Campaign.” Our participation in this endeavour reflects our ongoing commitment to sustainability, where nature and humanity coexist harmoniously. With each tree planted, we aim to contribute to the preservation of our planet and enhance the well-being of the communities we serve.

Overall, our efforts have led to the planting of close to 700 trees over two years as part of our broader initiatives.



COMMUNITY INVESTMENT

Recycling Open Day

On 14 October 2023, BUILDS hosted its second Recycling Open Day at Wisma YTL Cement, in collaboration with Geo Alam Environmental, as part of HASN 2023. The event aimed to inspire sustainable waste management practices and engage BUILDS volunteers, their families, and friends in recycling efforts.

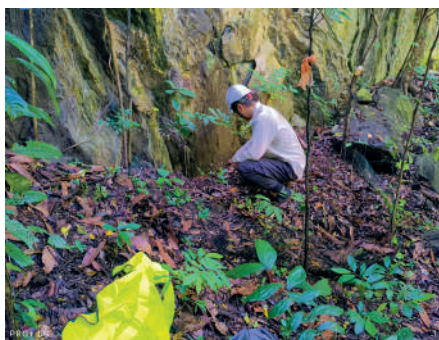
Participants brought a wide range of recyclables to the event, and by the end of the day, a total of 1,600 kg of materials, including paper, plastic, metal, e-waste, and textiles, were collected.

This initiative highlights our commitment to sustainability, particularly under the pillar “Helping Malaysia Build Greener,” by reducing environmental impact and supporting community empowerment.



Snail Translocation Project in Kanthan

In 2020, in collaboration with Universiti Malaysia Sabah and RIMBA, we initiated a snail translocation project, relocating 171 *Pollicaria elephas* individuals, consisting of a total of 171 snails made up of 166 adult and 5 juvenile snails. Our research partners monitored the site and by February 2023, they recorded 11 newborn snails, suggesting early signs of successful reproduction and survival. The initial findings showed promising survival rates and a positive trend for long-term viability. The project continued its monitoring until May 2024.



COMMUNITY INVESTMENT

Potential



BUILDS aims to inspire and encourage creative curiosity across all levels of education, skillsets, and talents.

Potential Projects

	Unit	FY2023	FY2024
Total spend	RM	90,704	1,348,143
Number of beneficiaries	Persons	18,582	18,550
Number of volunteers	Persons	42	44
Total volunteering hours	Hours	97	120

BUILDS works with Ministry of Higher Education on limestone karst research

We launched the University-Industry Research Consortium (UIRC) in October 2023, marking a significant step forward in fostering collaboration between academia and industry in Malaysia. As Malaysia's first Consortium of this kind, it underscores our commitment to innovation and sustainable development. The Consortium offers scholarships to postgraduate students to study tropical limestone karst landscapes in the country, further contributing to the nation's ongoing pursuit of sustainable development.

Since its launch, the Consortium has kicked off with its inaugural Scientific Committee meeting, where the scientific directive was established. Following this, we held the first Steering Committee meeting, during which four scholars were approved.

The UIRC conducted roadshows at Universiti Malaysia Kelantan and Universiti Malaysia Sabah to promote the scholarship and raise awareness of tropical limestone karst research among students. These roadshows were led by UIRC Director, Professor Emeritus Dato' Dr. Ibrahim Komoo, who is also a UNESCO Geopark Expert.



COMMUNITY INVESTMENT

YTL Cement extends support to Sarawak Education Fund

YTL Cement made a significant contribution of RM1 million to the Sarawak Unity Education Fund (SUEF) in support of Sarawak's commitment to educational advancement. This donation aims to support the initiative's efforts to provide scholarships to students from Sarawak, nurturing them into future leaders for the state.

SUEF is a private sector initiative that provides scholarships to deserving students from lower-middle-income families in Sarawak, ensuring financial constraints do not hinder their pursuit of higher education. These bond-free scholarships are available for students pursuing a Bachelor's or Master's Degree in selected public or private universities in Malaysia.

This contribution is part of YTL Cement's ongoing commitment to the development of Sarawak. This donation will benefit at least 20 students in Sarawak.



YTL Cement Scholarship Scheme

The YTL Cement Scholarship provides vital support to students in local higher education institutions, allowing them to realise their potential and pursue careers in engineering. This year, we welcomed 16 new scholars, increasing the total number of beneficiaries to 94 since the scholarship's inception in 2007. This initiative underscores our commitment to capacity building by nurturing talented individuals who will drive the Malaysian construction industry's progress.



COMMUNITY INVESTMENT



Back-to School programme

This programme is dedicated to promoting education and fostering community development.

In March 2024, during the back-to-school season, we contributed essential textbooks and workbooks to the students of Sekolah Jenis Kebangsaan (Tamil) Ladang Dovenby in Perak. In Kedah, at Sekolah Kebangsaan Ewa Langkawi, we distributed cash vouchers to underprivileged students, enabling them to purchase stationery and books, further supporting their academic endeavours.



COMMUNITY INVESTMENT

BUILDS supports school extra-curricular programmes

We are committed to supporting our adopted schools by providing financial assistance for their extracurricular programs. We believe that these activities enrich students' learning experiences, allowing them to explore new opportunities, discover their talents, and develop essential life skills that will benefit them in the future. Among the activities we have supported are:

- Handball Tournament for Sekolah Kebangsaan Ewa, Langkawi in July 2023.
- Track and field championship at Sekolah Menengah Kebangsaan Bukit Sagu in July 2023.
- Football development programme for the Parent-Teacher Association of Sekolah Kebangsaan (LKTP) Bukit Goh, Pahang in August 2023.
- Sepak Takraw Competition for the Parent-Teacher Association of Sekolah Kebangsaan (LKTP) Bukit Sagu 1, Pahang in August 2023.
- Langkawi Chess Team for the Kedah District Level Chess Tournament Kedah for Sekolah Kebangsaan Ewa, Langkawi in August 2023.
- Green Technology Innovation Competition by Sekolah Menengah Kebangsaan Sri Panching, Pahang students in September 2023.
- Sports and Athletics Championship for students of Sekolah Kebangsaan (LKTP) Bukit Kuantan in October, 2023.
- Futsal Competition for Sekolah Kebangsaan Ewa Preschool in May 2024.
- Rugby Team for Sekolah Kebangsaan Penghulu Ahmad, Langkawi in May 2024.



Cookie Jar Design Competition Among Local Artists

Through our Potential Pillar, we aim to inspire and encourage creative curiosity across all levels of education, skillsets, and talent. Continuing this commitment, we hosted our second cookie jar design competition for local artists from July to September 2023. This initiative spotlights the unique stories, styles, and artistic talent of Malaysian artists on a global stage.

This year's competition saw an array of submissions from both emerging and professional artists. Dani Omar emerged as the winner. Dani, a Malaysian artist, has been fully immersed in the arts since 2014, earning both a Diploma and a Bachelor's Degree in Fine Arts from UiTM Shah Alam, Selangor, Malaysia. His distinctive use of songket fabric, a traditional Malay textile, sets him apart in an art scene often dominated by Batik. This choice not only showcases his artistic skills but also highlights his deep connection to Malay culture, merging tradition with contemporary expression.

The designs on the winning ceramic jar celebrate the rich heritage of songket, a fabric deeply rooted in Malaysian culture. Dani's work brings a contemporary appreciation to this traditional art form, ensuring its enduring legacy and inviting a wider audience to explore the beauty of songket.



"Culture is what keeps me grounded, true to my past, and reveals myself as an artist. My art revolves around fabrics and textiles, particularly traditional ones like the songket, beautifully representing our heritage passed down through generations. In my style, I capture still life, emphasising the fabric's movement, playing with light and shadows to convey a sense of lightness through its folds.

It is part of my artistic practice to illuminate an intimate visual memoir that narrates and brings physical form to the internal images constructed by the traditional fabric songket I have received from my mother over the years. The designs adorning this ceramic jar meticulously compile these images, celebrating our majestic fabric heritage with the purpose of fostering contemporary appreciation for the songket, ensuring it remains unforgettable."

- Dani Omar

6

Appendix

91	Association Memberships
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94	Glossary
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ASSOCIATION MEMBERSHIPS

MCB and its subsidiaries participate in various trade associations in Malaysia and overseas. Through the Group's involvement in programmes organised by the associations, we contribute and create positive impact to society and our country.

No.	Organisation	About the Organisation
1	The Cement & Concrete Association of Malaysia (C&CA)	C&CA is the representative organisation of the cement industry in Malaysia.
2	The National Ready-Mixed Association of Malaysia (NRMCA)	NRMCA is the representative organisation of the concrete industry in Malaysia.
3	Global Cement and Concrete Association (GCCA)	GCCA is a not-for-profit organisation with more than 40 members globally, representing more than 80% production volume outside China. GCCA's initiatives center around sustainability, with decarbonisation as the key focus.
4	Federation of Malaysian Manufacturers (FMM)	FMM is the largest private sector economic organisation in Malaysia representing over 4,000 manufacturing and industrial service companies.
5	Malaysia Green Building Council (MGBC)	A non-profit making organisation to promote sustainable buildings in Malaysia.
6	Waste Management Association of Malaysia (WMAM)	WMAM is a non-profit, technical and educational organisation that provides a forum for local and international waste management companies and suppliers to learn and exchange ideas to professionalise and advance waste management practices.

CDL ACADEMY SEMINAR SERIES CONDUCTED DURING THE REPORTING PERIOD

No	Title	Date	Collaboration	Speakers/Panellists
ARCHITECTURAL SERIES				
1	Embodied Carbon in Construction	30 Jan 2024	MGBC	Clarisse Loh, Ar. Angela Bejarno, Mitch Gelber, Alex Hanmore, Cheah Zu Yi
2	The Green Architecture of Tzu Chi	6 March 2024	MGBC	Ar. Michael Ching, Clarisse Loh
CEMENT & CONCRETE SERIES				
3	Building a Concrete Future: Designing and Specifying Sustainable Concrete Structures	5 July 2023	IEM	Dr Andrew Minson
4	Materials and Practices for Sustainability in Concrete Construction	14 July 2023	YTL Cement	Dr Tam Chat Tim
5	Challenges for Concreting in Tropical Climate	28 July 2023	YTL Cement	Dr Tam Chat Tim
6	Taklimat Pengenalan Produk dan Solusi untuk Pembinaan Dinding dan Lantai yang Sempurna	14 July 2023	JKR Putrajaya	Sam Yap, Siti Syuhadah
7	Bring the best out of your wall finishes	16 May 2024	BCI Asia Equinox, Johor Bahru	Sam Yap
8	25 Years of Perfect Wall and Floor Solutions	25 June 2024	Bluechem Marketing, Sabah	Sam Yap and Gavin Chen
9	Empowering IBS Technology in the Construction Industry: The Application of Technology Products & Methods in Elevating the Construction Industry	27 June 2024	CREAM	Amierul Haqim, Pn Nor Eliza Selamat, Lim Tze Liang

CDL ACADEMY SEMINAR SERIES CONDUCTED DURING THE REPORTING PERIOD

No	Title	Date	Collaboration	Speakers/Panellists
ESG				
10	Building Better Sustainably with ESG in Construction Industry	24 Aug 2023	CREAM	Mohd. Razif Mohd Yusoff, Clarisse Loh, Mohammad Razi Rahiman
11	Future-proofing with ESG - the Requirements and Good Practices	29 Aug 2023	NRMCA	Clarisse Loh
12	Building a Sustainable Future Together	12 Oct 2023	MBAM	Clarisse Loh
13	ECOConcrete for Sustainable Construction	15 Nov 2023	CIDB	Clarisse Loh
14	Sustainable Construction - How to Start an ESG Programme with Existing Resources	30 Nov 2023	Academy Concrete Technology (AOCT)	Clarisse Loh
15	The Role of Concrete in Sustainable Construction and Quality Living Environment	26 April 2024	SPYTL	Clarisse Loh
16	How to Implement an ESG Programme in Small and Medium Enterprises (SMEs) in the Construction Industry - A Step-By-Step Guide to Start ESG Programme at Your Company	9 May 2024	MBAM	Clarisse Loh, Navina Balasingam, Margie Ong, Steven Wu, Au Choon Wai, Saiful Munaff, Marcus Lee
MASTERCLASS SERIES				
17	Sustainability in Building Materials	6 Sep 2023	Taylor's University	Nina Arianna, Ts. Nursyuhada Husain
18	Sustainability in Building Materials	18 Oct 2023	Universiti Teknologi Petronas (UTP)	Nina Arianna, Ts. Nursyuhada Husain
19	Sustainable Building Materials	24 April 2024	Universiti Malaya	Chew Siok Hoon, Nina Arianna
20	Sustainability in Building Materials	8 May 2024	Universiti Malaysia Pahang	Ts. Nursyuhada Che Hussain, Nina Arianna
21	Sustainability in Building Materials	15 May 2024	Universiti Malaysia Sabah	Ts. Nursyuhada Che Hussain, Nina Arianna
22	Sustainability in Building Materials	28 May 2024	Universiti Teknologi Malaysia	Ts. Nursyuhada Che Hussain, Nina Arianna

GLOSSARY

A Aggregates

Aggregates are small rock fragments such as sand, gravel or crushed gravel. Aggregates are commonly used for concrete production and for road construction and maintenance.

B Bursa Malaysia

Bursa Malaysia is the stock exchange of Malaysia. Bursa Malaysia has put in place a regulatory and supervisory framework to regulate the market and its participants.

C CCUS

CCUS stands for the capture, utilisation, and sequestration of CO₂. It describes processes that capture CO₂ emissions from industrial sources and either reuse or store the captured CO₂.

Cement

Cement is a hydraulic binder used as a key ingredient in concrete. Most cements are made from clinker and additives and are usually used in the form of a powder. Cement sets when mixed with water.

Circular economy

A circular economy is a model of production and consumption designed to preserve resources. It is based on three principles: Prevention of waste and pollution, recycling of products and materials and regeneration of natural resources. A circular economy keeps materials and products in circulation for as long as possible.

Clinker

Clinker is the intermediate product in cement production. Clinker is produced from a mixture of limestone, clay and other minor constituents in a thermal process. Clinker granules are ground into fine powder and blended with gypsum and other materials to produce different types of cement.

Co-processing

Co-processing is a term that refers to the use of waste as a source of energy to replace fossil fuels such as coal and diesel (energy recovery) and/or as alternative raw material to replace natural mineral resources (material recycling) in industrial processes such as clinker and cement production.

Concrete

Concrete is a building material made from a mixture of cement, aggregates, water and admixture. The characteristics of a concrete can vary depending on the type and ratio of its components.

F Fly ash

A wide range of materials combustion process generates fly ash. Fly ash from coal-fired power plants is pozzolanic and can be used as a cementitious additive to partially replace the clinker content of cement. Not all types of fly ash can be used for this purpose.

S | **Scope 1 Emission**

Direct emissions from owned or controlled sources.

Scope 2 Emission

Indirect emissions from the generation of purchased energy.

SDG

Malaysia together with other 192 world leaders adopted the 2030 Agenda for Sustainable Development (2030 Agenda) at the United Nations General Assembly in New York on 25 September 2015. This is a global commitment towards a more sustainable, resilient and inclusive development, with 17 Sustainable Development Goals (SDGs). The SDGs is a set of goals, targets, and indicators that UN member states use to frame their agenda and political policies from 2016 till 2030. The SDGs cover 5 dimensions namely People, Planet, Prosperity, Peace and Partnership.

FY2024 SUSTAINABILITY PERFORMANCE TABLE

Reference	Indicator	Unit of measurement	FY2023	FY2024
Helping Malaysia Build Greener				
	Sites with ISO 9001:2015 Management System certification	%	100% cement plants	100% cement plants
	Laboratories accredited with MS ISO/IEC 17025:2017	%	100% cement plants	100% cement plants
	Number of product safety incidents	Cases	0	0
	Number of incidents of non-compliance concerning product information or labelling	Cases	0	0
	Number of incidents of non-compliance in marketing communications	Cases	0	0
	Number of confirmed product complaints related to health and safety	Cases	0	0
	Number of confirmed product complaints related to environment	Cases	0	0
Operating Sustainably				
ECC48	Cement production GHG emissions intensity	kg CO ₂ per ton cementitious product	663	654
	Clinker substitution	Clinker-to-cement ratio	80.9%	79.8%
	Fossil fuel substitution	%	5.4%	4.4%
C4(a), EC15	Total electricity consumption	MWh	951,468	985,723
	Total electricity consumption	Gj	3,425,283	3,548,603
	Clean energy generated	MWh	47,230	54,816
C11(b), EC14	Scope 2 emissions	Ton CO ₂	685,412	705,627
C11(c), ECC49	Category 7: Emissions arising from employee commuting	Ton CO ₂	3,312	3,334
Bursa C10(a)	Total waste generated	Ton	820	1,132
EPR24	Hazardous waste generated	Ton	112	156
EPR25	Non-recycled waste generated	Ton	708	977
Bursa C10(a)	Total waste diverted from disposal	Ton	101	186
Bursa C10(a)	Total waste directed to disposal	Ton	719	979
EPR26	Waste recycled, reused and co-processed	Ton	982,525	961,643

FY2024 SUSTAINABILITY PERFORMANCE TABLE

Reference	Indicator	Unit of measurement	FY2023	FY2024
EWT24	Number of sites with water management plan, including water recycling	Number of sites	17	26
EWT26	Number of facilities, assets, production, revenue in water-stressed regions	Number of sites	0	0
EWT27	Water withdrawals/consumption in water stressed regions	Megalitres	0	0
Bursa C9(a)	Total volume of water used	Megalitres	2,968	3,118
EWT31	Water withdrawal by source			3,208
	Municipal potable water	Megalitres		962
	Surface water	Megalitres		1,014
	Groundwater	Megalitres		892
	Harvested rainwater	Megalitres		340
	Used quarry water collected in the quarry	Megalitres		0
	External wastewater	Megalitres		0
	Sea water	Megalitres		0
	Number of existing suppliers assessed using			
	Environmental criteria	Number	122	247
	Social criteria	Number	122	247
	Number of new suppliers assessed using			
	Environmental criteria	Number	NA	38
	Social criteria	Number	NA	38
	Proportion spending on local suppliers	%	NA	70%
Operating Responsibly				
Bursa C1(a)	Percentage of employees trained on anti-corruption by employee category		95%	91%
	Top management	Percentage	100%	100%
	Senior and middle management	Percentage	99%	99%
	Executive	Percentage	100%	96%
	Non-executive	Percentage	81%	73%
	Technical & Production	Percentage	92%	89%
	Admin, sales, support functions	Percentage	100%	96%

FY2024 SUSTAINABILITY PERFORMANCE TABLE

Reference	Indicator	Unit of measurement	FY2023	FY2024
Bursa C1(b)	Percentage of operations assessed for corruption-related risks	Percentage		100%
Bursa C1(c)	Confirmed incidents of corruption and action taken	Number	0%	0%
GAC12	Total amount of political contributions made	RM	RM0	RM0
GAC13	Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	Number	0	0%
GAC14	Cost of fines, penalties or settlements in relation to corruption	RM	RM0	RM0
Bursa C3(a)	Percentage of employees by gender and age group, for each employee category			
	Age Group by Employee Category			
	Top management, under 30	Percentage	0%	0%
	Top management, 30-50	Percentage	21%	25%
	Top management, over 50	Percentage	79%	75%
	Senior and middle management, under 30	Percentage	0%	0%
	Senior and middle management, 30-50	Percentage	55%	64%
	Senior and middle management, over 50	Percentage	45%	36%
	Executive, under 30	Percentage	11%	12%
	Executive, 30-50	Percentage	51%	57%
	Executive, over 50	Percentage	38%	31%
	Non-executive, under 30	Percentage	26%	40%
	Non-executive, 30-50	Percentage	51%	49%
	Non-executive, over 50	Percentage	23%	11%
	Technical and production, under 30	Percentage	14%	18%
	Technical and production, 30-50	Percentage	50%	54%
	Technical and production, over 50	Percentage	36%	28%
	Admin, sales, support functions, under 30	Percentage	13%	15%
	Admin, sales, support functions, 30-50	Percentage	55%	61%
	Admin, sales, support functions, over 50	Percentage	32%	24%

FY2024 SUSTAINABILITY PERFORMANCE TABLE

Reference	Indicator	Unit of measurement	FY2023	FY2024
	Gender Group by Employee Category			
	Top management, Female	Percentage	29%	33%
	Top management, Male	Percentage	71%	67%
	Senior and middle management, Female	Percentage	32%	31%
	Senior and middle management, Male	Percentage	68%	69%
	Executive, Female	Percentage	23%	22%
	Executive, Male	Percentage	77%	78%
	Non-executive, Female	Percentage	8%	8%
	Non-executive, Male	Percentage	92%	92%
	Technical and production, Female	Percentage	7%	7%
	Technical and production, Male	Percentage	93%	93%
	Admin, sales, support functions, Female	Percentage	56%	56%
	Admin, sales, support functions, Male	Percentage	44%	44%
Bursa C6(b), SLS25	Percentage of employees that are contractors or temporary staff	Percentage	8%	11%
SLS32	Percentage of global staff with a disability	Percentage	0.5%	0.4%
SLS33	Percentage of women in the global workforce	Percentage	20%	20%
Bursa C6(d)	Number of substantiated complaints concerning human rights violations	Number	0	0
GCG03	Number of Board Directors	Number	8	8
GCG04	Number of Independent Directors	Number	3	3
GCG05	Number of women on the board	Number	3	3
Bursa C3(b)	Percentage of directors by gender and age group			
	Female	Percentage	37%	37%
	Male	Percentage	63%	63%
	Under 30	Percentage	0%	0%
	30-50	Percentage	0%	0%
	51-60	Percentage	0%	0%
	Over 60	Percentage	100%	100%
Bursa C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
EPR28	Percentage of sites covered ISO14001	Percentage	100%	100%
			cement plants	cement plants

FY2024 SUSTAINABILITY PERFORMANCE TABLE

Reference	Indicator	Unit of measurement	FY2023	FY2024
Building Capacity and the Community				
Bursa C5(c)	Number of employees trained on health and safety standards	Number	972	1,365
SHS12	Percentage of cement plants with ISO45001	Percentage	100%	100%
Bursa C5(a)	Number of work-related fatalities	Number	0	1
C5(a), SHS38	Employee fatalities	Number	0	0
C5(a), SHS40	Contractor fatalities	Number	1	1
Bursa C5(b)	Lost time injuries	Number	21	24
Bursa C5(b)	Lost time incident rate ("LTIR")	Rate	0.45	0.5
SLS26	Total hours of training, as a company	Hours	23,427	26,466
	Average hours per employee	Hours	12	13
Bursa C6(a)	Total hours of training by employee category			
	Top management	Hours	197	138
	Senior and middle management	Hours	4,659	7,456
	Executive	Hours	16,013	17,906
	Non-executive	Hours	2,550	966
	Female	Hours	5,448	6,295
	Male	Hours	17,979	20,171
	Technical & Production	Hours	17,018	19,459
	Admin, sales, support functions	Hours	6,409	7,113

FY2024 SUSTAINABILITY PERFORMANCE TABLE

Reference	Indicator	Unit of measurement	FY2023	FY2024
Bursa C6(c)	Total number of employee turnover by employee category			
	Technical & Production	Number		149
	Admin, sales, support functions	Number		40
	Female	Number	45	43
	Male	Number	148	146
	Under 30	Number		64
	30-50	Number		65
	Over 50	Number		60
SLS24	Full-time staff voluntary turnover rate	Percentage	10%	9%
Bursa C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	222,839	1,499,744
Bursa C2(b)	Total number of beneficiaries of the investment in communities	Number	32,646	35,635
Bursa C7(a)	Proportion of spending on local suppliers	Percentage		70.0%

PERFORMANCE DATA TABLE DOWNLOADED FROM THE BURSA MALAYSIA ESG REPORTING PLATFORM

Indicator	Measurement Unit	2024
Operating Sustainably		
Bursa C4(a) Total energy consumption	Megawatt	985,723.00
Bursa C7(a) Proportion of spending on local suppliers	Percentage	70.00
Bursa C9(a) Total volume of water used	Megalitres	3,118.000000
Bursa C10(a) Total waste generated	Metric tonnes	1,132.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	186.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	979.00
Operating Responsibly		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Top management	Percentage	100.00
Senior and middle management	Percentage	99.00
Executive	Percentage	96.00
Non-executive	Percentage	73.00
Technical and production	Percentage	89.00
Admin, sales and support functions	Percentage	96.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Top management Under 30	Percentage	0.00
Top management Between 30-50	Percentage	25.00
Top management Above 50	Percentage	75.00
Senior and middle management Under 30	Percentage	0.00
Senior and middle management Between 30-50	Percentage	64.00
Senior and middle management Above 50	Percentage	36.00
Executive Under 30	Percentage	12.00
Executive Between 30-50	Percentage	57.00
Executive Above 50	Percentage	31.00
Non-executive Under 30	Percentage	40.00
Non-executive Between 30-50	Percentage	49.00
Non-executive Above 50	Percentage	11.00
Technical and production Under 30	Percentage	18.00
Technical and production Between 30-50	Percentage	54.00
Technical and production Above 50	Percentage	28.00
Admin, sales and support functions Under 30	Percentage	15.00
Admin, sales and support functions Between 30-50	Percentage	61.00
Admin, sales and support functions Above 50	Percentage	24.00

Internal assurance

External assurance

No assurance

(*)Restated

PERFORMANCE DATA TABLE DOWNLOADED FROM THE BURSA MALAYSIA ESG REPORTING PLATFORM

Indicator	Measurement Unit	2024
Gender Group by Employee Category		
Top management Male	Percentage	67.00
Top management Female	Percentage	33.00
Senior and middle management Male	Percentage	69.00
Senior and middle management Female	Percentage	31.00
Executive Male	Percentage	78.00
Executive Female	Percentage	22.00
Non-executive Male	Percentage	92.00
Non-executive Female	Percentage	8.00
Technical and production Male	Percentage	93.00
Technical and production Female	Percentage	7.00
Admin, sales and support functions Male	Percentage	44.00
Admin, sales and support functions Female	Percentage	56.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	63.00
Female	Percentage	37.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Between 51-60	Percentage	0.00
Above 60	Percentage	100.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	11.00
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Building Capacity and the Community		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,499,744.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	35,635
Bursa C5(a) Number of work-related fatalities	Number	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.50
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,365
Bursa C6(a) Total hours of training by employee category		
Top management	Hours	138
Senior and middle management	Hours	7,456
Executive	Hours	17,906
Non-executive	Hours	966
Technical and production	Hours	19,459
Admin, sales and support functions	Hours	7,113
Bursa C6(c) Total number of employee turnover by employee category		
Technical and production	Number	149
Admin, sales and support functions	Number	40

Internal assurance

External assurance

No assurance

(*)Restated

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