Mapping Our Material Matters

YTL Group's material matters, which are aligned with the UN SDGs, are inherently tied to our sustainability strategy and categorised into four sustainability pillars. Identifying risks and opportunities within each of these pillars helps us to prepare and integrate suitable action plans into our operations, supporting positive outcomes across all ESG aspects. These material matters are reviewed periodically through the Group's materiality assessment process and overseen by the Board.

Climate-related risks and opportunities are assessed in greater detail in accordance with IFRS S2 through the Group's climate-related governance and risk assessment processes, including scenario analysis undertaken at entity level where available. These assessments inform the Group's ongoing approach to climate strategy. Further detail is set out under the Climate Change section in the *Environment* chapter of this report.

PROTECTION OF THE ENVIRONMENT

Key Stakeholders: Communities, governments and regulators, customers, banks and lenders

UN SDGs : 

Material Matters	Risks	Opportunities
6 Climate and energy 9 Waste management 15 Air emissions 17 Biodiversity 18 Water efficiency	**Shorter-term (1-5 years)** • Climate risks: Increasingly frequent extreme weather events and tightening climate-related regulation may affect operational continuity and compliance costs – see the Climate Change section under *Environment* for full analysis • Waste management risks: Tightening waste and landfill regulations in some operating regions may increase compliance and disposal costs • Air emissions risks: Non-compliance with applicable air quality and emissions standards at power plant, cement, quarry and construction sites could result in regulatory penalties or operational restrictions • Biodiversity risks: Operations near ecologically sensitive areas may face permitting or regulatory constraints as biodiversity-related expectations evolve • Water risks: Operating in water-stressed regions may expose water-dependent operations to supply disruption and rising compliance costs **Longer-term (>5 years)** • Climate and energy risks: Structural shifts driven by decarbonisation and evolving disclosure requirements may affect long-term asset values and compliance costs – see the Climate Change section under *Environment* for full analysis • Waste management risks: Sustained reliance on landfill disposal, and reduced availability of virgin raw materials, could raise long-term operating costs • Biodiversity risks: Evolving nature-related disclosure expectations may require enhanced assessment capability over time • Water risks: Long-term shifts in water availability or quality in key operating regions could affect operational continuity	• Improve resource management efficiency (e.g. energy, water and waste) to reduce operational costs and enhance long-term resilience • Strengthen risk preparedness and strategic positioning through early adaptation to market, regulatory and consumer trends related to sustainability • Drive the development and expansion of green business lines through targeted research and development and innovation, meeting shifting customer demands and sustainability expectations • Access financing options, including sustainability-linked and green financing instruments, to support investment in climate, resource efficiency and waste reduction initiatives

Our Approaches

- Improve operational resilience through spare capacity, regular maintenance and adoption of appropriate technologies to mitigate disruptions
- Optimise resource use through efficient management of energy, water and waste
- Manage waste through the waste hierarchy – prevention, reuse and recycling before disposal – with hazardous waste handled by licensed, audited contractors
- Manage water withdrawal, discharge and consumption against applicable standards, prioritising efficiency
- Address biodiversity impacts through a mitigation hierarchy – avoid, minimise, restore, offset – supported by site-level conservation initiatives
- Maintain compliance with applicable air emissions standards and regulatory limits
- Integrate climate considerations into broader environmental risk management, with detailed disclosure in the Climate and Energy section under *Environment*

EMPOWERING OUR PEOPLE

Key Stakeholders: Employees, contractors at our operational sites

UN SDGs :

Material Matters	Risks	Opportunities
10 Health and safety 11 Diversity and inclusion 12 Human rights and labour practices 13 Employee development	**Shorter-term (1-5 years)** • Health and safety risks: Unsafe conditions and inadequate emergency preparedness may lead to workplace injuries, regulatory exposure or reputational impact • Employee development risks: Limited investment in training and career development may affect employee engagement and retention • Diversity and inclusion risks: Gaps in inclusive practice may affect workplace cohesion and talent attraction • Human rights and labour risks: Ineffective internal grievance channels could allow labour standard concerns or non-compliance with company policies or local regulations to go unaddressed **Longer-term (>5 years)** • Health and safety risks: Evolving safety standards may require ongoing policy and practice updates • Employee development risks: Limited investment in training and career development may lead to a disengaged or under-skilled workforce, affecting productivity over time	• Develop talent and provide equal opportunities based on industry-benchmarked standards, which can lead to a more skilled and competent workforce • Implement strong health and safety systems to improve overall productivity, reduce downtime as well as enhance aspects of physical, mental and social health at the workplace • Foster an inclusive culture that brings varied perspectives, fostering innovation and collaboration, improving customer and employee satisfaction, attracting better talent and improving employee retention • Strengthen workforce resilience by integrating mental health, wellness and flexible work arrangements into core employee strategies

Our Approaches

- Invest in employee development through training, career growth opportunities, wellness programmes and supportive policies to enhance productivity, job satisfaction and retention
- Ensure our employees work in a safe and conducive environment with proactive workplace health and safety ("H&S") practices
- Exemplify workplace diversity through inclusive leadership, diverse recruitment, comprehensive policies, ongoing education and a supportive work environment
- Prioritise local hiring to build shared values, strengthen community integration and support local economic development
- Establish governance and reporting mechanisms to monitor progress on H&S, diversity and labour practices, supporting transparency and accountability

ENRICHING COMMUNITIES

Key Stakeholders: Communities, media

UN SDGs :

Material Matter	Risks	Opportunities
16 Local communities	**Shorter- and longer-term** • Reputation and branding risks: Inadequate community engagement may affect trust and local support for operations • Social licence risk: Failure to build meaningful relationships with communities may jeopardise longer-term access to land, resources, or operational continuity in key project areas • Conflict and operational disruption risks: Poor stakeholder management may lead to community concerns affecting project timelines	• Build trust, brand loyalty and reputation through active community engagement and visible commitment to community well-being • Develop partnerships and collaboration with like-minded partners for better outreach, capacity building and driving innovative solutions • Strengthen social licence to operate by aligning projects with community priorities and expectations • Support longer-term business continuity by contributing to local economic development, employment and education • Create shared value by integrating community needs into business planning, especially for site selection, infrastructure development and impact mitigation

Our Approaches

- Enrich local communities through community engagement initiatives with like-minded partners that promote mutual understanding, resilience and shared value creation
- Empower underprivileged and underserved groups through education and by creating opportunities for access to learning, vocational training and entrepreneurship
- Establish inclusive stakeholder engagement processes, including transparent communication channels and feedback mechanisms to incorporate community input into project planning and operations
- Measure and report community impact regularly to support continuous improvement and accountability in social performance

EMBRACING THE MARKETPLACE

Key Stakeholders: Customers, suppliers, business partners and industry groups, shareholders and investors, government and regulators, banks and lenders

UN SDGs : 

Material Matters	Risks	Opportunities
1 Ethical business and compliance 2 Anti-bribery and corruption 3 Governance and transparency 4 Financial sustainability 5 Risk management 7 Cybersecurity and data protection 8 Responsible products and services 14 Sustainable supply chains	**Shorter-term (1-5 years)** • Ethical business and compliance risks: Failure to meet applicable standards may result in regulatory or reputational exposure • Anti-bribery and corruption risks: Gaps in anti-bribery and corruption enforcement or compliance monitoring may lead to regulatory or reputational exposure • Governance and transparency risks: Inconsistent disclosure practices or gaps in board oversight could affect regulatory compliance and investor confidence • Financial sustainability risks: Revenue volatility or rising compliance costs may affect financial performance • Cybersecurity and data protection risks: Data breaches or security incidents may cause financial or reputational impact • Responsible products and services risks: Failure to meet product or service quality and safety expectations, or underinvestment in innovation, may affect customer trust and competitive position • Sustainable supply chain risks: Supplier reliability or ESG performance gaps may create operational or reputational exposure **Longer-term (>5 years)** • Financial sustainability risks: Sustained revenue volatility or compliance costs may affect financial performance over time • Cybersecurity and data protection risks: Underinvestment in cybersecurity or data protection infrastructure may erode stakeholder confidence over time	• Inculcate a strong compliance culture throughout the company and create a secure environment for digital assets, customers and stakeholders • Promote investment in sustainable products, green business segments and their infrastructure to enhance business resilience and increase competitiveness • Integrate climate-related risk management into existing risk management practices and internal control frameworks • Build an agile and resilient supply chain that is sustainable, reduces dependency on finite resources, enhances adaptability to disruptions and fosters long-term economic and environmental stability • Strengthen ethical governance practices to improve investor confidence, reduce misconduct and support long-term value creation • Enhance transparency through regular disclosures on financial, ESG and compliance matters

Our Approaches

- Uphold sound corporate governance and achieve resilient financial performance
- Implement risk management practices with Board oversight on ESG matters
- Adopt and enforce a zero-tolerance approach towards fraud, bribery and corruption
- Implement an integrity pledge and ongoing, role-specific employee training programmes to disseminate and improve understanding of the organisation's policies, business values and expectations
- Ensure fair and responsible supply chain and procurement processes, strengthening human rights due diligence across the value chain, including ethical sourcing, supplier screening and grievance mechanisms
- Commit to producing high-quality, ethical and innovative products, services and solutions at competitive prices
- Conduct periodic and refresher training on topics such as ABC, cybersecurity, data protection and responsible conduct
- Integrate data governance frameworks and invest in cybersecurity technologies to help protect sensitive information and digital operations
- Establish cross-functional compliance, monitoring and reporting structures to proactively identify risks and implement corrective actions