



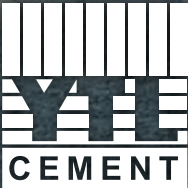
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BUILDING TOGETHER





INSIDE THIS REPORT

2	About this Report
4	Message from Group Managing Director
6	Highlights of the Year
8	About Malayan Cement Berhad
10	Business Segments

01

OUR STRATEGIC APPROACH TO SUSTAINABILITY	
14	Board Statement on Sustainability
15	Sustainability Governance
17	Stakeholder Engagement
20	Materiality Assessment
21	Our Sustainability Priorities
23	Our Operational Impact on the Global Goals

02

HELPING NATIONS BUILD GREENER	
26	Product Responsibility
29	Product Innovation
30	Customer Relationship Management

03

OPERATING SUSTAINABLY	
36	Climate Risks and Opportunities
54	Waste Management
55	Resource Recovery
57	Water Conservation
59	Biodiversity Management
61	Sustainable Supply Chain

04

OPERATING RESPONSIBLY	
64	Compliance
65	Code of Conduct and Business Ethics
66	Anti-Bribery and Anti-Corruption
68	Competition Law Compliance
69	Data Security and Privacy

05

BUILDING CAPACITY AND THE COMMUNITY	
72	Our People
76	Occupational Health and Safety
84	People Development
88	Community Investment

06

APPENDIX	
108	Association Memberships
109	FY2026 CDL Academy Seminar Series and Collaborations
110	FY2026 Sustainability Performance Table
114	GRI Content Index

About This Report

GRI 2-2

This Sustainability Report (Report) presents the environmental, social and governance (ESG) matters that are material to Malayan Cement Berhad (MCB, or the Company, and together with its subsidiaries, the Group) and our stakeholders. It explains how sustainability considerations are integrated into our strategy, governance, risk management and business operations, and reports our performance against material sustainability matters and key performance indicators. Through sustainability and climate reporting, the Group identifies opportunities to improve management, measurement and monitoring of sustainability-related risks and opportunities across the Group.



This Report should be read together with the MCB Annual Report 2026, which provides complementary information on the Group's financial performance, corporate governance, strategy and principal risks. Together, the two reports provide a holistic view of how sustainability-related risks and opportunities are integrated into the Group's long-term value creation. Both reports are available on our corporate websites at www.ytlcement.com and www.ytlcement.my.

About This Report

Reporting Scope and Period

GRI 2-2 | 2-3

Our Sustainability Report is published annually. This Report covers the sustainability performance of Malayan Cement Berhad (MCB) for the financial year from 1 July 2025 to 30 June 2026 (FY2026).

Unless otherwise stated, this Report covers the Group's operations in Malaysia and Singapore across its principal business activities:

- Cement
- Ready-mixed concrete
- Drymix mortar
- Quarry products

The reporting boundary reflects the Group's operations during the reporting period and applies to sustainability information that is material to the business. Where the reporting boundary or methodology differs for specific disclosures, this is explained in the relevant sections of this Report.

Our material sustainability matters are organised under four sustainability pillars, demonstrating how sustainability is embedded across our business and supports the Group's long-term value creation. Comparative information from previous reporting periods has been included, where available, to facilitate meaningful year-on-year assessment of performance.

Reference and Guideline

This Report has been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements, and incorporates the applicable disclosure requirements of the IFRS Sustainability Disclosure Standards, comprising IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. This Report has also been prepared with reference to Global Reporting Initiative (GRI) Universal Standard 2021 and FTSE Russell ESG Data Model (2024/2025).

Throughout this Report, the terms "**MCB**", "**the Company**", "**the Group**", "**YTL Cement**", "**we**", "**us**" and "**our**" refer to Malayan Cement Berhad and its subsidiaries unless otherwise stated.

Statement of Assurance

GRI 2-5

To enhance the reliability of the sustainability information presented, the Group Internal Audit function conducted a review of quantitative ESG data at selected plants covering all business segments as set out in this Sustainability Report. This report has not been subject to external independent assurance.

Forward-looking Statements

This Report contains forward-looking statements relating to the Group's sustainability ambitions, strategies, priorities, targets and initiatives. These statements are based on current expectations, assumptions and information available at the time of reporting and should not be regarded as guarantees of future performance or outcomes.

Actual results may differ materially due to various factors, including changes in economic conditions, market developments, regulatory requirements, technological advancements, stakeholder expectations and other risks and uncertainties that may affect the Group's operations and business environment.

Except as required by applicable laws or regulations, the Group undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

Feedback

GRI 2-3

We welcome feedback from our stakeholders as part of our commitment to continuous improvement in sustainability performance and reporting. Comments, questions or suggestions regarding this Report may be directed to communication@ytlcement.com.my

Message from Group Managing Director

Malayan Cement Berhad continues to advance sustainable construction through innovation, collaboration and continuous improvement.

Sustainability is increasingly shaping the construction industry and the way building materials are produced, selected and used. As expectations continue to evolve, we recognise that our responsibility extends beyond the products we manufacture to how we manage our environmental and social impacts, engage with stakeholders and prepare our business for the transition towards a lower-carbon and more resilient built environment.

This Sustainability Report provides an overview of MCB's sustainability performance and progress during FY2026, including our approach to managing material sustainability matters, our climate-related risks and opportunities, and the actions we are taking to support long-term value creation. This year, we have also enhanced our climate-related disclosures in line with the new reporting requirements, including disclosures aligned with the requirements of IFRS S1 and IFRS S2. Our climate-related scenario analysis and assessment of climate resilience provide greater insight into how climate-related risks and opportunities may affect our business over the short, medium and long term.



Decarbonisation remains a key priority. We continued to invest in operational improvements, alternative fuels and materials, and lower-carbon technologies to reduce our reliance on fossil fuels and improve energy efficiency. During the year, our alternative fuel substitution rate increased from 5.3% to 7.4%. At the same time, wider adoption of lower-carbon cement will be important to achieving our longer-term decarbonisation ambitions. In FY2026, we obtained Environmental Product Declarations (EPDs) for selected ECOConcrete™ and ECOcem® products, complementing the existing SIRIM Eco-Labelling Scheme, Singapore Green Label Scheme (SGLS) and Singapore Green Building Product (SGBP) certifications and providing customers with greater transparency to support lower-carbon material choices.

During the year, we also updated our 2050 Decarbonisation Roadmap to reflect a Group-wide approach covering our cement, ready-mix concrete, drymix and quarry operations. The roadmap provides a framework for prioritising near- and medium-term actions while evaluating longer-term technologies and solutions as they become technically and economically viable. This includes continued assessment of emerging technologies such as carbon capture and storage, alongside improvements in energy and production efficiency.

Circularity and resource recovery remain an important part of our approach. In FY2026, MCB recovered 1.2 million tonnes of waste and other materials through recycling, reuse, co-processing and repurposing. By putting suitable waste streams and industrial by-products to productive use, we seek to support the nation in reducing reliance on conventional waste disposal while helping the industries we serve turn waste and industrial by-products into valuable resources.

Message from Group Managing Director

Beyond our products and operations, we recognise that progress towards more sustainable construction requires collaboration, knowledge and capability building across the value chain. Through the CDL Academy, we organised 18 seminars reaching 1,317 participants during the year, in collaboration with organisations including the Institution of Engineers, Malaysia (IEM), Pertubuhan Akitek Malaysia (PAM), American Concrete Institute (ACI) Malaysia Chapter and Construction Industry Development Board (CIDB), as well as local universities. These engagements provide opportunities for industry practitioners, technical experts and academia to exchange knowledge, while connecting students and future talent with real-world industry perspectives. We also expanded our Sustainable Construction Symposium to Singapore for the first time, following three editions in Malaysia, providing a regional platform for industry leaders and professionals to share success stories and efforts to advance sustainable construction.

Our efforts to integrate sustainability into how we operate were also recognised during the year. MCB was recognised at The Edge Billion Ringgit Club Awards in the Industrial Products and Services: Highest Growth in Profit After Tax over Three Years category. The assessment considered our ESG management, including governance, identification and management of material matters and corporate social responsibility programmes, providing external recognition of our broader approach to sustainable value creation.

Looking ahead, we will continue to adapt to the changing sustainability landscape while staying focused on the fundamentals of responsible business. This means strengthening how we manage emerging risks, investing in technologies and capabilities that can improve environmental performance, and developing products and solutions that respond to evolving customer and market needs. We remain committed to working with our stakeholders to navigate the transition and create sustainable long-term value for MCB and the wider construction ecosystem.

DATO’ SRI MICHAEL YEOH SOCK SIONG
Group Managing Director

DECARBONISATION

7.4%

alternative fuel substitution rate in FY2026
Up from 5.3%

CIRCULARITY

1.2 million tonnes

by-products and waste repurposed for beneficial use

INDUSTRY CAPABILITY

1,317 participants

reached through CDL Academy seminars in FY2026

Highlights of the Year

BUILDS Recycling Campaign

The BUILDS Recycling Campaign surpassed its target by 50%, collecting more than 105,000 kg of recyclable materials against a target of 70,000 kg. It concluded with a three-day Recycling Open Day that engaged employees, families and local communities in recycling and circularity activities and collected a further 3,000 kg of recyclables.



01

MCB Obtains Environmental Product Declarations for Selected ECO Products

In FY2026, MCB obtained Environmental Product Declarations (EPDs) for selected ECOConcrete™ and ECOcem® products, marking a new milestone in our ECO products journey. The EPDs provide independently verified environmental information to support customers pursuing green building certifications and sustainable construction requirements, complementing the existing SIRIM Eco- Labelling Scheme, Singapore Green Label Scheme (SGLS) and Singapore Green Building Product (SGBP) certifications of the Group's ECO products.



03

Taking Sustainable Construction Dialogue Beyond Malaysia

MCB expanded its Sustainable Construction Symposium to Singapore for the first time. The inaugural Singapore symposium, held in collaboration with The Edge Singapore, brought together industry leaders and professionals to discuss sustainable building materials, building performance and practical approaches to advancing the green transition. As the event partner, MCB shared its technical and sustainability expertise while engaging regulators, customers and other industry stakeholders, strengthening industry dialogue and understanding of evolving market needs.



05

September 2025

October 2025

November 2025

April 2026

June 2026

02

The Edge Billion Ringgit Club Awards

MCB was recognised at The Edge Billion Ringgit Club Awards in the Industrial Products and Services: Highest Growth in Profit After Tax over Three Years category. The assessment also considered MCB's ESG management, including governance, identification and management of material matters, and corporate social responsibility programmes, reflecting the Group's continued focus on creating long-term value.



04

RM1 Million Raised for Turtle Conservation

MCB brought together 51 Malaysian artists and public figures through its Penyu Shell-Ter Project. The initiative featured 70 turtle sculptures handcrafted using MCB's ECOcem® cement, which were transformed into one-of-a-kind artworks by participating artists. A charity auction in November 2025 raised RM1 million, with 100% of the proceeds donated to the Turtle Conservation Society of Malaysia and PULIHARA to support turtle conservation, habitat protection, research, education and community programmes. In addition, RM255,000 was contributed by MCB to NGOs and social enterprises selected by participating artists.



06

Advancing Circularity at Scale

MCB recovered 1.2 million tonnes of waste and other materials in FY2026, putting materials that might otherwise require disposal to productive use through recycling, reuse, co-processing and repurposing. The achievement reflects our continued efforts to support the nation in reducing reliance on conventional waste disposal while helping the industries we serve turn waste and industrial by-products into valuable resources.

07

Building Industry Capability Through Knowledge Sharing

Through the CDL Academy, MCB continued to support knowledge sharing and industry upskilling, organising 18 seminars for 1,317 participants in FY2026. The programmes were delivered in collaboration with professional and industry organisations including the Construction Industry Development Board (CIDB), the Institution of Engineers, Malaysia (IEM), Pertubuhan Akitek Malaysia (PAM), American Concrete Institute (ACI) Malaysia Chapter, as well as local universities. Since its inception, the CDL Academy has supported 126 sessions, reaching more than 12,023 industry professionals and students.



Highlights of the Year

About Malayan Cement Berhad (MCB)

GRI 2-1 | 2-6

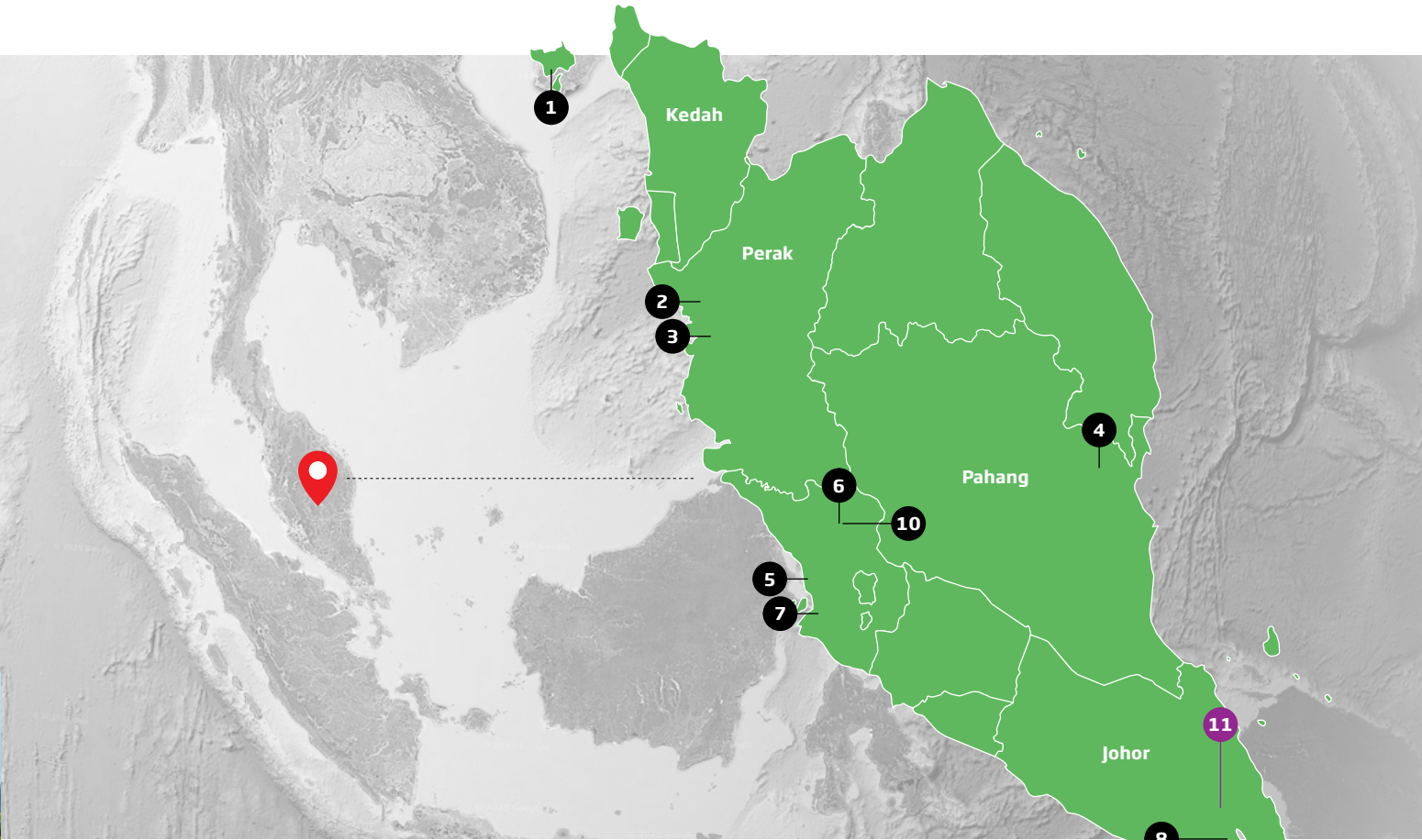
Malayan Cement Berhad (“MCB”) is Malaysia’s leading cement and building materials group with operations in Malaysia and Singapore. As the country’s largest cement and ready-mixed concrete producer, the Group operates one of the nation’s most extensive integrated building materials networks, serving the full construction value chain. Listed on Bursa Malaysia Securities Berhad since 17 March 1961, MCB is publicly traded under the Building Materials sub-sector of the Industrial Products & Services sector.

Through its subsidiaries, the Group manufactures, distributes and supplies cement, ready-mixed concrete, drymix mortars, quarry products and other building materials for residential, commercial and infrastructure projects. MCB has played a central role in the development of Malaysia’s built environment and is a trusted partner for technically demanding and large-scale construction projects.

The Group has a proven track record of supporting complex construction projects, backed by a fleet of more than 1,500 trucks serving customers across Peninsular Malaysia. Its capabilities are enhanced by the Construction Development Laboratory (CDL), a dedicated research, development and technical services centre that develops customised cement and concrete solutions to meet evolving industry needs.



Business Sites



Cement Plants

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

Grinding Stations

- 5 West Port
- 8 Pasir Gudang

Drymix Plants

- 8 Pasir Gudang
- 10 Rawang

Cement Terminal and Depots

- 7 Port Klang
- 8 Pasir Gudang
- 9 Singapore

Aggregate Quarry

- 11 Kota Tinggi

Concrete

Batching plants in multiple locations nationwide

Headquartered in Kuala Lumpur, MCB operates an extensive network of integrated cement plants, grinding stations, cement terminals, cement depots, ready-mixed concrete batching plants, drymix plants and quarry operations across Malaysia. In Singapore, the Group operates a cement terminal that supports the distribution and supply of cement to customers in the local market.

This integrated operational footprint enables MCB to deliver reliable building materials solutions, technical expertise and responsive customer service across both Malaysia and Singapore.

Business Segments



Cement



Concrete



Quarry Products (Aggregates)



Drymix Mortars



Circular Economy Solutions

Integrated Solutions to Help You Build Better

MCB is Malaysia’s leading homegrown cement company, supplying high-quality cement products to domestic and international markets. Our comprehensive product portfolio serves a wide range of construction applications, including high-rise developments, tunnels, precast elements, marine structures and other complex infrastructure projects.

As part of our commitment to advancing sustainable construction, we have developed the ECO Cem® range of low-carbon cement products. ECO Cem® products contain up to 45% recycled materials, promoting resource efficiency and circularity in construction. Depending on the product, ECO Cem® can achieve up to 50% lower embodied carbon than conventional cement while delivering the performance required for modern construction.

The range is certified by recognised environmental schemes, including the SIRIM Eco-Label, Singapore Green Label and Singapore Green Building Product, demonstrating its environmental credentials and supporting customers’ sustainable building objectives.

MCB is the largest supplier of ready-mixed concrete in Malaysia, operating an extensive network of batching plants across Peninsular Malaysia. Backed by the Construction Development Laboratory (CDL), we develop application-specific concrete solutions that combine technical performance, constructability and sustainability.

Our ECOConcrete™ range comprises customised low-carbon concrete mix designs engineered to meet the requirements of diverse construction applications, from high-rise buildings and infrastructure to architectural finishes. Designed to deliver superior strength, durability, workability and long-term performance, ECOConcrete™ also achieves 20-60% lower embodied carbon than conventional concrete, enabling customers to reduce the environmental footprint of their projects without compromising quality or performance.

MCB, together with the quarry operations under the YTL Cement Group, is the largest producer of construction aggregates in Malaysia. Our integrated network of quarries supports the nation's infrastructure and building needs by supplying high-quality aggregates that form the foundation of durable and resilient construction.

Our flagship product, ECOSand™, is engineered as a high-performance alternative to natural sand. With superior particle shape and consistent size distribution, ECOSand™ ensures uniformity and efficiency across a wide range of construction applications. It is carefully processed to be free from organic impurities, meeting stringent quality standards.

Recognised in both Malaysia and Singapore as an environmentally responsible substitute for natural sand, ECOSand™ reflects our commitment to reducing reliance on natural resources and promoting more sustainable material choices in the construction industry.

MCB’s Drymix business is led by QuickMix Solutions, a trusted name in the industry with over two decades of expertise. QuickMix® has grown into a comprehensive solutions provider, offering a diverse portfolio of more than 25 specialised drymix mortar products designed to meet the evolving needs of our customers. These products support superior wall and floor finishes while complying with recognised quality standards such as BQUAS and QCLASSIC.

Our product development is guided by a commitment to performance, durability, and indoor wellness. In 2023, we introduced ECODrymix™, our eco-friendly range of drymix mortars. ECODrymix™ products are certified under the SIRIM Eco-label and formulated to emit low levels of Volatile Organic Compounds (VOCs), supporting healthier indoor air quality and contributing to sustainable and efficient construction across Malaysia.

Through Geo Alam Environmental Sdn. Bhd., MCB provides integrated environmental solutions that help industries transition from a traditional linear economy to a more circular and resource-efficient model. With over 20 years of experience in commercial and industrial waste management, Geo Alam delivers end-to-end services, including waste characterisation, technical consultancy, collection, treatment and co-processing solutions.

Working closely with customers, Geo Alam identifies suitable waste streams for recovery and beneficial use as alternative fuels and alternative raw materials in cement manufacturing. This approach diverts waste from landfill, reduces reliance on virgin resources and fossil fuels, and supports lower-carbon cement production while enabling customers to achieve their sustainability objectives.



For more information on our Products & Solutions, please scan this QR code.

SECTION 1

Our Strategic Approach to Sustainability

14	Board Statement on Sustainability	20	Materiality Assessment
15	Sustainability Governance	21	Our Sustainability Priorities
17	Stakeholder Engagement	23	Our Operational Impact on the Global Goals



Turtles painted by
Maamor Jantan



Our Strategic Approach to Sustainability

MCB is committed to integrating sustainability into its strategy, governance, risk management and day-to-day operations. We recognise that long-term business resilience and value creation depend on effectively managing sustainability-related risks and opportunities while delivering positive outcomes for our stakeholders.

Sustainability is supported by a robust governance framework that provides clear oversight, accountability and cross-functional collaboration across the Group.

BOARD STATEMENT ON SUSTAINABILITY
GRI 2-22

The Board of Directors recognises that sustainability is fundamental to MCB’s long-term resilience, competitiveness and value creation. The Board is committed to ensuring sustainability-related risks and opportunities are appropriately considered in the Group’s strategy, governance, risk management and capital allocation decisions.

The Board provides oversight of the Group’s sustainability strategy and performance, including climate-related matters, and reviews progress against the Group’s sustainability priorities, targets and key initiatives. It also oversees the management of material sustainability-related risks, including climate change, health and safety, human rights, business ethics and anti-corruption, as part of the Group’s enterprise risk management framework.

During FY2026, the Board reviewed the Group’s material sustainability matters, monitored progress against key sustainability initiatives and approved this Sustainability Report, including disclosures prepared in accordance with the applicable requirements of IFRS S1 and IFRS S2.

The Board remains committed to strengthening MCB’s sustainability performance and governance while supporting long-term value creation for shareholders and other stakeholders.

Sustainability Governance

GRI 2-9 | 2-11 | 2-12 | 2-13 | 2-14

Board of Directors

The Board of Directors maintains oversight of the Group’s sustainability strategy, governance, performance, and the management of sustainability-related and climate-related risks and opportunities. The Board remains ultimately responsible for ensuring these considerations are integrated into the Group’s strategy, enterprise risk management and key business decisions. It approves the Group’s sustainability strategy, reviews material sustainability-related and climate-related risks and opportunities, monitors progress against sustainability objectives and targets, and oversees the integrity of the Group’s sustainability-related and climate-related disclosures, including the processes and controls supporting the reporting of material sustainability information.

The Board’s sustainability oversight responsibilities are supported by the Board Charter, which establishes the Board’s responsibilities for long-term value creation, strategic oversight, enterprise risk management, internal controls, governance, and the integrity of financial and non-financial reporting. The Board considers sustainability-related and climate-related matters when reviewing the Group’s strategy, major investments, capital allocation and enterprise risk management, where relevant.

The Board is assisted by the Sustainability Committee, chaired by the Group Managing Director and comprising senior leaders from key business and functional areas. The Sustainability Committee reports to the Board at least annually, and more frequently where significant sustainability matters arise. Updates are presented by the Group Managing Director and the Director of Sustainability and include material sustainability-related and climate-related risks and opportunities, progress against sustainability objectives, regulatory developments, stakeholder expectations and other significant ESG matters. During the reporting period, the Audit and Risk Management Committee undertook an in-depth review of climate-related risks and opportunities, and reporting requirements as part of the Board’s oversight of climate-related matters.

During the year, Directors also participated in sustainability-related training and briefings to strengthen their oversight of ESG and climate-related matters.

MCB has established a sustainability governance framework that provides clear accountability across all levels of the organisation for the oversight, management and implementation of sustainability-related and climate-related matters. The framework supports the effective identification, assessment and management of material sustainability-related and climate-related risks and opportunities, while embedding sustainability considerations into the Group’s strategy, enterprise risk management processes, financial planning, capital allocation and business operations.

MCB Sustainability Governance Structure



Sustainability Governance

Sustainability Committee

Chaired by the Group Managing Director and assisted by the Director of Sustainability, the Sustainability Committee is responsible for implementing the Board-approved sustainability strategy and overseeing its execution across the Group. Comprising senior leaders from key business and functional areas, the Committee oversees the identification, assessment and management of sustainability-related and climate-related risks and opportunities, supports the integration of sustainability considerations into business operations, and monitors progress against sustainability objectives, targets and key performance indicators.

The Committee monitors emerging sustainability-related and climate-related developments, including regulatory changes, reporting standards and market trends, and considers their implications for the Group's sustainability strategy, programmes and initiatives, as well as its financial planning and decision-making. The Director of Sustainability establishes the Group's sustainability reporting framework and coordinates the preparation of the Group's Sustainability Report and other sustainability-related disclosures, working closely with business units and corporate functions to ensure accurate and timely reporting.

Management and Business Units

Management teams across the Group's business units and functions are responsible for implementing sustainability initiatives within their respective operations and integrating sustainability considerations into operational planning, investment decisions and day-to-day business activities. They identify and manage material sustainability-related and climate-related risks and opportunities, monitor operational performance, maintain robust data collection and reporting processes, and ensure compliance with applicable legal, regulatory and internal requirements.

Working closely with the Sustainability Committee, Management and Business Units report performance, material risks and opportunities to support effective oversight and informed decision-making. The Group's operations also engage suppliers to promote responsible business practices across its value chain, supporting its broader sustainability objectives.

Performance and Accountability

The Group's remuneration framework for executive and senior management aligns remuneration with the achievement of strategic and operational objectives that support the long-term sustainability of the business. The Group Managing Director, as the Group's Chief Executive, and relevant senior executives are assessed against climate-related performance measures, with the specific measures and weighting varying according to their roles and responsibilities.

For executives with direct operational accountability, these may include objectives relating to operational efficiency, energy and resource optimisation, environmental performance, and the development and delivery of lower-carbon products and solutions. For executives in corporate and functional roles, climate-related considerations are reflected through objectives that support the implementation of the Group's sustainability strategy, governance, risk management and business transformation initiatives.

Climate-related performance measures are considered in determining performance outcomes and related remuneration. As climate-related considerations are embedded within role-specific objectives, the proportion of executive remuneration attributable to climate-related considerations differs according to the nature of each executive's responsibilities.

Stakeholder Engagement

GRI 2-29

MCB recognises that effective stakeholder engagement is essential to understanding the actual and potential impacts of our activities and to delivering long-term value. We are committed to maintaining ongoing, two-way communication with our key stakeholder groups to ensure their views, expectations, and concerns are reflected in our sustainability strategy, business decisions, and reporting.

MCB identifies stakeholders based on their influence on, and interest in, our operations, as well as the potential impact of our activities on them. We engage regularly with both internal and external stakeholders across all business segments, using a variety of formal and informal channels tailored to each group. These engagements help us stay attuned to evolving stakeholder needs and identify material sustainability topics that inform our priorities and initiatives.

Through this structured engagement process, we continuously gather insights, assess expectations, and respond with appropriate actions to enhance our sustainability performance. Feedback from stakeholders is also a key input into our annual materiality assessment.

The table below outlines our key stakeholder groups, our engagement methods, and the topics of interests.

Engagement methods		Their topic of interests	Our responses
1	EMPLOYEES With more than 2,000 employees across our operations, our workforce plays a critical role in driving operational performance, innovation and sustainability outcomes.		
	Internal communication channels <ul style="list-style-type: none">Weekly Bulletin and BlueprintToolbox talks throughout the yearWeekly operation meetingAnnual ESG plan roll-out and periodic communication Activities <ul style="list-style-type: none">Brown Bag LuncheonVolunteering and CSR programmesTraining and conferences Public channels <ul style="list-style-type: none">Corporate websiteSocial media (LinkedIn, Instagram and Facebook)	<ul style="list-style-type: none">Group strategic plan and performanceGroup sustainability priorities and action planWorkplace safety and employee well-beingEmployee development and talent retention programme	<ul style="list-style-type: none">We regularly share updates on company strategic focus and initiatives via digital channels and physical meetingsWe will continue to make progress in ESG via investment in our operations and our people, R&D and collaborationsWe foster a strong safety culture through leadership, training and robust management systemsWe invest in learning, development and talent retention to build organisational capabilityWe have and will continue to enhance our talent management and retention programme

Stakeholder Engagement

Engagement methods	Their topic of interests	Our responses
<div>2CUSTOMERS</div> <div>Understanding customer needs enables us to deliver high-quality products and solutions while strengthening long-term relationships.</div>		
<div>Regular engagement with customers</div> <ul style="list-style-type: none">Sales visits and meetings throughout the yearProduct roadshowsConferences and trade exhibitionsCDL Academy Seminar Series throughout the year <div>Public channels</div> <ul style="list-style-type: none">Corporate websiteSocial media	<ul style="list-style-type: none">Product and service quality and complianceProduct innovationCustomer relationship managementESG initiatives	<ul style="list-style-type: none">We have embedded these into our business strategies and operational plans, elaborated under the following Sustainability Pillars:<ul style="list-style-type: none">Helping Nations Build GreenerOperating SustainablyOperating ResponsiblyBuilding Capacity and the Community
<div>3INVESTORS</div> <div>Investors support the Group's long-term growth and expect transparency, strong governance and sustainable performance.</div>		
<ul style="list-style-type: none">Annual General MeetingQuarterly and annual reportsCorporate websiteSocial mediaCompany events and seminarsDirect engagement	<ul style="list-style-type: none">Financial performance and growth strategyMarket trends and business resilienceKey sustainability issues, strategy and performance	<ul style="list-style-type: none">Provide transparent and timely disclosures on the Group's financial performance, strategic priorities and business outlookStrengthen long-term business resilience by integrating sustainability-related and climate-related considerations into strategy, enterprise risk management and investment decisions
<div>4GOVERNMENT, LOCAL AUTHORITIES & REGULATORS</div> <div>Regulatory bodies set standards and shape the operating environment in which we operate.</div>		
<ul style="list-style-type: none">Site inspectionsIndustry dialogues and consultationsCorporate websiteSocial mediaCorporate events and seminarsDirect engagement	<ul style="list-style-type: none">Regulatory complianceEnvironmental impact and operational practicesIndustry participation and investment to meet changing regulatory requirements	<ul style="list-style-type: none">We comply with applicable laws, regulations and license requirementsWe actively participate in regulatory consultations and industry initiativesWe strengthen governance, operational practices and workforce capabilities to meet evolving regulatory expectations
<div>5SUPPLIERS</div> <div>Suppliers are important partners in helping us operate responsibly and sustainably. Through collaboration, we promote responsible business practices, strengthen supply chain resilience and support the achievement of our sustainability objectives.</div>		
<ul style="list-style-type: none">Engagement through meetings, emails, phone calls and periodic site visitsCorporate events and seminarsCorporate websiteSocial media	<ul style="list-style-type: none">Sustainability expectations and requirementsHealth and safety practicesLabour standards and practices	<ul style="list-style-type: none">We communicate our expectations on responsible business practices and sustainability performanceWe promote safe working conditions and ethical labour practices across our supply chain

Stakeholder Engagement

Engagement methods	Their topic of interests	Our responses
<div>6COMMUNITIES, NGOs</div> <div>Our operations have direct and indirect impacts on local communities. Engaging with them helps us build trust and create lasting value for the communities where we operate.</div>		
<ul style="list-style-type: none">Periodic visits and meetingsCSR initiatives and volunteer activitiesCorporate websiteSocial media	<ul style="list-style-type: none">Operation compliance with regulationsCommunity investmentEmployment opportunities	<ul style="list-style-type: none">We invest in community development through BUILDS and local initiativesWe collaborate with community partners on education, environmental and social programmesWe support local employment through recruitment and internshipsWe seek to minimise the impacts of our operations while creating positive social value

Industry Engagement and Public Policy

MCB participates in industry and professional organisations that support sustainable construction and the transition towards a lower-carbon economy. The Group is a member of the Cement & Concrete Association of Malaysia (C&CA) and the Malaysia Green Building Council (MalaysiaGBC). Through these memberships, MCB engages with industry stakeholders on sustainability, environmental performance, sustainable construction and lower-carbon building solutions.

Through C&CA, MCB also engages with policymakers and industry stakeholders on the development of climate-related policies and enabling frameworks. This includes contributing industry perspectives to discussions on Malaysia's carbon policy and carbon management framework, as well as initiatives relating to carbon capture, transportation and geological storage involving relevant government agencies, including the Ministry of Natural Resources and Environmental Sustainability (NRES), Ministry of Investment, Trade and Industry (MITI) and Ministry of Economy (KE).

Through C&CA, MCB also contributes industry perspectives to the Malaysia National Standards Technical Committee NSC26/TC14 for Carbon Capture, Transportation and Geological Storage, supporting the development of national standards for emerging decarbonisation technologies.

MCB supports constructive climate-related policies that facilitate a practical and economically viable transition to a lower-carbon economy, recognising the importance of clear regulatory frameworks and supporting infrastructure to enable industry decarbonisation.

MCB seeks to ensure that its climate-related policies and positions are consistent with the positions and public advocacy of the industry associations in which it participates. The Group periodically reviews its key memberships and engages with relevant associations on climate-related matters. Where material differences arise between MCB's position and that of an industry association on climate-related matters, the Group will engage with the relevant association and consider appropriate responses.

Materiality Assessment

GRI 3-1 | 3-2 | 3-3

MCB conducts an annual materiality assessment to identify and prioritise sustainability-related risks and opportunities that are most relevant to the Group's long-term success. The assessment considers matters that could reasonably be expected to affect the Group's prospects, including its cash flows, access to finance and cost of capital over the short, medium and long term.

Stakeholder perspectives are also considered to ensure that the assessment reflects the expectations of our key stakeholder groups and supports informed decision-making. The outcomes of the assessment guide the Group's sustainability strategy, governance, risk management and reporting priorities.

In FY2026, we reviewed and updated our list of potential sustainability-related topics in response to changes in the Group's operating environment, stakeholder expectations, emerging sustainability issues and evolving reporting requirements. The assessment considered applicable reporting frameworks and standards, including GRI and IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), together with insights from the Sustainability Committee, business functions and internal and external stakeholders.

To assess the relative significance of each topic, we conducted a materiality survey covering 30 sustainability-related topics. Participants rated each topic using a five-point scale. The survey received 113 responses, with the results evaluated alongside management's assessment of each topic's potential impact on the Group's strategy, business model, financial performance, financial position and long-term resilience.

The results of the materiality assessment are presented within MCB's four Sustainability Pillars. In addition to material topics, the assessment identified several sustainability matters of emerging importance. While these matters are not currently considered material, MCB continues to monitor their potential implications through its sustainability and risk management processes to assess whether their significance may increase over time.

	HELPING NATIONS BUILD GREENER
Material Topics: <ul style="list-style-type: none">Product responsibilityProduct innovationCustomer relationship management	
	OPERATING SUSTAINABLY
Material Topics: <ul style="list-style-type: none">Scope 1 GHG emissionsScope 2 GHG emissionsClimate-related risks managementWaste managementUse of recycled materialsWater conservation Matters of Emerging Importance: <ul style="list-style-type: none">Suppliers' environmental managementScope 3 GHG emissionsBiodiversity management	
	OPERATING RESPONSIBLY
Material Topics: <ul style="list-style-type: none">ComplianceAnti-bribery and anti-corruptionCompetition LawData privacy and information security Matters of Emerging Importance: <ul style="list-style-type: none">Supplier's social practices	
	BUILDING CAPACITY & THE COMMUNITY
Material Topics: <ul style="list-style-type: none">Human rights at workOccupational health & safetyTalent attraction and retentionHuman resources developmentCommunity investment	

Climate-related risks and opportunities are assessed in greater detail in accordance with IFRS S2 through the Group's climate-related governance, risk assessment processes and climate scenario analysis. The outcomes of these assessments support the Group's climate strategy, transition planning and resilience planning.

The materiality assessment and its results were reviewed by the Sustainability Committee before being presented to the Board of Directors for review and approval. While there were minor changes in the relative importance of certain topics compared with the previous assessment, the Group's principal material sustainability-related risks and opportunities remained broadly consistent, reflecting the continued relevance of these matters to MCB's strategy, risk profile and long-term value creation.

Our Sustainability Priorities

Management and monitoring of material sustainability matters

The identified materials matters are organised into four Sustainability Pillars to guide the Group's priorities, management approach and disclosures.

The table below summarises the material matters under each Sustainability Pillar, their potential impacts on the economy, environment and people, and MCB's approach to managing and monitoring them. Further information on our performance, initiatives and targets is provided in the relevant sections of this report.

	HELPING NATIONS BUILD GREENER
Material Matters and Potential Impacts on the Economy, Environment and People	
<ul style="list-style-type: none">Product responsibility Delivering products that meet safety standards and technical specifications helps protect the wellbeing of customers, contractors, and end users in the built environment.Product innovation Innovative solutions enable the construction of safe, more sustainable buildings and infrastructure, ultimately improving quality of life for communities, while failure to respond to evolving market needs may affect competitiveness and growth.Customer relationship management Strong customer relationships support trust and long-term business relationships, while failure to meet customer expectations may affect reputation and business performance.	
Our Approach	
We focus on product quality and responsibility, innovation and strong customer relationships to meet evolving market needs and support sustainable growth.	
Our efforts are described in detail in the chapter - Helping Nations Build Greener.	

	OPERATING SUSTAINABLY
Material Matters and Potential Impacts on the Economy, Environment and People	
<ul style="list-style-type: none">Scope 1 and 2 GHG emissions from our operations and purchased electricity may increase exposure to regulatory, market and transition risks, with potential implications for operating costs and long-term competitiveness.Climate-related risks and opportunities. Climate change may affect our operations, assets, supply chains and markets through physical and transition risks, with potential implications for business performance and resilience.The use of recycled and alternative materials can reduce reliance on virgin resources, conserve natural resources and support more circular production practices.Inadequate waste management may result in environmental impacts and resource inefficiencies, while recovery and reuse can reduce waste and support a more circular economy.Water conservation. Our operations require water resources, making efficient and responsible water use important to resource conservation and operational resilience.	
Our Approach	
We manage our environmental impacts and sustainability-related risks and opportunities through measures to reduce GHG emissions, improve energy efficiency, manage water and waste responsibly, promote circularity, and minimise environmental impacts from our operations. Climate-related risks and opportunities are considered in our strategy, risk management and business planning.	
Our efforts are described in detail in the chapter - Operating Sustainably.	

Our Sustainability Priorities

OPERATING RESPONSIBLY

Material Matters and Potential Impacts on the Economy, Environment and People

- **Compliance.** Effective compliance supports responsible business conduct and helps protect MCB from legal, regulatory, financial and reputational risks.
- **Anti-bribery and anti-corruption.** Bribery and corruption can undermine fair business practices, erode stakeholder trust and result in legal, financial and reputational consequences.
- **Competition Law.** Anti-competitive practices can distort markets, disadvantage customers and business partners, and expose the Group to significant legal, financial and reputational risks.
- **Data privacy and information security.** Inadequate protection of personal and business information may affect individuals and business partners and expose MCB to operational, regulatory, financial and reputational risks.

Our Approach

We promote responsible business conduct through our governance framework, policies, controls, training and compliance processes, with a focus on ethical conduct, fair competition and the protection of information.

Our efforts are described in detail in the chapter - Operating Responsibly.

BUILDING CAPACITY & THE COMMUNITY

Material Matters and Potential Impacts on the Economy, Environment and People

- **Human rights at work.** Respect for human rights and fair employment practices help foster a positive working environment, support employee retention and strengthen organisational capability, while human rights violations may adversely affect employees and expose the Group to legal, operational and reputational risks.
- **Occupational health & safety.** Safe working conditions protect employees, contractors and others who may be affected by our operations. Poor health and safety performance can result in harm to people and operational, legal and reputational consequences.
- **Talent attraction and retention.** Attracting and retaining capable employees is important to operational continuity, productivity and long-term business performance. Challenges in securing and retaining talent may affect organisational capability and growth.
- **Human resources development.** Developing employee capabilities supports individual career development, organisational effectiveness and the Group's ability to respond to evolving business and industry needs.
- **Community investment** can contribute to social and economic development and strengthen relationships with communities where we operate.

Our Approach

We seek to provide a safe, inclusive and supportive workplace, develop our people and contribute positively to the communities in which we operate.

Our efforts are described in detail in the chapter - Building Capacity and the Community.

Our Operational Impact on the Global Goals

We align our sustainability strategy and initiatives with the United Nations Sustainable Development Goals (UNSDGs).

HOW WE CONTRIBUTE TOWARDS UNSDGs	
	We promote a safe and healthy workplace through occupational health and safety policies, risk management and initiatives aimed at preventing workplace incidents and supporting employee wellbeing.
	We provide learning and development opportunities to strengthen employee capabilities and support continuous professional development. We also collaborate with industry practitioners, institutions and other partners to share knowledge and support learning initiatives.
	We promote an inclusive workplace and fair employment practices, with policies that prohibit discrimination and support equal opportunities for employees.
	We pursue energy efficiency and the use of renewable energy to improve energy performance and reduce reliance on higher-carbon energy sources.
	We promote safe and fair working conditions, employee development and responsible employment practices. Our operations and investments also support economic activity and employment across the communities in which we operate.
	We invest in technology, our people and research and development to improve operation performance and advance product innovation. We actively form collaborations to advance sustainable construction.
	We promote equal opportunities and a workplace free from discrimination and bias, supporting an inclusive working environment for our employees.
	Through the development of construction materials and lower-carbon solutions, we support the transition towards more sustainable and resilient buildings and infrastructure. We also support community initiatives that contribute to local development and wellbeing.
	We improve resource efficiency, promote the use of recycled and alternative materials, and manage waste through recovery, reuse and responsible disposal. These efforts support more circular approaches to production and resource use.
	We manage and reduce GHG emissions from our operations through energy efficiency, alternative fuels, operational improvements, new production technologies and the development and promotion of lower-carbon products. We also assess climate-related risks and opportunities and consider their implications for the Group's strategy and resilience.
	We promote responsible and ethical business conduct through our governance framework, compliance processes and anti-bribery and anti-corruption measures.
	We collaborate with industry practitioners, research institutions, business partners and other stakeholders to share knowledge, develop solutions and support sustainability-related initiatives.

SECTION 2

Helping Nations Builds Greener



- 26 Product Responsibility
- 29 Product Innovation
- 30 Customer Relationship Management

Turtles painted by
Fadzril Fakaruddin, Ajis Mohammad,
Khoon Hooi, Tengku Marina,
Hidayat Arshad and Chok Yue Zan

Product Responsibility

As a leading building materials producer, MCB plays an important role in supporting the transition towards more sustainable and resilient built environments. Our products are used across a wide range of infrastructure and construction projects, giving us an opportunity to contribute to lower-carbon construction while continuing to meet the quality, performance and safety requirements of our customers.

We focus on developing products and solutions that respond to evolving customer needs, environmental considerations and industry expectations. This includes improving the environmental performance of our products, increasing transparency on product impacts, investing in innovation and working with customers, industry partners and professional bodies to advance more sustainable construction practices.

Through these efforts, we seek to create value not only through the products we manufacture, but also by enabling our customers and the wider construction industry to make more sustainable choices. These efforts position MCB to respond to evolving market expectations and capture opportunities arising from the construction industry's transition towards lower-carbon and more sustainable building solutions.

PRODUCT RESPONSIBILITY

Our quality assurance systems and product certifications provide a strong foundation for maintaining consistent product performance and safety. At the same time, we continue to enhance the environmental attributes and transparency of our products to support the evolving needs of the construction industry.

Our achievements	FY2024	FY2025	FY2026
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 laboratories in cement plants.	100% of laboratories in cement plants.	100% of laboratories in cement plants.
Number of product safety incidents	0	0	0

Our responsibility extends beyond manufacturing high-quality building materials. Our Responsible Selling Policy sets out our commitment to understanding and respecting customer needs and expectations, while promoting ethical, transparent and responsible business practices.

Product Responsibility



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.

Product Responsibility

Making Product Impacts More Transparent through Environmental Product Declarations

As demand for lower-carbon construction grows, access to credible and comparable environmental information is increasingly important for building owners, designers, contractors and other industry stakeholders.

In FY2026, MCB continued to strengthen product-level environmental transparency through Environmental Product Declarations (EPDs) for selected ECOConcrete™ and ECOcem® products.

EPDs provide independently verified information on the environmental impacts of a product based on a life cycle assessment. Developed in accordance with recognised standards, including ISO 14025 and the relevant product category rules, EPDs enable customers and other stakeholders to better understand the environmental profile of construction products and incorporate this information into project-level decision-making.

For MCB, obtaining the EPDs represents an important step in strengthening the quality and transparency of our product environmental data. It also supports our customers as they respond to growing expectations for lower embodied carbon and more sustainable construction.

EPDs complement our broader approach to product innovation by:

- providing transparent, independently verified environmental information
- supporting customers in assessing and comparing environmental impacts of building materials
- strengthening the data available for whole-building and life cycle assessments
- enabling more informed decisions as the construction industry transitions towards lower-carbon materials and practices

Through greater product-level transparency, we aim to help our customers make informed choices while continuing to improve the environmental performance of our products.

Recognising Environmental Performance through Independent Product Certification

As demand for more sustainable building materials continues to grow, credible environmental certification can help customers and industry stakeholders identify products with demonstrated environmental attributes.

MCB has pursued environmental certifications for a range of its ECOcem® cement, ECODrymix™ and ECOConcrete™ products under recognised schemes in Malaysia and Singapore, including the SIRIM Eco-Labelling Scheme, Singapore Green Label Scheme (SGLS) and Singapore Green Building Product (SGBP) certification. These certifications provide independent assessment of selected environmental attributes and support greater transparency in the environmental performance of our products.

The SIRIM Eco-Labelling Scheme and Singapore Green Label are ISO 14024 Type I ecolabel, awarded based on defined environmental criteria and independent assessment. The SGBP certification scheme evaluates the sustainability performance of building products based on scientific and engineering principles and requires products to undergo independent testing and assessment.

Life cycle assessment (LCA) forms an important part of our environmental product assessment and Environmental Product Declaration (EPD) initiatives. We use LCA to evaluate the environmental impacts of selected products across their life cycle and to support product development, formulation and material selection decisions. LCA findings help us identify opportunities to improve environmental performance and support the development of products with lower environmental impacts.

For MCB, these certifications complement our product innovation and EPD initiatives by providing additional assurance of the environmental attributes of selected products. They also support customers, developers, architects and other industry stakeholders in making more informed procurement and material selection decisions, including where sustainability performance forms part of project requirements.

These certifications strengthen the transparency and credibility of our environmental product claims while supporting our broader efforts to develop solutions that respond to the construction industry's transition towards lower-carbon and more sustainable building practices.

Product Innovation

Innovation is central to our approach to sustainable growth and value creation. We invest in new technologies, materials and processes to improve product performance, durability and resource efficiency while reducing the environmental impacts associated with construction.

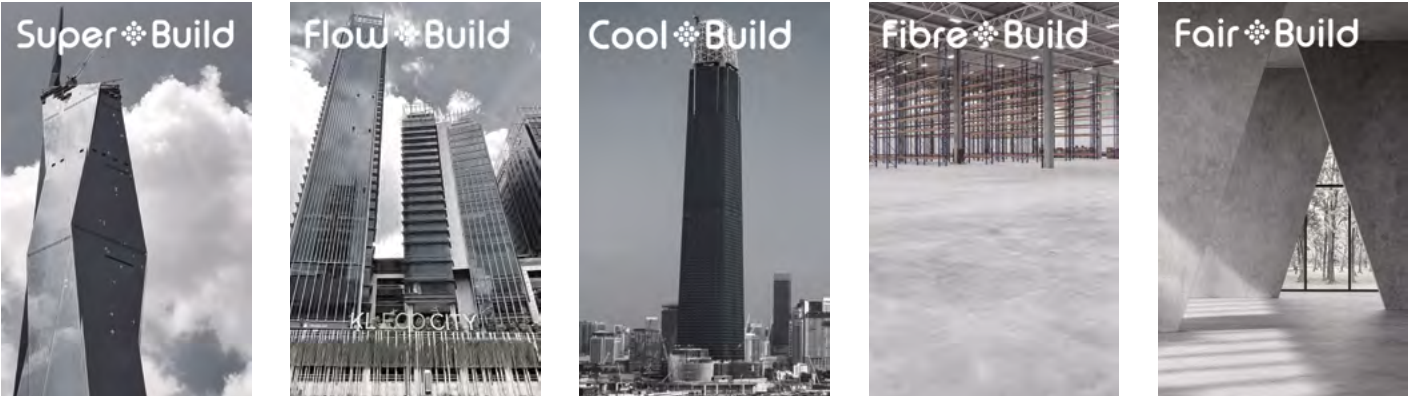
Our research and development activities, supported by collaboration with industry partners and customers, enable us to develop solutions that respond to emerging construction requirements and sustainability challenges. This includes products with lower embodied carbon and solutions that incorporate recycled or alternative materials, helping customers consider environmental performance alongside technical and functional requirements.

Our ECO range provides customers with solutions for different construction applications, including lower-carbon cement and concrete, engineered sand, and solutions for walls and floors. Within the ECOConcrete™ range, application-specific concrete mix designs developed by the Group address diverse construction performance and sustainability requirements. During the year under review, we also introduced seven new products under the ECODrymix™ range, expanding our sustainable solutions portfolio to include technical mortar solutions for a wider range of construction applications.

New Quickmix Products



ECOConcrete™ Range



SuperBuild Specialised Concrete for Super High Load-Bearing Structures	FlowBuild Highly Workable Concrete without Sacrificing Strength	CoolBuild Specialised Concrete for Mass Concreting	FibreBuild Specialised Fiber Reinforced Concrete	FairBuild Fair-Faced Concrete
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Customer Relationship Management

Our customers are central to how we create long-term value. We engage with customers and industry stakeholders through regular interactions, technical discussions, knowledge-sharing initiatives and industry platforms. These engagements provide MCB with valuable insights into evolving customer expectations, market trends and emerging construction practices. This helps us anticipate changing needs, strengthen our relationships with customers and industry stakeholders and inform the development of products and solutions that remain relevant to the market.

Building Higher, Building Smarter: Advancing Innovation and Sustainability in Tall Building Construction

Recognising the importance of collaboration and knowledge sharing in advancing sustainable construction, MCB collaborated with the Institution of Engineers Malaysia (IEM) to organise the seminar “Building Higher, Building Smarter: Advancing Innovation and Sustainability in Tall Building Construction” in May 2026.

The seminar brought together industry professionals, MCB employees and customers to exchange perspectives on the opportunities and challenges associated with tall building construction, including innovation, engineering solutions, material performance and sustainability considerations.

MCB shared its experience and technical capabilities in supporting innovative construction solutions, including the role of material selection and concrete mix design in meeting project-specific performance requirements while considering environmental impacts.

The collaboration provided an opportunity for MCB to share its technical expertise while gaining insights into the evolving needs and priorities of the construction industry.

Through partnerships with professional institutions and industry stakeholders, we seek to contribute to the advancement of sustainable construction while strengthening our ability to respond to changing market needs.



Advancing Sustainable Construction through Industry Collaboration

In August 2025, MCB participated in the “Art & Craft of Off-form Concrete” seminar organised by Pertubuhan Akitek Malaysia (PAM), bringing together nearly 200 architects, consultants and contractors to exchange perspectives on the design, engineering, material and construction considerations involved in off-form concrete.

MCB shared its technical expertise on how mix design, batching accuracy and quality control influence the aesthetic and structural performance of off-form concrete. The session also explored common construction challenges, including surface defects and colour variation, as well as opportunities to incorporate lower-carbon concrete solutions into architectural applications.

The multi-disciplinary format provided an opportunity for participants to gain practical insights across the design and construction process, while enabling MCB to strengthen its relationships with the architectural and construction communities and gain a deeper understanding of industry challenges and evolving requirements.

The collaboration reflects our approach to working with professional institutions and industry stakeholders to share knowledge, strengthen technical capabilities and support the adoption of innovative and sustainable construction solutions.

Customer Relationship Management



Building Knowledge, Cementing Futures: CDL Academy's Role in Industry Upskilling

Since its inception in 2019, the CDL Academy Seminar Series has provided a platform for industry practitioners, stakeholders, young talent and subject matter experts to exchange knowledge and perspectives on developments in the construction industry.

The CDL Academy facility in Petaling Jaya provides dedicated training halls, breakout rooms and space for live product demonstrations, enabling participants to combine classroom-based learning with practical experience.

In FY2026, the CDL Academy organised 18 seminars, reaching 1,317 participants across a range of topics covering sustainable construction, building materials, concrete technology, architecture and construction practices. The programmes engaged a diverse group of industry professionals and students, supporting continued knowledge sharing and technical capacity building across the construction value chain.

To date, the CDL Academy has supported and participated in 126 sessions, reaching more than 12,023 industry professionals and students. The full list of Seminars that CDL Academy has supported in FY2026 can be found on pg 109.



Taking Sustainable Construction Dialogue Beyond Malaysia

In FY2026, the Group expanded its industry knowledge-sharing platform to Singapore through its collaboration with The Edge Singapore to organise the inaugural Sustainable Construction Symposium 2026. Held in April 2026, the symposium brought together industry leaders and professionals from across the built environment to discuss how collaboration, innovation and material choices can support the transition towards more sustainable construction. Topics included sustainable building materials, decarbonisation, building performance and practical approaches to advancing the green transition.

As the event partner, MCB contributed its technical and sustainability expertise while engaging with regulators, developers, architects, engineers, contractors and other industry stakeholders. The symposium provided a platform to exchange perspectives on the challenges and opportunities facing the construction sector, while strengthening MCB’s relationships and understanding of evolving market needs in Singapore.

The expansion of the symposium to Singapore builds on three previous editions in Malaysia and reflects our broader commitment to facilitating dialogue and collaboration across the construction industry. By creating platforms for knowledge exchange, we seek to support industry capability building while gaining insights that can inform our approach to developing relevant products and solutions for evolving market needs.



SECTION 3

Operating
Sustainably



36 Climate Risks and Opportunities

54 Waste Management

55 Resource Recovery

57 Water Conservation

59 Biodiversity Management

61 Sustainable Supply Chain

Turtles painted by
Ronnie Mohammad, Wan Jamila,
Beatrice Oh, Perol Graffiti, Abdul Muiz
and Lim Anuar

Our Strategy and Commitment

MCB is committed to conducting its business in an environmentally responsible and sustainable manner. We recognise that environmental stewardship is fundamental to the long-term success of our business and contributes to operational excellence, business resilience and long-term value creation. By integrating environmental considerations into our business strategy, operational planning and investment decisions, we seek to minimise the environmental impacts of our activities and support the transition towards a more sustainable future.

Climate change remains a key environmental priority for MCB. The Group aspires to achieve carbon-neutral operations by 2050 and continues to improve process efficiency, reduce greenhouse gas (GHG) emissions, develop lower-carbon cement and concrete products, and strengthen resilience to climate-related risks and opportunities.

The Group Climate and Environmental Protection Policy provides the overarching framework for managing climate and environmental matters across MCB. It guides our approach to climate action, pollution prevention, responsible resource management and continual improvement, while supporting compliance with applicable environmental legislation and evolving stakeholder expectations.



Our Strategy and Commitment

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	Promote resource conservation with reduce, reuse, recycling, and co-processing. Progressively reduce waste disposal to landfills. Maximise water efficiency by managing water consumption, utilising sustainable water sources such as rainwater and recycling water for reuse. Ensure that waste and wastewater from our activities are managed in compliance with legal requirements.
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 programmes that conserve biodiversity.
Sustainable Sourcing	Engage with our suppliers to promote greater environmental responsibility and good environmental management practices, to minimise potential climate and environmental impact.
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 sustainable construction.

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 Risks and Opportunities

CLIMATE CHANGE

Climate change presents both risks and opportunities that may influence the Group’s operations, supply chain, markets and long-term business resilience. In line with the Group’s Climate and Environmental Protection Policy, climate-related considerations are integrated into business and financial planning, operational decision-making and risk management processes. During the reporting period, the Group continued to strengthen its climate-related governance, risk assessment and disclosures in alignment with IFRS S2 Climate-related Disclosures.

Climate-related Risk and Opportunity Management

The Group integrates climate-related risks and opportunities into its enterprise risk management framework, where they are considered alongside other strategic, operational, financial and compliance risks. Climate-related risks and opportunities are identified, assessed, prioritised. The outcomes of the climate risk assessment support business planning, operational decision-making, capital investment decisions, and the development of mitigation and adaptation strategies, ensuring climate-related considerations are embedded across the Group’s risk management and governance processes.

Identification and Assessment of Climate-related Risks and Opportunities

The Group identifies climate-related risks and opportunities through a structured assessment process involving both corporate and operational management. Climate risk workshops were conducted with management and operational teams to identify and assess climate-related risks and opportunities relevant to their respective functions. Standardised assessment templates were provided to support the consistent identification, evaluation and prioritisation of climate-related risks and opportunities.

The assessment draws on both internal and external information. Internal inputs include operational knowledge, energy and resource consumption data, environmental performance information and business plans. External inputs include regulatory developments, stakeholder expectations, customer and market trends and climate science and guidance, including IPCC climate scenarios. Risks are identified across both transition and physical climate-related risk categories.

The Group’s climate-related scenario analysis, as described in this Report, forms an integral part of the climate risk assessment process. The analysis supports the identification, assessment and prioritisation of material climate-related risks and opportunities and informs strategic planning and the assessment of the resilience of the Group’s strategy and business model.

In addition to climate-related risks, the Group identifies opportunities arising from the transition to a lower-carbon economy, including opportunities to improve operational efficiency, develop lower-carbon products and sustainable solutions, and respond to evolving customer and market demand. These opportunities are evaluated alongside climate-related risks and considered in the Group’s strategic planning and investment decision-making processes.

Climate Risks and Opportunities

Risk Evaluation and Prioritisation

Climate-related risks are evaluated and prioritised using qualitative assessment supported by available operational and business information. The assessment considers the nature of each risk, its likelihood and impact, the expected time horizon, the affected business activities and the effectiveness of existing controls and mitigation measures.

Consideration is also given to the potential implications of climate-related risks for MCB’s operations, financial performance, business continuity, capital investment, supply chain and strategic objectives. Risks assessed to have greater potential significance receive greater management attention and are subject to enhanced monitoring and mitigation.

The prioritisation of climate-related risks is also informed by the Group’s climate-related scenario analysis, which considers how the nature and potential significance of risks and opportunities may evolve under different climate pathways and over different time horizons.

Monitoring and Continuous Improvement

Climate-related risks and opportunities are monitored through ongoing assessment of regulatory developments, technological and market trends, stakeholder expectations and operational performance. Relevant management and operational personnel are responsible for monitoring developments within their respective areas and identifying emerging risks and opportunities that may require further assessment or action.

Climate-related considerations are also reviewed through relevant business planning and operational management processes. Where material developments or changes in the risk profile are identified, these are considered in management decision-making and in the development of appropriate mitigation, adaptation or response measures.

MCB continues to strengthen its climate-related risk management processes through scenario analysis, improved data and monitoring, stakeholder engagement and the ongoing assessment of emerging climate-related developments. This supports the Group’s ability to respond to changing regulatory, market, technological and physical climate conditions.



Climate Risks and Opportunities

Climate-related Scenario Analysis

Climate-related scenario analysis is an integral part of MCB's climate risk management process. It enables the Group to assess the resilience of its strategy and business model under different plausible climate futures, supporting longer-term strategic and operational decision-making.

During the reporting period, MCB conducted a qualitative climate-related scenario analysis covering its operations, value chain, assets, costs, products and markets across the defined time horizons. The assessment considered the potential implications of different climate pathways for the Group's business activities and value chain, including physical and transition-related effects.

The analysis was based on scenarios from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), using the Shared Socioeconomic Pathways (SSPs):

SSP1-2.6 - Low emissions pathway

This scenario represents a future characterised by stronger climate action and significant emissions reductions, resulting in a faster transition towards a lower-carbon economy. The scenario is consistent with limiting warming to below 2°C relative to pre-industrial levels.

SSP2-4.5 - Middle-of-the-Road pathway

This scenario represents an intermediate emissions pathway in which socioeconomic development and climate action progress at a moderate pace. Under this scenario, CO₂ emissions remain around current levels until the middle of the century, resulting in greater physical climate impacts over time compared with SSP1-2.6.

SSP1-2.6 was selected as the lower-emissions pathway to represent a stronger climate transition broadly consistent with the temperature goals of the Paris Agreement, while SSP2-4.5 provides an intermediate pathway against which both transition and physical risks can be assessed.

Both scenarios were used to evaluate transition risks and opportunities arising from evolving climate policies, market expectations, technology developments and customer preferences, as well as physical risks associated with increasing temperatures, extreme rainfall and flooding events that may affect operations, infrastructure and supply chains. Together, the scenarios provide a range of plausible climate futures against which MCB can consider the resilience of its strategy and business model.

The assessment focused on the Group's operations in Malaysia and Singapore, which represent the Group's entire operations and climate-related exposures. It covered the Group's key manufacturing sites and supporting corporate operations, together with relevant considerations relating to supply chains, production, products and markets.

The analysis does not represent a forecast of future business performance or a prediction of a single climate outcome. Rather, it is intended to explore how different plausible climate futures may affect MCB's business model, strategy and operations, identify areas of potential vulnerability and opportunity, and support the development of appropriate mitigation, adaptation and strategic responses.

Climate Risks and Opportunities

Time Horizons

MCB applies the following time horizons when assessing climate-related risks and opportunities. These time horizons are used consistently in the climate risk assessment, scenario analysis and assessment of the resilience of the Group's strategy and business model.

Time horizon	➤	Short-term	Medium-term	Long-term
Definition	➤	Within 2 years	2 to 10 years	More than 10 years
Rationale	➤	Reflects the period over which near-term operational decisions, business planning and emerging regulatory developments are typically managed.	Reflects the period over which strategic initiatives, capital investments, technology adoption and market developments are expected to influence the Group's business.	Reflects the expected life of major assets and infrastructure, long-term climate impacts and the transition to a lower-carbon economy.

Key Assumptions Used in the Scenario Analysis

Climate-related policies and regulations

The analysis assumed continued strengthening of climate-related policies in Singapore and Malaysia. This included the progressive increase in Singapore's carbon tax, the anticipated introduction of carbon pricing in Malaysia, and, in both countries, growing customer and public sector procurement requirements for lower-carbon products and sustainable solutions. The analysis also considered the increasing integration of climate-related considerations into financial markets, recognising that this trend may influence business access to and cost of capital.

For Malaysia, the analysis assumed that cement production would be directly exposed to carbon pricing, with the rate payable and methodology for determining the emissions subject to the carbon pricing obligation remaining to be established. Other MCB operations in Malaysia would be indirectly affected through carbon pricing on the power sector. In Singapore, MCB's operations are below the current carbon tax reporting threshold and were therefore assumed to be indirectly affected through carbon pricing on the power sector. The analysis also considered the potential for carbon pricing on cement production to result in higher cement input costs for MCB's concrete operations in Malaysia and Singapore. However, the extent of any cost impact would vary depending on the emissions performance of individual cement plants and the eventual design of the carbon pricing mechanism, including any applicable thresholds.

Climate Risks and Opportunities

Key Assumptions Used in the Scenario Analysis (cont'd)	
Macroeconomic trends	The analysis considered continued economic and infrastructure development, growing consumer awareness of low-carbon products and sustainable production, and increasing stakeholder expectations regarding sustainability performance.
Construction and market trends	The analysis considered how changing public preferences for sustainable production and climate-related policies may influence construction practices, including wider adoption of lower-carbon products, greater emphasis on recycled content and increasing demand for durable construction materials.
Energy usage and energy mix	The analysis assumed continued improvements in energy efficiency, increasing electrification, and the continued decarbonisation of the energy systems in Malaysia and Singapore, reflecting evolving national energy policies, changing electricity generation mixes and long-term climate objectives.
Technology developments	The analysis assumed continued development and adoption of technologies that can reduce emissions from cement and concrete production, including improvements in process and energy efficiency, alternative fuels and raw materials, lower-carbon cement technologies and renewable energy. The analysis also considered the continued development of emerging decarbonisation technologies. Further development is expected to improve the suitability and effectiveness of these technologies for cement production. The analysis also considered the need for improved economic viability of emerging decarbonisation technologies under prevailing policy and market conditions.
National and regional variables	The analysis considered projected changes in rainfall patterns in Malaysia and Singapore, together with relevant infrastructure and operating conditions that may affect MCB's assets, operations and supply chains.

Climate Risks and Opportunities

Assessment of Key Climate-related Risks

The following assessment summarises the key climate-related risks identified through the Group's climate-related scenario analysis. It considers the potential business impacts, current and planned mitigation and adaptation measures, and the residual financial impact of each risk under the **SSP1-2.6 (Low-emissions)** and **SSP2-4.5 (Middle-of-the-Road)** scenarios across the **short-term (ST)**, **medium-term (MT)** and **long-term (LT)**.

The residual financial impact ratings represent Management's qualitative assessment of the relative financial significance of each climate-related risk after considering existing mitigation and adaptation measures. The assessment considers both the likelihood of occurrence and the potential financial consequences of each risk under the respective climate scenarios and time horizons. Residual financial impact ratings are expressed as **High (H)**, **Medium (M)** or **Low (L)**.

Key Climate-Related Risks	Business Activities/ Assets Exposed and Potential Business Impacts	Risk Mitigation and Adaptation Measures - Current and Planned	Financial Impact Risk Rating					
			Low-Emissions Scenario			Middle-of-the-Road Scenario		
			ST	MT	LT	ST	MT	LT
Physical Risk								
Extreme rainfall and flooding	The assessment identified MCB's cement manufacturing, quarrying, ready-mixed concrete, logistics and supply chain activities in Malaysia and Singapore as potentially exposed to extreme rainfall.	MCB monitors weather conditions to support quarrying, production and logistics planning and adjusts operational and delivery schedules where necessary during severe weather events. Business continuity and emergency response procedures are in place to minimise operational disruption.	L	L	L-M	L	L	M
	Prolonged heavy rainfall may disrupt quarrying activities and the transportation of raw materials, delay product deliveries and affect work progress at construction sites. Frequent rainfall may increase the moisture content of raw materials, resulting in higher energy requirements for drying.	The Group has invested in upgrading storage facilities at its cement plants and continues to consider weather patterns in operational planning.						
	While the Group's facilities are generally located outside identified flood-prone areas, localised flooding may temporarily disrupt access to facilities and supply chain continuity.	The Group manages supply risks by maintaining more than one supplier for critical supplies where practicable. MCB also works with key suppliers to strengthen their risk management plans and maintain sufficient inventory to support continuity of supply during potential disruptions.						
		The Group will continue to assess site-specific physical climate risks and strengthen infrastructure, drainage, emergency preparedness and business continuity measures where required, taking into account changing climate conditions.						

Climate Risks and Opportunities

Key Climate-Related Risks	Business Activities/ Assets Exposed and Potential Business Impacts	Risk Mitigation and Adaptation Measures - Current and Planned	Financial Impact Risk Rating					
			Low-Emissions Scenario			Middle-of-the-Road Scenario		
			ST	MT	LT	ST	MT	LT
Transition Risk								
Policy and Legal - Carbon pricing	<p>MCB's cement manufacturing operations in Malaysia may be directly affected by the development of carbon pricing, while other operations in Malaysia may be indirectly affected through carbon pricing on the power sector. In Singapore, MCB's operations are primarily exposed indirectly through carbon pricing on the power sector.</p> <p>Carbon pricing on cement production may also indirectly affect MCB's ready-mixed concrete operations in Malaysia and Singapore through potential changes in cement input costs. The extent of any cost impact may vary depending on the emissions performance of individual cement plants and the eventual design of the carbon pricing mechanism, including applicable thresholds.</p> <p>These developments may increase operating and input costs, influence procurement and pricing decisions, and affect the competitiveness of higher-carbon products.</p>	<p>The Group monitors climate-related policy and regulatory developments in Malaysia and Singapore to assess potential business implications and support strategic and operational planning. MCB also continues to assess emerging decarbonisation technologies and opportunities to further reduce GHG emissions from its operations.</p> <p>MCB continues to improve energy and process efficiency, increase the use of alternative fuels and alternative raw materials, and develop lower-carbon cement and concrete products to reduce exposure to carbon-related costs.</p> <p>MCB's cement plants are certified to ISO 14001 Environmental Management Systems and ISO 50001 Energy Management Systems, supporting systematic management of environmental impacts and energy performance.</p> <p>These initiatives strengthen the Group's resilience to evolving climate-related policies and support its transition towards a lower-carbon business model.</p>	L	M	M	L	L-M	L-M

Climate Risks and Opportunities

Key Climate-Related Risks	Business Activities/ Assets Exposed and Potential Business Impacts	Risk Mitigation and Adaptation Measures - Current and Planned	Financial Impact Risk Rating					
			Low-Emissions Scenario			Middle-of-the-Road Scenario		
			ST	MT	LT	ST	MT	LT
Transition Risk								
Market - Evolving Customer and Procurement Requirements	<p>MCB's cement and ready-mixed concrete businesses may be affected by evolving customer expectations for lower-carbon construction materials and sustainable building solutions.</p> <p>In particular, the Group's ready-mixed concrete business is increasingly influenced by procurement requirements for lower-embodied-carbon concrete products and stronger ESG management. As these requirements become more prevalent, suppliers that do not meet evolving market expectations may face reduced competitiveness.</p>	<p>MCB continues to improve the environmental performance of its cement and concrete products through production improvements, energy efficiency and product innovation.</p> <p>The Group also maintains independently assessed eco-labels and green building product certifications for a wide range of its cement, concrete and drymix products.</p> <p>MCB also engages with customers and industry stakeholders to understand evolving market expectations and supports customers in selecting lower-carbon and more resource-efficient construction materials. These initiatives help strengthen the competitiveness of the Group's products.</p>	L	L-M	L-M	L	L	L

Climate Risks and Opportunities

Climate-related Opportunities

Climate change also presents opportunities for MCB to strengthen business resilience, improve operational performance and create long-term value. The Group continues to evaluate and pursue opportunities arising from the transition to a lower-carbon economy as part of its business strategy and investment planning.

Climate-related opportunity ▶ Operational Efficiency and Lower Production Costs	
Business Activities/Assets and Potential Business Benefits	Current and Planned Initiatives
Investment in new technologies, process optimisation and people development provides opportunities to improve energy and resource efficiency, which can reduce energy and production costs and lower GHG emissions. These improvements can also enhance operational performance and strengthen the resilience of MCB's operations to future energy and carbon-related costs.	MCB continues to invest in technology and equipment upgrades, optimise production processes and strengthen the capabilities of its workforce to improve operational and energy performance. The Group also evaluates newer production and decarbonisation technologies based on their technical performance, resource requirements and economic viability. The use of alternative fuels and alternative raw materials further supports resource efficiency and emissions reduction.
Climate-related opportunity ▶ Lower-Carbon Products and Stronger Market Positioning	
Business Activities/Assets and Potential Business Benefits	Current and Planned Initiatives
The transition towards lower-carbon construction creates opportunities for MCB to develop differentiated products and solutions, strengthen relationships with customers and stakeholders, and enhance the competitiveness of its cement and concrete businesses. By responding to evolving market needs, MCB can support customers in achieving their sustainability objectives while strengthening its long-term market position.	MCB leverages its Construction Development Lab (CDL) to drive product innovation and work with customers to develop solutions tailored to their specific construction and sustainability requirements. Through CDL Academy, the Group builds awareness and capabilities relating to lower-carbon cement, concrete and sustainable construction. MCB also collaborates with customers, industry partners and other stakeholders to promote the adoption of lower-carbon construction solutions and support collective action towards a more sustainable built environment.

Overall Assessment of Vulnerability to Climate-related Risks

Based on the Group's assessment, no material business activities or assets are considered vulnerable to transition risks over the short term. Physical climate risks are already considered in operational risk management and site-level controls, with adaptation and preventive measures implemented where relevant.

Over the medium and long term, the potential vulnerability of business activities and assets to transition risks will depend on the development and implementation of carbon pricing mechanisms, particularly the applicable pricing methodology, emissions thresholds and allocation mechanisms. As these parameters are still evolving, MCB is not yet able to reliably determine which business activities or assets may be subject to direct or indirect carbon pricing impacts or quantify the resulting financial exposure. The Group will continue to monitor these developments and update its assessment as greater clarity becomes available.

Climate Risks and Opportunities

CLIMATE-RELATED STRATEGY AND TRANSITION PLAN

Climate-related Financial Planning and Capital Allocation

Climate-related risks and opportunities are considered in MCB's business and capital planning. The Group's investment priorities include modernising production equipment for improved energy and process efficiency, developing lower-carbon products, strengthening operational resilience and evaluating emerging decarbonisation technologies.

MCB's **2050 Carbon Neutrality Roadmap** provides a framework for prioritising climate-related initiatives and informs the Group's investment and operational planning. The roadmap sets out key initiatives across the Group's value chain.

Climate-related investments are incorporated within MCB's broader capital expenditure programme and are not currently managed as a separate funding programme. The Group expects these investments to be funded through normal operating cash flows and existing financing arrangements, subject to the nature and scale of individual investments.

MCB evaluates investments based on financial, operational and sustainability considerations, including potential energy and cost savings, emissions reduction, regulatory developments, operational resilience and longer-term business competitiveness.

Current and Anticipated Financial Effects

During the reporting period, climate-related risks did not have a material effect on MCB's financial position, financial performance or cash flows. The Group continued to invest in energy efficiency, equipment upgrades, process improvements and other initiatives supporting its climate strategy, with these investments forming part of its normal operational and capital expenditure activities.

Based on the climate-related scenario analysis and risk assessment conducted during the reporting period, MCB has not identified any climate-related risks that are expected to result in a material adjustment to the carrying amounts of assets or liabilities in the next financial year.

Over the medium and long term, climate-related risks and opportunities may affect MCB's energy and operating costs, capital expenditure requirements, product demand and technology investment requirements. Potential financial effects include costs associated with carbon pricing, climate resilience and decarbonisation investments, as well as opportunities arising from energy and resource efficiency and growing demand for lower-carbon products. The timing and magnitude of these effects remain subject to evolving regulatory, technological, market and physical climate conditions and are considered in relevant business and capital planning processes.

Internal Carbon Price

MCB does not currently apply a formal internal carbon price. However, the Group considers potential carbon pricing impacts as part of its investment and operational decision-making processes, alongside financial, operational, energy and sustainability considerations.

This approach enables MCB to consider potential future carbon-related costs when evaluating energy efficiency, decarbonisation and other investment opportunities, while maintaining flexibility as carbon pricing mechanisms and regulatory requirements evolve.

Climate Risks and Opportunities

CLIMATE RESILIENCE

Assessment of Climate Resilience

MCB's climate-related scenario analysis indicates that its strategy and business model remain resilient under the climate scenarios assessed. While the nature and potential significance of certain transition and physical climate-related risks may increase over time, the Group considers that these risks can be managed through proactive planning, operational improvements, strategic investment and ongoing adaptation.

The analysis also identified opportunities arising from the transition to a lower-carbon economy, including opportunities to improve energy and resource efficiency, develop lower-carbon cement and concrete products, increase the use of alternative fuels and materials, and strengthen relationships with customers and stakeholders.

The Group will continue to monitor changes in climate-related risks and opportunities and adapt its strategy, operations and investments as appropriate.

Areas of Uncertainty

Climate-related scenario analysis is inherently subject to uncertainty due to the long-term nature of climate change and the evolving policy, economic, technological and market environment. Key uncertainties considered in the assessment include the future development of carbon pricing mechanisms in Malaysia, the pace and cost of technological development, changes in customer demand and construction practices, and the frequency and severity of physical climate impacts.

MCB will continue to review these assumptions and update its assessment as new information becomes available, and the Group's understanding of climate-related risks and opportunities evolves.

Capacity to Adapt

MCB considers its business model to be adaptable to evolving climate-related risks and opportunities over the short, medium and long term. This adaptability is supported by the Group's diversified building materials operations, technical capabilities, continuous improvement programmes and integration of sustainability considerations into business planning and operational decision-making.

MCB's ongoing capital investment programme and access to financial resources support its ability to respond to climate-related risks and opportunities. The Group maintains flexibility to allocate capital towards energy efficiency, production technology, renewable energy, operational resilience and other climate-related initiatives as their technical and economic viability develops.

The Group's manufacturing assets are subject to ongoing maintenance, upgrades and improvement programmes, providing opportunities to improve energy efficiency, incorporate alternative fuels and materials, strengthen physical resilience and accommodate emerging technologies where appropriate. Existing assets can be upgraded, adapted or replaced in response to evolving climate-related risks and technological developments. MCB also leverages the technical expertise and research and development capabilities available across the YTL Cement Group to support product innovation, technology evaluation and operational improvement.

The Group will continue to evaluate future investments in response to evolving climate-related risks and opportunities, taking into account changes in technology, regulatory requirements, market conditions and the availability of supporting infrastructure.

Progress Against Climate-related Plans

During FY2026, MCB continued to progress initiatives identified in previous reporting periods, including improvements in energy and process efficiency, increased use of alternative fuels and materials, development of lower-carbon products and assessment of emerging decarbonisation technologies. Progress against the Group's climate-related targets and indicators is presented in the relevant sections of this Report.

Climate Risks and Opportunities

CLIMATE-RELATED PERFORMANCE

Scope 1 GHG Emissions and Mitigation Measures

GRI 302-1 | 305-1

MCB measures and reports GHG emissions as a key climate-related performance metric to monitor its environmental performance and support operational and investment decision-making.

Scope 1 emissions comprise direct GHG emissions from sources owned or controlled by the Group, including process emissions and fuel combustion in clinker production, as well as fuel use in mobile and stationary equipment across its cement, concrete, drymix and quarrying operations.

The Group continues to reduce Scope 1 GHG emissions through initiatives to improve production and energy efficiency, invest in plant and equipment, increase the use of lower-carbon alternative fuels, optimise clinker use and develop lower-carbon cement and concrete products.

From FY2026, MCB reports its gross absolute Scope 1 GHG emissions on a consolidated basis, in line with the requirements of IFRS S2 Climate-related Disclosures. Accordingly, cement production GHG emissions intensity is no longer presented as a standalone climate-related emissions metric. The Group's absolute Scope 1 GHG emissions provide a comprehensive measure of its direct GHG emissions across its consolidated operations.

Indicator	Unit	FY2026
Scope 1 GHG emissions	ktCO ₂ e	5,787

Measurement Approach and Methodology

1. The Scope 1 GHG emissions reported above cover all operating sites of the Group's cement, ready-mix concrete, drymix and quarry businesses. The Group does not have any material Scope 1 GHG emissions from unconsolidated joint ventures or associates.
2. Fugitive emissions, primarily hydrofluorocarbon (HFC) emissions from refrigeration and air-conditioning equipment, are not included as they are not material to the Group's overall greenhouse gas emissions.
3. Scope 1 GHG emissions are measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and relevant sector-specific guidance.

Our 2050 Carbon Neutrality Roadmap

GRI 2-22 | 305-5

In FY2026, MCB updated its 2050 Roadmap to reflect a Group-wide approach to decarbonisation across its cement, ready-mix concrete, drymix and quarry operations.

The roadmap outlines present-to-mid-term actions and longer-term developments and provides a framework for prioritising decarbonisation initiatives and informing strategic planning and investment decisions as technologies, regulatory requirements and market conditions evolve.



Climate Risks and Opportunities

Climate Risks and Opportunities

Malayan Cement Berhad’s 2050 Carbon Neutrality Roadmap

AREAS	PRESENT TO MID-TERM INITIATIVES		MID- TO LONG-TERM DEVELOPMENT
OPERATIONS	<div>Energy and Production Efficiency<ul style="list-style-type: none">Process automation and digitalisationEquipment efficiency</div> <div>Low-carbon Energy<ul style="list-style-type: none">Alternative fuelsWaste heat recoverySolar power</div>	<div><ul style="list-style-type: none">Operational optimisationEnergy management</div> <div>Logistics Efficiency<ul style="list-style-type: none">Fleet efficiency and optimisationLogistics planning and digitalisation</div>	<div>Low-Carbon Operations<ul style="list-style-type: none">Next-generation low-carbon production technologiesAlternative cementitious materialsElectrification where technically viable</div> <div>Energy Transition<ul style="list-style-type: none">Low-carbon energy and fuel solutions across Group operationsOther emerging low-carbon fuels where viable</div> <div>Low-Carbon Logistics<ul style="list-style-type: none">Electrification of suitable vehiclesLower-carbon logistics across the value chain</div>
TECHNOLOGY & INNOVATION	<div>Technology<ul style="list-style-type: none">Assessment of emerging decarbonisation technologiesCollaboration with technology providers, academia and industry</div>		<div>Technology<ul style="list-style-type: none">Continue assessment and monitoring of emerging technologiesContinue collaboration and technology developmentScale up and deploy commercially viable technologies, to address residual emissions</div>
SUSTAINABLE CONSTRUCTION	<div>Product and Solutions<ul style="list-style-type: none">Low-carbon cement and concrete (ECOCem® and ECOConcrete™) for different applicationsProduct selection and application technical supportIntegrated product development</div>	<div>Market Transition<ul style="list-style-type: none">Capacity-building programmes via CDL AcademyCollaborations and stakeholder engagement</div> <div>Carbonation and Carbon Removal<ul style="list-style-type: none">Quantification of natural carbonation of concreteAssessment of carbonation opportunities</div>	<div>Product Innovation<ul style="list-style-type: none">Ultra-low-carbon cement and concreteNext-generation low-carbon building materials</div> <div>Market Transformation<ul style="list-style-type: none">Market adoption of next-generation low-carbon cement and concreteCollaboration across construction value chain</div> <div>Carbonation and Carbon Removal<ul style="list-style-type: none">Deployment of technically and commercially viable carbonation opportunities</div>
FUNDAMENTALS	<div>Policy and Market<ul style="list-style-type: none">Engage with government and industry on carbon-related policiesSupport development of performance-based standardsPromote market adoption of low-carbon productsAdvocate enabling regulatory frameworks</div> <div>People and Capabilities<ul style="list-style-type: none">People and organisation developmentTechnical capability building</div>	<div>Finance and Investment<ul style="list-style-type: none">Engage financial institutions and relevant authorities to support the availability of suitable green and transition financing</div>	<div>Policy and Infrastructure<ul style="list-style-type: none">Enabling framework for CCS and decarbonisation technologies transfersCollaborate with government and industry to facilitate the availability of infrastructure required for large-scale decarbonisation</div> <div>People and Capabilities<ul style="list-style-type: none">Specialised decarbonisation capabilitiesCollaboration with industry, academia and technology providers</div> <div>Finance and investment<ul style="list-style-type: none">Maintain financing readiness in line with evolving requirementsPartnerships and financing mechanisms for large-scale projects</div>

To drive measurable progress, MCB has established 2030 targets as milestones towards its 2050 carbon neutrality aspiration:

- 1

Operations

2030 Target:

Increase alternative fuel use to **6.8%**
- 2

Technology and innovation

2030 Target:

Conduct in-house R&D or collaborate with external parties to assess at least two technologies each year
- 3

Sustainable Construction

2030 Target:

Reduce clinker-to-cement factor to **72.2%**
- 4

Fundamentals

2030 Target:

Deliver a minimum of **8 hours** of ESG training annually for managers and above

Climate Risks and Opportunities

Our alternative fuel substitution rate increased from 5.3% to 7.4%, exceeding the Group's 2030 target of 6.8%. The increase reflects continued efforts to reduce fossil fuel consumption in clinker production. This was supported by initiatives to increase the availability and use of alternative fuels and improve plant-level handling and feeding processes.

The clinker-to-cement ratio increased slightly from 80.6% to 80.7% during the year, remaining above the Group's 2030 target of 72.2%. MCB continues to pursue opportunities to reduce clinker use through product innovation, material optimisation and industry collaborations.

During FY2026, MCB continued to assess lower-carbon technologies and materials that could support the transition towards lower-carbon cement production. Among the emerging technologies assessed in greater detail during the year were calcined clay and carbon capture and storage (CCS).

Alongside these focused assessments, we continuously monitor developments in cement production technologies and engage with equipment suppliers, industry peers, research institutions and other stakeholders to identify opportunities to improve operational efficiency and reduce emissions. We also participate in industry forums and knowledge-sharing activities to learn from emerging technologies and their application across the industry. Where technologies demonstrate potential to deliver meaningful operational or emissions benefits, we evaluate their suitability for our operations and invest where appropriate. These efforts contributed to further improvements in our production efficiency during FY2026, including a reduction in our GHG emissions.

Alternative fuel substitution rose from 5.3% to 7.4%, surpassing the Group's 2030 target of 6.8%.

Calcined Clay as an Alternative Cementitious Material

We collaborated with the United Nations Industrial Development Organization (UNIDO) and researchers from École Polytechnique Fédérale de Lausanne (EPFL) to deepen our understanding of calcined clay technology, including experience and lessons from applications in Africa and Europe. We also engaged with pioneers and subject matter experts in the field, as well as equipment suppliers, to understand technology developments and assess suitable processing configurations for a potential feasibility study.

Following the assessment, we concluded that calcined clay is not currently the most viable option for implementation in Malaysia. Unlike locally available supplementary cementitious materials such as pulverised fuel ash and ground granulated blast furnace slag, calcined clay requires thermal processing, requiring additional energy and associated GHG emissions.

We also considered product quality and market acceptance. MCB will continue to monitor technological developments and revisit the feasibility of calcined clay in the medium term as technology, economics and market conditions evolve.

Carbon Capture and Storage Assessment

During FY2026, MCB renewed its assessment of carbon capture and storage (CCS) as a potential pathway to reduce emissions from cement production. We participated in industry forums in Europe and Asia where cement producers with CCS projects shared their implementation experience and we engaged with technology manufacturers and equipment suppliers to better understand technology maturity, project requirements and implementation challenges.

Our assessment confirmed that CCS technologies and projects are progressing at different stages of development and implementation. While some commercial-scale projects are advancing towards operation, the broader technology landscape continues to evolve, and sustained operating experience and commercialisation remain important considerations. Given the significant capital investment and operational complexity involved, we consider investment at this stage to carry substantial financial and operational risks.

MCB will continue to monitor the progress of CCS projects globally and developments in Malaysia, including the establishment of the necessary policy, infrastructure and commercial ecosystem. We will revisit the feasibility of CCS as technologies mature, commercial-scale projects demonstrate sustained performance, and the enabling conditions for deployment in Malaysia become clearer.

Climate Risks and Opportunities



Building ESG knowledge and capability across our leadership population is an important enabler of our sustainability strategy. As part of our 2030 milestones, MCB has set a target to deliver a minimum of 8 hours of ESG training annually for managers and above.

In FY2026, managers and above received an average of 7.9 hours of training focused specifically on ESG topics, closely approaching our annual target. The training covered relevant sustainability and ESG topics to strengthen understanding and support the integration of sustainability considerations into business decision-making.

We will continue to strengthen ESG capability across our leadership population, with additional ESG training programmes planned for FY2027 to further build knowledge and support the implementation of our sustainability strategy.

Climate Risks and Opportunities

Scope 2 GHG Emissions and Mitigation Measures

GRI 302-1 | 302-4 | 305-2

MCB's Scope 2 GHG emissions arise primarily from purchased electricity consumed across its cement, ready-mix concrete, drymix and quarry operations. The Group seeks to reduce these emissions through energy efficiency, process optimisation and increased use of renewable electricity.

Total electricity consumption decreased by 7.3% in FY2026, primarily driven by improvements in energy efficiency across our operations.

MCB monitors electricity consumption and energy performance at its operations and continues to invest in energy-efficient equipment, process improvements and renewable energy initiatives. All integrated cement plants and grinding stations are certified to ISO 50001, supporting a structured approach to energy management and continual improvement. During FY2026, the Group continued to expand electricity generation through waste heat recovery at its cement operations, reducing reliance on grid electricity.

Total electricity consumption decreased by 7.3% compared to FY2025. This reduction was primarily driven by improvements in energy efficiency across our operations, including equipment upgrades and process optimisation, as well as a change in product mix.

Energy and Scope 2 Performance

Indicator	Unit	FY2024	FY2025	FY2026
Total electricity consumption	MWh	985,723	932,501	864,426
	GJ	3,548,603	3,357,003	3,111,933
Percentage grid electricity	%	94.4%	94.1%	92.8%
Clean energy generated	MWh	54,816	54,833	62,035
	GJ	197,338	197,399	223,326
Scope 2 emissions	tCO ₂ e	705,627	679,315	593,809

- Note:
- Electricity consumption is converted using 1 MWh = 3.6 GJ.
 - Scope 2 GHG emissions are measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and calculated using the location-based method.
 - The Scope 2 emission factor applied for FY2024 remains unchanged from that previously reported. FY2024 Scope 2 emissions were calculated using the 2021 Peninsular Malaysia grid emission factor of 0.758 tCO₂e/MWh.
 - FY2025 Scope 2 emissions were calculated using the 2022 Peninsular Malaysia grid emission factor of 0.774 tCO₂e/MWh. The reported FY2025 emissions remain unchanged.
 - For FY2026, the Group applies the 2024 Peninsular Malaysia grid emission factor of 0.74 tCO₂e/MWh, being the most recent available grid emission factor, for its operations in Malaysia.
 - The total electricity consumption for FY2026 includes the Group's Singapore operations and the Scope 2 emissions for these are calculated using the 2024 Singapore grid emission factor of 0.402 tCO₂/MWh.

Climate Risks and Opportunities

Scope 3 GHG Emissions

GRI 305-3

MCB continues to assess and expand its Scope 3 greenhouse gas (GHG) emissions reporting in accordance with the GHG Protocol. For FY2026, the Group reports emissions from Category 6: Business Travel and Category 7: Employee Commuting. The Group will continue to improve the coverage and quality of its Scope 3 emissions data and assess additional relevant Scope 3 categories for future reporting.

The Group uses available activity data and relevant emission factors to estimate emissions from these sources. For employee commuting, MCB conducts employee surveys to collect information on commuting patterns, including the modes of transportation used to travel between employees' homes and worksites.

The Group encourages employees to use online meeting platforms where appropriate to reduce the need for business travel. The Group also provides training on effective communication and project management to promote more efficient meetings. These initiatives help optimise business travel and reduce associated environmental impacts.

The increase in Scope 3 Category 7 (Employee Commuting) emissions during the financial year was primarily attributable to the increase in the Group's employee headcount over the reporting period.



Indicator	Unit	FY2024	FY2025	FY2026
Category 6: Business Travel	tCO ₂ e	–	–	1,452
Category 7: Employee Commuting	tCO ₂ e	3,334	3,431	3,542

Waste Management

GRI 306-1 | 306-2 | 306-3 | 306-4 | 306-5

Across our operations, we apply the waste hierarchy and principles of resource efficiency to minimise waste generation, maximise resource recovery and ensure responsible management of waste that requires disposal.

Our approach prioritises waste reduction at source through process optimisation, preventive maintenance and efficient use of materials, followed by reuse, recycling and recovery where practicable. Waste that cannot be recovered is segregated, handled and disposed of in accordance with applicable regulatory requirements. Employee awareness and responsible waste handling practices support the consistent implementation of waste management measures across our operations.

We have set a target to increase the proportion of waste generated from our cement operations that is diverted from disposal through recycling, reuse or recovery to 50% by 2030.

During FY2026, waste generated from our cement operations increased to 2,007 tonnes, primarily reflecting higher volumes of general waste arising from maintenance activities and projects. At the same time, waste recycled or reused increased to 810 tonnes, from 243 tonnes in FY2025. This represents 40.4% of waste generated from our cement operations, compared with 19.6% in FY2025, reflecting continued efforts to improve waste segregation and identify opportunities for recycling, reuse and recovery.

Scheduled waste generated increased moderately to 232 tonnes, while the volume directed to disposal decreased from 42 tonnes in FY2025 to 0 tonnes in FY2026. We continue to identify suitable opportunities for recovery and co-processing of waste streams, supported by the necessary regulatory approvals and controls, to reduce reliance on final disposal.

We continue to strengthen waste monitoring, segregation and recovery practices across our operations, with a focus on reducing waste requiring final disposal. Our approach to the recovery and use of recycled materials and industrial by-products is described in the following section on Resource Recovery.

Indicator	Unit	FY2024	FY2025	FY2026
Waste generation at cement operation				
Hazardous waste/ Scheduled waste	ton	156	202	232
Non-recycled waste/ general waste	ton	977	1,035	1,775
Total	ton	1,133	1,237	2,007
Waste directed to disposal from cement operation				
Hazardous waste/ Scheduled waste	ton	2	42	0
Non-recycled waste/ general waste	ton	977	927	1,170
Total	ton	979	969	1,170
Waste diverted from disposal				
Generated waste recycled or reused*	ton	186	243	810
Third-party waste recycled or co-processed	ton	961,457	1,130,149	1,214,888
Total waste recycled or reused	ton	961,643	1,130,392	1,215,698

* Cement operation only.

Target and Progress	Unit	Target	FY2024	FY2025	FY2026
Waste diversion rate at cement operations	%	50% by 2030	16.4%	19.6%	40.4%

Resource Recovery

GRI 3-3 | 306-1 | 306-5

At MCB, we extend our contribution to the circular economy beyond managing waste generated from our own operations. Through our resource recovery activities, we work with industrial and commercial partners to recover the energy and mineral value of waste and industrial by-products, reducing reliance on conventional disposal and virgin resources.

MCB has more than two decades of experience in resource recovery and the use of industrial by-products in its manufacturing processes. This longstanding experience has enabled us to build the capabilities, processes and partnerships needed to safely integrate suitable waste streams and industrial by-products into our production activities.

Our resource recovery activities are supported by appropriate environmental controls, process monitoring and management systems. Our cement plants are certified to ISO 9001 Quality Management and ISO 14001 Environmental Management standards, while our laboratories are supported by ISO/IEC 17025 accreditation. We continue to invest in our facilities, technologies and people to strengthen our capability to safely handle and recover a diverse range of suitable waste streams and industrial by-products.

MCB’s resource recovery activities are undertaken subject to applicable regulatory requirements and approvals from the Department of Environment (DOE) Malaysia. We work with customers, suppliers, government agencies and other stakeholders to identify suitable waste streams and expand opportunities for resource recovery, while maintaining appropriate environmental, health, safety and product quality controls.

In FY2026, 1.2 million tonnes of waste and other materials were recycled, reused, co-processed or repurposed for use, including waste streams received from third parties. We will continue to strengthen partnerships, develop recovery solutions and enhance our production capabilities to increase the recovery of useful resources and reduce reliance on virgin materials and conventional waste disposal.

Indicator	Unit	FY2024	FY2025	FY2026
Waste diverted from disposal, including third-party generated waste stream	ton	961,643	1,130,392	1,215,698

Resource Recovery

I Supporting Circularity Through the BUILDS Recycling Campaign

As part of the YTL Cement Group, MCB participated in the BUILDS Recycling Campaign, a Group-wide initiative launched in conjunction with the YTL Group's Beyond 70 anniversary. Running from April to September 2025, the campaign encouraged employees, business partners and local communities to recycle paper, plastics, metals and other recyclable materials, promoting environmental awareness and supporting the principles of a circular economy.

Across YTL Cement's operations in Malaysia, the campaign collected more than 105,000 kg of recyclable materials, exceeding the original target of 70,000 kg by 50%. The campaign also included the collection of e-waste, with 386 kg collected for recycling by licensed contractor. The strong participation demonstrated how collective action across our operations can contribute to responsible waste management and resource conservation.



The campaign culminated in the BUILDS Recycling Open Day 2025, a three-day event held from 24 to 26 October 2025 at the PJ Eco Recycling Plaza in conjunction with the YTL Founder's Day. The event brought together employees, their families and members of the public to participate in recycling activities and interactive sustainability workshops. Over the three days, more than 3,000 kg of recyclable materials were collected through on-site drop-off points and sorting activities.

The Open Day provided participants with practical opportunities to explore how everyday waste materials can be recovered and given a new life. Interactive workshops included plastic upcycling and transforming used paper into beads, encouraging participants to discover creative ways to repurpose waste materials and reinforcing the importance of circularity in everyday life.

The event was supported by more than 50 dedicated volunteers, who contributed over 230 hours to its success. Family members of MCB employees also took part, extending the campaign's message of shared responsibility beyond the workplace. As part of the community engagement, contributors received freshly harvested vegetables from local community partners, highlighting the connections between responsible waste management, resource recovery and community participation.

The three-day event concluded with a closing ceremony officiated by Tuan Zain Azly bin Abdul Rahman, Director, Solid Waste Management and Public Cleansing Department, Petaling Jaya City Council (MBPJ), who commended YTL Cement for its environmental leadership and continued engagement with local communities.

Through the BUILDS Recycling Campaign, MCB and the wider YTL Cement Group continue to encourage employees, partners and communities to take practical action towards responsible resource use and a more circular economy.

Water Conservation

GRI 303-1 | 303-3 | 303-4 | 303-5

At MCB, we recognise that water is a finite and shared resource that must be managed responsibly. Effective water stewardship supports environmental protection, operational efficiency and long-term business resilience. We therefore seek to use water efficiently, minimise water losses and promote responsible water management across our operations.

Our water management plan begins with assessing the geographic context of our operating locations to identify potential water-related risks, including whether facilities are located in areas of high water stress. Based on our assessment, none of our operating sites are in water-stressed regions. While Malaysia and Singapore are not arid countries, Singapore is a water-constrained country with limited natural freshwater resources, making efficient water management an important operational consideration.

Across the Group, water use and withdrawals are regularly monitored and reviewed to identify opportunities for continuous improvement. Water-saving measures include process optimisation, preventive maintenance and good housekeeping practices to minimise water losses and improve operational efficiency. Where feasible, water is reused or recycled within operational processes to reduce reliance on external water supplies. Selected operations have also implemented water recycling and rainwater harvesting initiatives to reduce the need for municipal water.

We have set a target to increase the number of sites with water reuse or recycling by 30% by 2030, compared with 2023. We have made strong progress against this target, with 49 sites having water reuse or recycling facilities in FY2026, compared with 17 sites in FY2023, surpassing our 2030 target ahead of schedule.

In FY2026, total water use increased to 3.43 million m³, while total water withdrawal increased to 3.29 million m³, reflecting higher production activities during the reporting period. Total water use includes water recycled and reused within our operations and may therefore exceed total water withdrawal, as recycled water can be used more than once without representing an additional withdrawal from the environment.

We also monitor water discharge from our operations and manage discharge in accordance with applicable regulatory requirements. During the reporting period, there were no incidents of non-compliance with applicable water quality or quantity permits, standards or regulations. We will continue to strengthen water monitoring, expand water reuse and recycling, and identify opportunities to improve water-use efficiency across our operations.

Indicator	Unit	FY2024	FY2025	FY2026
Number of facilities, assets, production, revenue in water-stressed regions	Number of sites	0	0	0
Number of sites with water reuse or recycling	sites	26	44	49
Water withdrawals or consumption in water stressed regions	m³	0	0	0

Water Conservation

Indicator	Unit	FY2024	FY2025	FY2026
Total volume of water used	m ³	3,117,710	3,107,437	3,429,822
Total water withdrawal	m ³	3,208,082	3,059,608	3,291,049
Municipal potable water	m ³	962,309	889,519	1,155,412
Surface water	m ³	1,013,528	405,093	339,007
Groundwater	m ³	891,839	1,372,376	1,440,398
Harvested rainwater	m ³	340,407	392,619	356,232
Used quarry water collected in quarry	m ³	0	0	0
External wastewater	m ³	0	0	0
Sea water	m ³	0	0	0
Total water discharge	m ³	106,475	153,880	182,643
Ocean	m ³	0	0	0
Surface water	m ³	105,134	153,880	182,643
Subsurface / well	m ³	1,341	0	0
Off-site water treatment	m ³	0	0	0
Beneficial / other use	m ³	0	0	0

■ Raising Water Awareness through World Water Day Participation at Pantai Cenang, Langkawi

As part of our efforts to promote water conservation and strengthen engagement with local stakeholders, our Langkawi Plant participated in the Ride & Discover Langkawi 2026 cycling activity, held in conjunction with the state-level World Water Day celebration organised by the Lembaga Sumber Air Negeri Kedah (LSANK) at Pantai Cenang, Langkawi.



Held on 30 April 2026, the non-competitive cycling activity brought together approximately 300 participants, including representatives from the Kedah State Government, Langkawi District Office, hospitality operators and water-based tourism providers across Langkawi. The programme was officiated by the Menteri Besar of Kedah, Y.A.B. Dato’ Seri Muhammad Sanusi Md Nor.

Through this shared platform, the Langkawi Plant team engaged with government, industry and community stakeholders to raise awareness of water conservation and the importance of safeguarding water resources. The engagement also provided an opportunity to strengthen relationships with organisations operating in the Langkawi area and encourage greater collective responsibility for environmental stewardship.

The participation reflects MCB’s commitment to working with stakeholders to promote responsible water management and contribute to broader water conservation efforts beyond our own operations.

Biodiversity Management

Progressing Our Biodiversity Commitments

GRI 101-4

MCB recognises that biodiversity conservation is an important emerging sustainability consideration, particularly given the close relationship between our cement operations and natural resources such as limestone. We recognise that our operations, particularly raw material extraction, involve interaction with the natural environment. We are committed to managing these interactions responsibly to protect ecosystems and support biodiversity conservation.

Our biodiversity management approach focuses on balancing conservation priorities with responsible development, ensuring that environmental considerations are integrated into decision-making and long-term planning. Guided by the principles of avoid, understand and assess, minimise and manage, restore and enhance, and collaborate and advance knowledge, we continue to strengthen our understanding of biodiversity and ecological value through science-based research, strategic partnerships and targeted site-level initiatives.

Approach	Our Approach
Avoid	We seek to avoid or minimise potential impacts on areas of high biodiversity value through responsible site planning and development. Our production facilities are located within areas designated for industrial activities and are developed in accordance with applicable environmental, land-use and planning requirements.
Understand and Assess	We collaborate with research institutions, subject matter experts, government agencies and local communities to improve our understanding of biodiversity, ecological sensitivities and conservation priorities, particularly within tropical limestone karst ecosystems.
Minimise and Manage	We integrate environmental considerations into operational planning and resource management. Through process optimisation, resource efficiency and the use of alternative materials, we seek to minimise pressure on natural resources and potential impacts on biodiversity.
Restore and Enhance	We undertake site-level initiatives that contribute to ecological enhancement, including tree planting, habitat improvement and environmental stewardship programmes that support biodiversity conservation.
Collaborate and Advance Knowledge	Through initiatives such as the University-Industry Research Consortium (UIRC), we support scientific research and evidence-based approaches that contribute to the sustainable management of limestone resources and biodiversity conservation.

Biodiversity Management

Advancing Biodiversity Knowledge Through Research and Collaboration

The University-Industry Research Consortium (UIRC), jointly established by MCB and the Ministry of Higher Education in 2023, remains a cornerstone of our biodiversity management approach. As Malaysia's first university-industry consortium dedicated to tropical limestone karst landscapes, UIRC brings together academia, industry, and policymakers to advance research that supports sustainable resource management and biodiversity conservation.

During the year, UIRC expanded its multidisciplinary network of researchers, bringing together experts in biodiversity, geoheritage, archeology, geopark and sustainable resource management to undertake a comprehensive study of the Lembah Kinta limestone karst ecosystem. The research project, *Kelestarian Batu Kapur Lembah Kinta: Analisis Sumber dan Nilai Warisan untuk Menentukan Zon Penggunaan Lestari dan Pemuliharaan Warisan*, seeks to develop a deeper understanding of the resource, ecological, and heritage values of the limestone karst landscape particularly in Lembah Kinta.

Aligned with UIRC's mission, the research aims to identify an appropriate balance between development and conservation through science-based assessment and evidence-based recommendations. The findings will contribute to a more comprehensive understanding of tropical limestone karst ecosystems and support informed decision-making for sustainable resource management in the state of Perak.

During the reporting year, Phase 1 of the study was successfully completed. Key outcomes included the assessment of limestone resource quality and heritage values within the Lembah Kinta, a review of existing policies, guidelines, and management approaches, and recommendations to strengthen governance and management frameworks for limestone karst landscapes. These findings provide valuable insights that support both biodiversity conservation and the responsible development of mineral resources, while complementing the objectives of the National Mineral Policy.

Building on these achievements, Phase 2 of the project will focus on field verification, targeted geological, biodiversity, and cultural assessments, as well as the use of drone-based photography and mapping technologies to further refine conservation and sustainable development zones.

The additional data generated will strengthen the scientific foundation needed to support long-term management of tropical limestone karst ecosystems and guide future conservation efforts.

In parallel, the UIRC Young Researcher Industrial Grant continues to support early-career academics in producing actionable research that contributes to biodiversity conservation, sustainable site planning, and responsible resource management. Through this initiative, we are not only advancing scientific knowledge but also nurturing the next generation of researchers committed to sustainable development.

Enhancing Biodiversity Through Site-Level Action

Complementing our research and collaboration efforts, the Group continues to translate its biodiversity commitments into practical action across our operating sites. Through tree planting, habitat enhancement and environmental awareness initiatives, our employees and stakeholders have opportunities to contribute directly to the conservation and enhancement of the environments in which we operate.

In conjunction with YTL Group's Beyond 70 initiative, commemorating the Group's 70th anniversary, our Langkawi Plant hosted an environmental programme that brought together 193 participants, including representatives from government agencies, local stakeholders, employees, contractors and nearby educational institutions. The programme featured the planting of 31 tree saplings and the release of 700 fish into the quarry pond to support aquatic biodiversity. In Padang Rengas, Perak, our volunteers planted 150 trees at their premises to further green and enhance the surrounding environment.

Through initiatives such as these, we continue to build awareness, encourage employee participation and support practical measures that contribute to biodiversity conservation and ecological enhancement across the communities and environments where we operate.

Sustainable Supply Chain

GRI-204-1

Sustainable supply chain management is an emerging area of importance for MCB as we continue to strengthen the integration of environmental, social and governance (ESG) considerations into our procurement practices and supplier relationships. We recognise that responsible sourcing and supplier practices can contribute to the resilience of our supply chain, while supporting ethical business practices, environmental responsibility and social accountability.

Our Sustainable Procurement Policy sets out the standards and expectations applicable to suppliers working with MCB Group companies. The Policy covers key areas including compliance, business conduct, product quality and safety, environmental management, labour practices and standards, occupational health and safety, and data privacy. It provides a common reference for suppliers and our procurement teams and supports the integration of sustainability considerations into supplier engagement.

We conduct ESG assessments of existing key suppliers and new suppliers to better understand their environmental and social practices and identify areas for improvement. Recognising that suppliers, particularly small and medium enterprises, may have varying levels of resources and technical capacity, these assessments also provide an opportunity to raise awareness of ESG expectations and encourage continuous improvement.

In FY2026, we expanded the coverage of our supplier ESG assessments, with 497 existing suppliers and 151 new suppliers assessed against both environmental and social criteria, compared with 317 and 79 suppliers respectively in FY2025. This represents continued progress in embedding ESG considerations across our supply chain.

We will continue to progressively strengthen supplier assessment and engagement practices and review our Sustainable Procurement Policy to reflect evolving sustainability expectations and good practices.

	FY2024	FY2025	FY2026
Number of existing suppliers assessed using			
Environmental criteria	247	317	497
Social criteria	247	317	497
Number of new suppliers assessed using			
Environmental criteria	38	79	151
Social criteria	38	79	151
Proportion spending on local suppliers (%)	70%	62%	79%

SECTION 4

Operating Responsibly

- 64 Compliance
- 65 Code of Conduct and Business Ethics
- 66 Anti-Bribery and Anti-Corruption
- 68 Competition Law Compliance
- 69 Data Security and Privacy

Turtles painted by
Katun, Abey Zoul, Gabriel Cheah, Haziq Syawal,
Abdulrashade and Delaila Abdullah



Compliance

GRI 2-27

MCB is committed to complying with all applicable laws, regulations, permit conditions and regulatory requirements in the jurisdictions where we operate. Compliance is an integral part of our governance framework and supports responsible, ethical and sustainable business practices.

We integrate compliance requirements into our business processes through established policies, procedures and internal controls designed to identify and manage legal and regulatory risks. Employees are expected to understand and comply with applicable legal obligations, as well as the Group’s internal policies and standards relevant to their roles and responsibilities.

We monitor developments in applicable legislation and regulatory requirements and assess their potential implications for our operations. Where necessary, policies, procedures and internal controls are reviewed and updated to reflect evolving legal requirements, regulatory expectations and industry practices. Our environmental management approach is supported by pollution prevention measures, including emissions and effluent controls, responsible waste management, environmental monitoring and compliance with applicable environmental requirements.

We define significant instances of non-compliance as events that result in, or could reasonably be expected to result in, material legal, financial, reputational or operational consequences for the Group. This includes instances that:

result in substantial fines, penalties or settlements	cause reputational damage or negative stakeholder response	involve repeated or systemic breaches	trigger reporting to senior management, the Board or regulators
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During FY2026, MCB did not record any significant instances of non-compliance with environmental, social or economic laws and regulations. No significant fines, penalties or legal actions were imposed on any MCB Group entity or employee in relation to significant regulatory non-compliance.

We continue to strengthen our compliance culture through proactive monitoring, employee training, internal controls and environmental management systems. During FY2026, employees received a total of 980 hours of training covering pollution control, environmental compliance and waste management.

Environmental Compliance Performance

MCB’s cement plants are certified to ISO 14001:2015 Environmental Management Systems, supporting a systematic approach to managing environmental impacts, regulatory compliance and continual improvement. During FY2026, 100% of our cement plants remained covered by ISO 14001:2015 certification.

	Target	FY2024	FY2025	FY2026
Sites with ISO 14001:2015 Environmental Management Systems	100% of cement plants are certified.	100% of our cement plants are certified.	100% of our cement plants are certified.	100% of our cement plants are certified.
Number of significant non-compliance related to environmental	Zero incident		Zero incident	Zero incident
Number of incidents of non-compliance with water quality /quantity permits, standards and regulations	Zero incident		Zero incident	Zero incident

Code of Conduct and Business Ethics

GRI 2-23

At MCB, we recognise that strong corporate governance and ethical business conduct are fundamental to sustainable business success. Our Code of Conduct and Business Ethics (“the Code”) establishes the standards of integrity, professionalism and responsible behaviour expected of everyone acting on behalf of the Group. It provides a common framework for ethical decision-making and supports compliance with applicable laws, regulations and internal policies across all areas of our business.

The Code applies to all directors, management and employees of MCB and its subsidiaries, providing a common framework for ethical decision-making, responsible business conduct, and compliance with applicable laws, regulations and internal policies across the Group. Expectations for suppliers, contractors and other business partners are set out separately in the Group’s Sustainable Procurement Policy, which promotes responsible business conduct and the integration of ESG considerations across our supply chain.

The Code sets out our expectations across key areas including:

• Compliance with laws and regulations	• Fair competition
• Business integrity and ethical conduct	• Respectful workplace behaviour
• Anti-bribery and corruption	• Protection of confidential information and personal data
• Conflicts of interest	• Responsible environmental and social practices

The Board of Directors oversees the implementation of the Code as part of the Group’s governance framework. To promote awareness and consistent application, the Code is communicated through employee induction, internal communications and periodic awareness programmes. The Code is also publicly available on the Company’s website, demonstrating our commitment to transparency and ethical business conduct.

Through the implementation of the Code, MCB reinforces a culture of integrity, accountability and responsible decision-making, supporting long-term sustainable value creation for our stakeholders.

Anti-Bribery and Anti-Corruption

GRI 205-1 | 205-2 | 205-3 | 415-1

MCB adopts a zero-tolerance approach to bribery and corruption and is committed to conducting business with honesty, integrity and accountability. We maintain policies, procedures and internal controls to prevent, detect and respond to bribery and other forms of corruption across our operations, recognising that ethical business conduct is fundamental to maintaining stakeholder trust and creating long-term value.

Our Anti-Bribery and Anti-Corruption (“ABC”) Policy, overseen by the Board, reinforces the Group’s Code of Conduct and Business Ethics by establishing the principles, responsibilities and controls for managing bribery and corruption risks throughout the organisation. The Policy applies to directors, management, employees and, where relevant, third parties acting on behalf of the Group.

The Policy prohibits all forms of bribery and corruption, including but not limited to:

- Offering, giving, soliciting or accepting bribes or facilitation payments
- Improper gifts, hospitality or entertainment
- Conflicts of interest that could influence business decisions
- Improper dealings with public officials
- Kickbacks and other improper payments involving suppliers, contractors or business partners
- Fraud, embezzlement, misappropriation of assets, money laundering and falsification of records
- Improper political contributions, charitable donations or sponsorships used to obtain an undue business advantage

The Board provides oversight of the ABC Policy and periodically reviews its effectiveness to ensure that it remains aligned with applicable laws, regulatory requirements and leading practices.

Managing corruption risks

MCB adopts a risk-based approach to managing bribery and corruption risks through:

- periodic corruption risk assessments across operations to identify and evaluate bribery and corruption risks;
- enhanced controls, approvals, monitoring and internal audits for operations or activities identified as presenting higher corruption risks; and
- communicating the Group’s ABC Policy and ethical conduct expectations to relevant business partners through contractual requirements, procurement processes and the Sustainable Procurement Policy.

Building awareness and encouraging reporting

The ABC Policy is communicated to all employees through mandatory induction programmes, periodic refresher training and ongoing awareness initiatives. Our training covers:

- the Group’s comprehensive anti-corruption approach and zero-tolerance approach to bribery and corruption;
- the different elements and types of corruption and bribery, including gifts and hospitality, facilitation payments, conflicts of interest, dealings with public officials, fraud, money laundering and other unethical conduct;
- employees’ responsibilities under the ABC Policy; and
- procedures for identifying, preventing and reporting suspected misconduct.

Training completion is monitored and reported annually to the Board as part of its oversight responsibilities.

Anti-Bribery and Anti-Corruption

Similarly, all suppliers must comply with MCB’s Anti-Bribery and Anti-Corruption Policy 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.

Employees and external stakeholders are encouraged to report any suspected or actual breaches of the ABC Policy, including bribery, corruption, fraud or other unethical conduct, through the Group’s confidential whistleblowing channels. Reports may be submitted confidentially or anonymously, and are investigated in accordance with established procedures. MCB prohibits retaliation against any individual who raises a concern in good faith.

Indicator	FY2024	FY2025	FY2026
Anti-bribery and anti-corruption training			
Company total	91%	97%	99%
By employee level			
Top management	100%	100%	100%
Senior and middle management	99%	99%	100%
Executive	96%	98%	99%
Non-executive	73%	94%	99%
By function			
Technical & Production	89%	97%	99%
Admin, sales, support functions	96%	97%	99%
Compliance			
Number of confirmed incidents of corruption	0	0	0
Total amount of political contributions made	RM 0	RM 0	RM 0
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	0	0	0
Cost of fines, penalties or settlements in relation to corruption	RM 0	RM 0	RM 0

Note: MCB requires all employees to complete ABC training at least once every 24 months. Accordingly, training completion rates represent the percentage of current employees as at the reporting date who have completed ABC training within the preceding 24 months.

Competition Law Compliance

GRI 206-1

MCB is committed to conducting business fairly, ethically and in compliance with applicable competition laws in the jurisdictions where we operate. Fair competition promotes innovation, supports healthy market development and reinforces the trust of our customers and other stakeholders. Failure to comply with competition laws could expose the Group to legal, financial and reputational risks, making effective competition law compliance an important part of our business conduct.

The Group’s Code of Conduct and Business Ethics requires all relevant employees to conduct business practices, commercial agreements and interactions with customers, suppliers, competitors and other business associates in compliance with applicable laws and regulations, as well as the Group’s internal policies, practices and guidelines.

To support compliance, MCB implements policies, procedures and internal controls to identify, prevent and address competition law risks. Relevant employees receive periodic competition law awareness training covering applicable competition laws, the Group’s Code of Conduct and Business Ethics, and employees’ responsibilities when interacting with customers, suppliers, competitors, industry associations and other external parties.

Performance	FY2025	FY2026
Confirmed legal actions relating to breaches of the Competition Act 2010 involving any MCB Group company or employee.	0	0

Data Security and Privacy

GRI 418-1

MCB recognises that protecting personal data and confidential information is essential to maintaining the trust of our customers, employees, business partners and other stakeholders. Effective data security and privacy practices support business continuity, regulatory compliance and the responsible management of information across our operations.

We are committed to safeguarding personal data and information assets entrusted to us in accordance with applicable data protection laws and regulations. Our approach is supported by policies, procedures and internal controls governing the collection, use, storage, retention and disposal of personal data. Personal data is collected only where necessary for legitimate business purposes and handled in accordance with applicable legal and regulatory requirements.

To protect information assets, MCB implements appropriate administrative, physical and technical safeguards designed to prevent unauthorised access, use, disclosure, alteration or loss of personal and confidential information. Security controls are periodically reviewed and enhanced to address evolving business needs, technological developments and regulatory requirements.

Employee awareness is fundamental to maintaining effective data security and privacy practices. Through training, awareness programmes and internal communications, employees are reminded of their responsibilities in handling personal and confidential information and complying with the Group’s policies and applicable legal requirements.

Data Security and Privacy Framework

Principle	Approach
Responsible collection and use of personal data	Personal data is collected only where necessary for legitimate business purposes and handled in accordance with applicable legal and regulatory requirements.
Protection of information assets	Administrative, physical and technical safeguards are implemented to protect personal and confidential information from unauthorised access, use, disclosure, alteration or loss.
Employee awareness	Employees receive periodic awareness and training to promote responsible handling of personal data and confidential information.
Continuous improvement	Security controls and data protection practices are periodically reviewed and strengthened to address evolving risks and regulatory requirements.

Data Privacy Performance

Indicators	Target	FY2024	FY2025	FY2026
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0	0
(i) Complaints received from external parties	0	0	0	0
(ii) Complaints received from regulatory authorities	0	0	0	0

SECTION 5

Building Capacity and the Community

- 72 Our People
- 76 Occupational Health and Safety
- 84 People Development
- 88 Community Investment

Turtles painted by
Issarezal Ismail, Ong Pei Yee,
Michelle Yap, Wan Jamila, Luq Zaidismail
and Lisa Teo



Our People

At MCB, our people are the driving force behind our business transformation and long-term success. As we advance the transition towards lower-carbon construction solutions, we remain committed to attracting, developing and retaining a skilled, engaged and diverse workforce capable of delivering operational excellence and innovation.

We foster a workplace where employees are treated fairly, respected and empowered to realise their full potential. Through continuous learning, leadership development, employee wellbeing initiatives and a strong safety culture, we invest in building future-ready talent while creating meaningful career opportunities across the Group.



Labour Standards and Practices
GRI 2-23 | 2-24 | 2-26 | 406-1 | 407-1 | 408-1 | 409-1

We are committed to maintaining fair, ethical and responsible labour practices across our operations. We conduct our business in accordance with applicable labour laws and regulations and respect internationally recognised human rights principles.

Our labour standards and workplace expectations are communicated to employees through the Employee Handbook, Code of Conduct, onboarding programmes and periodic internal communications. We also expect our contractors, suppliers and business partners to uphold similar standards.

Employees may raise workplace concerns through established grievance and whistleblowing channels without fear of retaliation, enabling issues to be investigated and addressed promptly. Reported concerns are investigated promptly and addressed in accordance with our established procedures.

Labour and human rights risks are monitored through the Group’s governance, risk management and compliance processes, with reported concerns reviewed and addressed through established investigation and corrective action procedures.

Our People

Our approach to labour standards is guided by the following principles:

Our Commitment	
Prohibition of child labour, forced labour and human trafficking	We maintain a zero-tolerance approach towards all forms of forced labour, child labour, modern slavery, bonded labour and human trafficking. Employment is voluntary, and all workers are engaged without coercion or exploitation.
Equal opportunity, diversity and inclusion	We are committed to providing equal employment opportunities and maintaining a workplace free from discrimination. Employment-related decisions are based on merit, qualifications, performance and business needs, regardless of race, gender, age, nationality, disability or religion. We value talent and performance while promoting equal opportunities and equal pay for equal work.
Prevention of harassment and workplace misconduct	We do not tolerate any form of physical, verbal, sexual or psychological harassment, bullying, intimidation, abuse or threatening behaviour. We strive to foster a respectful and inclusive workplace where all employees are treated with dignity and respect.
Safe and healthy working conditions	We are committed to providing a safe and healthy working environment and ensuring compliance with applicable requirements relating to occupational health and safety, working hours, overtime, rest periods and employee welfare. The Group seeks to manage working time in accordance with applicable laws and operational requirements.
Freedom of association and employee engagement	We respect employees’ rights to express their views, raise concerns and participate in constructive dialogue. Employees are free to associate with lawful organisations and representative bodies in accordance with applicable laws and regulations. Employees are also expected to exercise these rights responsibly, ensuring that their participation does not create conflicts of interest, adversely affect their work performance or compromise the Group’s legitimate business interests or reputation.
Fair compensation and benefits	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.

These principles guide our approach to managing our workforce and maintaining a positive, respectful and inclusive workplace culture.

Indicators	Target	FY2024	FY2025	FY2026
Number of substantiated complaints concerning human rights violations	0	0	0	0

No substantiated incidents involving discrimination, child labour, forced labour, human trafficking or other human rights violations were recorded during the reporting period.

Our People

MCB enables a diverse and inclusive workforce where employees are respected, empowered and given equal opportunities to grow and succeed.

Building a Diverse and Inclusive Workforce
GRI 405-1

At MCB, we recognise that a diverse and inclusive workforce strengthens our ability to innovate, adapt and deliver long-term value. We are committed to fostering a workplace where employees from different backgrounds, experiences and perspectives are respected, empowered and given equal opportunities to succeed.

We promote fair and equitable employment practices across the employee lifecycle, including recruitment, learning and development, performance management and career advancement. Employment-related decisions are based on merit, qualifications, skills and business needs through fair and transparent processes. We maintain a workplace free from discrimination, harassment and unfair treatment, where every employee is treated with dignity and respect.

As one of Malaysia's leading building materials manufacturers, our workforce comprises employees across a broad range of technical, operational and corporate functions. We value the diversity of knowledge, expertise and perspectives that our people bring, recognising that an inclusive culture enhances collaboration, strengthens problem-solving and supports business resilience.

We also recognise that diversity at the leadership level contributes to effective governance and better decision-making. We therefore seek to maintain an appropriate mix of skills, experience, gender, age and professional backgrounds within our Board and workforce to support the Group's long-term success.



Diversity of the Board of Directors

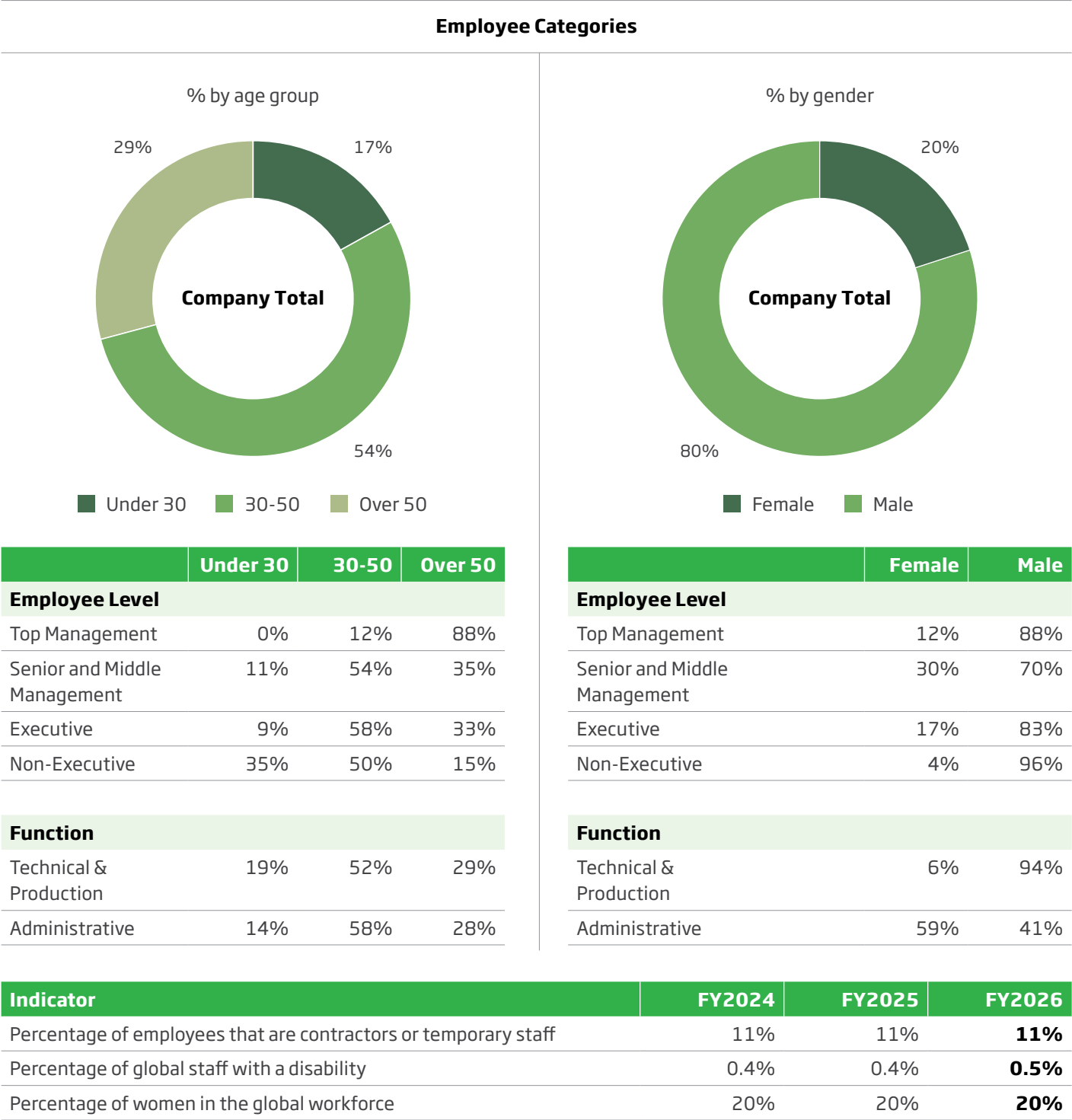
We recognise that a diverse Board contributes to effective governance, balanced decision-making and long-term value creation. Our Board comprises individuals with diverse backgrounds in terms of gender, professional experience and industry expertise. This diversity broadens perspectives, strengthens oversight and supports the Board in navigating evolving business challenges while addressing the interests of our stakeholders.

The Board is committed to maintaining an appropriate level of gender diversity and supports the Malaysian Code on Corporate Governance's objective of achieving at least 30% women representation on the Board. Board appointments are made based on merit, taking into account the skills, experience, independence and diversity required to support the Group's long-term strategy.

Diversity of the Board of Directors	FY2024	FY2025	FY2026
Number of directors, company total	8	8	8
Number of independent directors	3	3	3
Gender			
Number of women on the board	3	3	3
Female, percentage	37.5%	37.5%	37.5%
Male, percentage	62.5%	62.5%	62.5%

Employee Diversity
GRI 2-7

We monitor workforce diversity across employee levels and functions to support succession planning, talent development and an inclusive workplace. The composition of our workforce as at 30 June 2026 is presented below.



Occupational Health and Safety

OH&S Management System

GRI 3-3 | 403-1 | 403-2 | 403-4

Safety is a core value embedded across MCB's operations and an integral part of our operational excellence. We are committed to providing a safe, healthy and incident-free workplace for our employees, contractors and visitors.

Occupational health and safety (OH&S) is managed as an enterprise risk and forms part of the Group's broader risk management framework. Effective management of OH&S risks supports operational continuity, workforce wellbeing, regulatory compliance and long-term business resilience. Our approach is guided by applicable legal and regulatory requirements, internationally recognised practices including the principles of ISO 45001, and a preventive risk management mindset.

Our OH&S management system is built on four key pillars:

Leadership and Accountability	Clear governance, defined roles and responsibilities, and visible leadership commitment.
Risk Management	Systematic hazard identification, risk assessment and implementation of appropriate control measures.
Competency and Participation	Training, communication, consultation and active worker participation.
Performance Monitoring and Continuous Improvement	Monitoring, incident reporting, audits, management review and continual improvement.

As described in the Governance section of this Report, the Board of Directors oversees material sustainability-related risks, including occupational health and safety, while Management is responsible for implementing the Group's OH&S Management System, monitoring performance and ensuring appropriate resources and controls are maintained across operations.

At the operational level, each site has established a Safety and Health Committee (SHC) to strengthen employee participation, monitor safety performance and drive continual improvement. The SHC is responsible for:

- Monitoring implementation of the site's annual OH&S plan;
- Reviewing OH&S policies, procedures and management systems;
- Conducting workplace inspections and identifying improvement opportunities;
- Reviewing audit findings and monitoring corrective and preventive actions;
- Promoting a safety-first culture through communication, consultation and employee engagement; and
- Reviewing OH&S performance, emerging risks and resource requirements.

Each SHC is chaired by the Plant Manager or Head of Operations and meets regularly to review safety performance, evaluate improvement initiatives and ensure adequate resources are available to achieve the Group's OH&S objectives.

In addition, site management conducts routine workplace inspections and engages directly with employees to identify unsafe conditions and behaviours, reinforce safe work practices and encourage active participation in maintaining a safe and healthy workplace.

Supported by strong governance, systematic risk management and active worker participation, MCB continues to strengthen its safety culture and enhance organisational resilience through the prevention of workplace injuries and occupational illnesses.

Occupational Health and Safety

Hazard Identification, Risk Assessment and Incident Investigation

GRI 403-2

MCB adopts a proactive and systematic approach to identifying, assessing and managing occupational health and safety risks across its operations. Hazards are identified through routine workplace inspections, operational reviews, safety observations, environmental monitoring, incident investigations and employee feedback, enabling risks to be identified and addressed before incidents occur.

Risk assessments are conducted for routine operations, maintenance activities, plant shutdowns, construction works, new projects and other non-routine work to identify potential hazards and determine appropriate control measures before work commences.

Prior to commencing higher-risk work, employees and contractors are required, where applicable, to complete site inductions, safety induction, permit-to-work requirements, and Hazard Identification, Risk Assessment and Risk Control (HIRARC) processes. These measures ensure that hazards are identified, risks are assessed and appropriate controls are implemented before work begins.

Our risk management approach follows the hierarchy of controls, prioritising hazard elimination and substitution wherever practicable, followed by engineering controls, administrative controls, safe work procedures and the use of personal protective equipment.

Employees involved in hazard identification and risk assessment receive appropriate training supported by periodic refresher programmes. Health and safety communications and training are provided in languages understood by our workforce where appropriate to promote effective participation and understanding.

Contractors performing work at MCB sites are subject to the Group's occupational health and safety requirements, including site induction, competency verification, safety briefings, permit-to-work procedures and compliance with site safety rules. Contractor performance is monitored throughout project execution to ensure compliance with the Group's OH&S standards.

Health and Safety Policy

Health and Safety is a core value that guides our business operations at MCB. We aim to provide a healthy and safe work environment with zero harm to our employees, contractors, and related stakeholders. Our Health and Safety Policy, which is reviewed annually, reflects our commitment to visible leadership, personal accountability, proactive risk management and continual improvement in occupational health and safety performance.

Our commitments include:

- Achieving Zero Harm by preventing work-related injuries, occupational illnesses and fatalities.
- Complying with applicable occupational health and safety laws, regulations and internal standards.
- Systematically identifying, assessing and controlling occupational health and safety risks through effective risk management processes.
- Promoting safe logistics operations, business travel and commuting through responsible transport and road safety practices.
- Developing workforce competency through health and safety induction, role-specific training and periodic refresher programmes.
- Fostering a positive safety culture through visible leadership, worker consultation, active participation and open communication.
- Continuously improving health and safety performance through monitoring, audits, incident investigations and measurable objectives.

Occupational Health and Safety

All work-related incidents, near misses and unsafe conditions are reported, investigated and reviewed to identify root causes and implement corrective and preventive actions. Investigation findings, lessons learnt and emerging risk trends are communicated to relevant personnel and reviewed by management to strengthen controls, reduce recurrence and support continual improvement of the OH&S management system.

Occupational Health Services GRI 403-3

MCB's occupational health programme focuses on the prevention, early identification and management of work-related health risks while supporting the overall health and wellbeing of our workforce. Programmes include pre-employment medical examinations, occupational health surveillance, fitness-for-work assessments, ergonomic assessments, access to panel clinics, health screening and health promotion initiatives.

Protecting Hearing Health through Noise Risk Management

Protecting employees from occupational noise exposure is an important part of MCB's occupational health programme. Across our operations, we conduct regular Noise Risk Assessments (NRA) to identify noise sources, assess employee exposure and implement appropriate engineering, administrative and personal protective measures in accordance with the hierarchy of controls.

These assessments are supported by our Hearing Conservation Programme, which includes personal noise exposure monitoring, audiometric testing, employee awareness and the use of appropriate hearing protection to safeguard employees working in designated noise exposure areas.

Through continuous monitoring, preventive measures and periodic programme evaluations, MCB continues to minimise occupational noise risks, comply with the Occupational Safety and Health (Noise Exposure) Regulations 2019, and protect the long-term hearing health of our employees.



Employee Participation GRI 403-4

MCB recognises that meaningful worker participation is fundamental to maintaining an effective OH&S management system and strengthening a positive safety culture. Employees and other workers under our control are encouraged to actively participate in hazard identification, risk assessments, incident reporting, workplace inspections and the continual improvement of occupational health and safety practices.

Workers are empowered to raise safety concerns, report unsafe conditions and recommend improvements through established communication and reporting channels without fear of retaliation. Feedback is incorporated into workplace inspections, risk assessments, incident investigations and corrective action plans to strengthen risk management and prevent recurrence.

Employee participation is supported through regular toolbox meetings, safety briefings, training programmes and workplace communications that reinforce safe work practices, promote hazard awareness and share lessons learnt from incidents and near misses. These engagement platforms encourage open dialogue and enable workers to contribute ideas and recommendations for improving workplace health and safety.

Participation is further supported through the Safety and Health Committees (SHCs), which provide a formal platform for consultation and collaboration between management and workers on occupational health and safety matters. SHCs meet regularly to review workplace conditions, monitor implementation of the OH&S plan, assess safety performance and advise on improvement opportunities.

To promote transparency and organisational learning, workers are provided with access to relevant OH&S policies, procedures and safety information through toolbox talks, operational briefings, notice boards and digital communication platforms. Findings from incident investigations, lessons learnt and corrective actions are communicated to relevant personnel to strengthen organisational learning and reinforce a shared responsibility for maintaining a safe and healthy workplace.

Occupational Health and Safety

Worker Training on Occupational Health and Safety GRI 403-5 | 403-7

MCB is committed to equipping employees and contractors with the knowledge and competencies required to work safely and responsibly. Occupational health and safety training is a key control within our OH&S management system, supporting effective risk management and strengthening workforce capability across our operations.

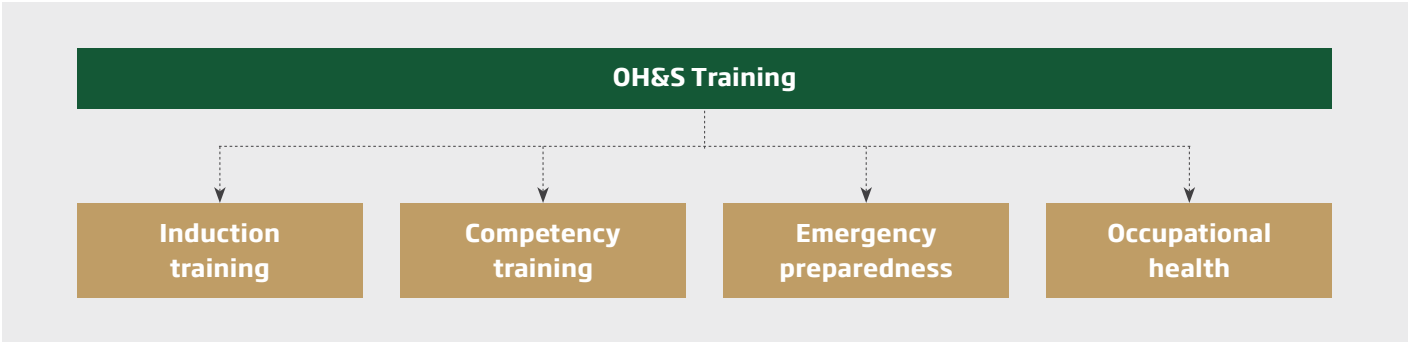
Training requirements are determined based on job responsibilities, operational risks, legal requirements, incident trends and changes to work processes. All employees and contractors receive health and safety induction training before commencing work, covering workplace hazards, emergency preparedness and relevant operational controls.

Throughout the year, employees and contractors participate in competency-based training, toolbox meetings, safety briefings and awareness programmes that reinforce safe work practices, communicate emerging risks and share lessons learnt from incidents and near misses. To maintain competency, all employees are required to complete role-appropriate occupational health and safety refresher training at least once every 24 months, with additional training provided whenever there are changes to work processes, equipment, legislation or identified workplace risks.

Training programmes are delivered by competent internal personnel and accredited external trainers where appropriate. To ensure effective learning and participation, training is conducted in languages understood by our workforce and is provided during paid working hours.

Health and safety information is further communicated through safety alerts, toolbox talks, notice boards and operational updates to keep employees and contractors informed of emerging risks, procedural changes and key safety requirements.

Training effectiveness is evaluated through competency assessments, workplace observations and employee feedback. Outcomes are reviewed by Management and used to enhance training programmes, strengthen workforce capability and support the continual improvement of occupational health and safety performance.



Health & safety training	Unit	FY2024	FY2025	FY2026
Total training hours	Hours	31,197	43,755	34,623
Number of employees trained on health and safety topics	Persons	1,365	1,263	1,581

Occupational Health and Safety

Building a Strong Safety Culture through Contractor and Employee Safety Induction

Across MCB's operations, all new employees and contractors are required to complete a comprehensive safety induction programme before entering our sites. The programme establishes a consistent understanding of MCB's health and safety expectations, site-specific hazards, safe work practices and emergency procedures, helping to ensure everyone is equipped to work safely from their first day on site.

The induction programme covers workplace hazards and risk controls, personal protective equipment (PPE) requirements, site safety rules, emergency response procedures and individual responsibilities for maintaining a safe workplace. Participants also receive guidance on regulatory requirements and are assessed to verify their understanding before commencing work.

Strengthening Emergency Preparedness

Emergency preparedness is a critical component of MCB's occupational health and safety programme, ensuring our employees are equipped to respond safely and effectively to workplace emergencies while protecting people, assets and the environment.

During the year, MCB strengthened emergency response capabilities through specialised training and practical emergency drills conducted in collaboration with the Malaysian Fire and Rescue Department (BOMBA). Pahang Plant completed a three-day Emergency Response Team (ERT) training programme in collaboration with the Malaysian Fire and Rescue Department (BOMBA), equipping 24 employees with competencies in fire safety, evacuation procedures, fire protection systems, emergency rescue techniques, basic first aid and the safe use of firefighting equipment. Meanwhile, at Kanthan Plant, members of the Emergency Response Team (ERT), including plant firefighters, HSE and Security personnel, participated in firefighter refresher training and a simulated emergency drill with BOMBA to reinforce emergency coordination, evacuation procedures and fire suppression capabilities under realistic operating conditions.

These initiatives strengthen workforce competency, enhance collaboration with external emergency responders and improve the effectiveness of MCB's emergency response arrangements. Through regular training and drills, we continue to build a proactive safety culture and strengthen operational resilience across our operations.



Occupational Health and Safety

Strengthening First Aid and Emergency Medical Response

Timely first aid can significantly reduce the severity of workplace injuries and improve outcomes during medical emergencies. Across MCB's operations, designated Emergency Response Team (ERT) and First Aid (FA) personnel undergo regular competency-based training to ensure they are prepared to provide immediate assistance while awaiting professional medical responders.

During the year, a total of 85 employees participated in Occupational First Aid certification and refresher training programmes covering a wide range of emergency medical scenarios, including first aid, cardiopulmonary resuscitation (CPR), automated external defibrillator (AED) operation, casualty assessment and emergency response. These programmes ensure that emergency response personnel maintain the competencies and confidence required to respond effectively to workplace incidents and medical emergencies.

Training programmes combine classroom learning with practical simulations covering first aid principles, cardiopulmonary resuscitation (CPR), automated external defibrillator (AED) operation, wound management, casualty assessment, patient handling and emergency scene management. Participants also take part in mock emergency exercises and competency assessments to reinforce confidence and readiness in responding to workplace emergencies.

By strengthening first aid capabilities across our operations, MCB enhances workplace preparedness, enables timely intervention during emergencies and reinforces our commitment to protecting the health, safety and wellbeing of our employees, contractors and visitors.

OH&S Performance

GRI 403-9 | 403-10

MCB monitors occupational health and safety performance to evaluate the effectiveness of its OH&S Management System and support the continual improvement of workplace health and safety. Performance monitoring forms an integral part of the Group's enterprise risk management approach, enabling Management to assess whether existing controls remain effective, identify emerging risks and prioritise improvement initiatives that strengthen operational resilience.

The Group is committed to maintaining zero work-related fatalities and reducing the numbers of workplace injuries across all operations. To maintain workforce competency, all employees are required to complete role-appropriate occupational health and safety refresher training at least once every 24 months, with training tailored to their job responsibilities and workplace risks. Individual business units may establish additional site-specific health and safety targets and initiatives that reflect their operational activities, risk profiles and regulatory requirements.

Health and safety performance is monitored through a balanced combination of leading and lagging indicators. Leading indicators include workplace inspections, safety observations, training completion, audits and near miss reporting, while lagging indicators include work-related injuries, lost-time incidents, and fatalities. Performance trends are reviewed regularly by Management, with significant risks, incidents and improvement opportunities escalated through the Group's governance framework where appropriate.

Lessons learnt from incidents, near misses, workplace inspections and audits are communicated to strengthen organisational learning, reinforce safe work practices and prevent recurrence. Findings are incorporated into risk assessments, training programmes and operational controls to support the continual improvement of occupational health and safety performance.

Occupational Health and Safety

Details of the Group's occupational health and safety performance during the reporting period are presented below.

Indicator	Unit	FY2024	FY2025	FY2026
Leading indicators				
Monitoring				
Workplace inspections	Number	2,248	2,390	2,447
Employee health surveillance	Persons	645	740	492
Standard Operating Procedure (SOP) Reviews	Number	561	496	858
Reporting				
Near-miss report received	Number	25	13	15
Management				
Percentage of cement plants with ISO45001 certification	%	100%	100%	100%

Indicator	Unit	FY2024	FY2025	FY2026
Lagging indicators				
Number of hours worked	Hours	9,594,013	9,866,571	9,981,785
Work-related fatalities				
Employee fatalities	Number	0	0	0
Contractor fatalities	Number	1	0	0
Lost time injuries (LTI)	Number	24	18	14
Employee LTI	Number	12	13	8
Contractor LTI	Number	12	5	6
Lost Time Injuries Frequency Rate (LTIFR) ¹	Rate	2.50	1.82	1.40
Employee LTIFR	Rate	2.73	2.90	1.79
Contractor LTIFR	Rate	2.30	0.93	1.09
Total Injuries Frequency Rate (TIFR) ²	Rate	5.31	3.45	3.32
Employee TIFR	Rate	4.56	4.02	2.98
Contractor TIFR	Rate	5.95	2.97	3.53
Lost Time Incident Rate (LTIR) ³	Rate	0.50	0.36	0.28
Employee LTIR	Rate	0.55	0.58	0.36
Contractor LTIR	Rate	0.46	0.19	0.22

Notes:
1. LTIFR = (number of LTI x 1,000,000) / total hours worked
2. TIFR = (number of total injuries x 1,000,000) / total hours worked
3. LTIR = (number of LTI x 200,000) / total hours worked

Occupational Health and Safety



- Maintaining **zero work-related fatalities** across all operations
- Reduction of LTIFR to **below 1.00**
- Ensuring all employees complete role-appropriate occupational health and safety refresher training at least once **every 24 months**, with training content tailored to their job responsibilities and workplace risks

MCB recorded an improvement in workplace safety performance during the reporting period, with a reduction in overall workplace injuries. Total lost time injuries (LTI) decreased from 18 in FY2025 to 14 in FY2026, while the Lost Time Injury Frequency Rate (LTIFR) improved from 1.82 to 1.40 and the Total Injuries Frequency Rate (TIFR) improved from 3.45 to 3.32. There were no employee or contractor fatalities during the year.

These improvements were supported by strengthened preventive measures and increased monitoring across the Group. Workplace inspections increased from 2,390 in FY2025 to 2,447 in FY2026. These activities, together with greater awareness of workplace hazards and interventions when unsafe practices are identified, help to strengthen hazard identification and control before incidents occur.

The Group also launched its Energy Isolation Standard, which is being implemented across all business units to strengthen controls when employees and contractors work on or around machinery and other energy sources. The Standard is expected to support MCB's continued efforts towards its objectives of zero workplace fatalities and progressively reducing workplace injuries.

Building a Safer Workplace by Controlling Hazardous Energy

In May 2026, MCB launched its new Health & Safety (H&S) Standard on Energy Isolation (EI), establishing a common set of requirements for all business units and operational sites across the Group.

The EI Standard was developed in response to workplace incidents involving injuries arising from the unexpected or uncontrolled release of hazardous energy. The Standard establishes a systematic and consistent approach to controlling hazardous energy, with the objective of preventing serious injuries and fatalities. It covers a range of energy sources, including electrical, mechanical, hydraulic, pneumatic, chemical, thermal and gravitational energy, and sets out requirements for ensuring that hazardous energy is effectively isolated before work begins.

The EI Standard also reinforces MCB's commitment to providing safe systems of work and managing occupational safety and health risks, supporting compliance with the Occupational Safety and Health Act 1994 (OSHA 1994). By establishing minimum mandatory controls, the Standard provides operational sites with a common framework for managing hazardous energy while allowing additional controls to be implemented where required to address site-specific risks.

Over time, implementation of the EI Standard is expected to strengthen workforce competency and awareness, improve operational discipline and enhance the Group's overall safety culture, helping to reduce the risk of serious injuries and fatalities arising from hazardous energy.

People Development

Developing our people is fundamental to MCB’s long-term success and our ability to remain competitive in an evolving business environment. As the construction industry transitions towards more sustainable and innovative solutions, we continue to invest in building a skilled, agile and future-ready workforce capable of driving operational excellence and business growth.

We provide employees with opportunities to develop their technical expertise, leadership capabilities and professional skills through structured learning, performance development and career progression. By nurturing talent at every stage of the employee lifecycle, we strengthen organisational capability while enabling our people to realise their full potential.

Talent Attraction and Retention

GRI 401-1

Attracting and retaining talented employees is essential to supporting business growth and maintaining operational excellence. We strive to create a workplace where individuals are empowered to grow, contribute and build rewarding careers with the Group.

Our recruitment approach is guided by business needs and focuses on attracting individuals with the skills, experience and potential to contribute to the Group’s success. We are committed to fair and transparent recruitment practices that provide equal employment opportunities regardless of race, gender, age or religion.

We recognise that retaining talented employees is critical to maintaining operational continuity, preserving institutional knowledge and supporting long-term business performance. Our talent retention strategy focuses on four key pillars that promote employee engagement, support professional growth and create a positive workplace experience.

4 Key Pillars for Talent Attraction and Retention

01

Work Environment

- Safe and healthy workplace
- Inclusive culture

02

Employee Engagement

- Open communication
- Employee feedback
- Team activities

03

Performance & Development

- Clear goals and expectations
- Continuous performance feedback
- Learning and career development

04

Rewards & Recognition

- Competitive remuneration
- Recognition programmes

The effectiveness of our talent attraction and retention efforts is monitored through workforce turnover trends across employee categories. These insights help Management identify retention risks, understand workforce demographics and strengthen initiatives that support employee engagement and long-term workforce stability.

People Development

Total number of employee turnover by employee category

Employee Turnover	FY2024	FY2025	FY2026
Company total	189	198	145
Function			
Technical & Production	149	178	104
Administrative	40	20	41
Gender			
Female	43	44	25
Male	146	154	120
Age group			
Under 30	64	84	52
30-50	65	41	33
Over 50	60	73	60

	Full-time staff voluntary turnover rate		
	MCB	Sector ¹	Country ¹
Turnover	3.5%	17.7%	18.2%

Note:

1. Manufacturing sector and Malaysia figures represent overall employee attrition rates reported by Aon for 2025 and are provided for general market context. These rates may not be directly comparable to MCB's voluntary turnover rate.

2. MCB's voluntary turnover rate is calculated as the number of voluntary employee separations, including retirements, during the reporting period divided by the average number of full-time employees during the reporting period.



MCB recorded a voluntary turnover rate of 3.5% during FY2026. Approximately forty percent of voluntary separations comprised retirements, reflecting the planned transition of an experienced segment of the workforce. Overall, the Group’s voluntary turnover rate remained comparatively low, demonstrating the effectiveness of the Group’s talent retention efforts.

People Development

Learning Beyond the Workplace: Brown Bag Luncheons Bring People Together



At MCB, we believe that creating a workplace where people want to stay and grow extends beyond professional development. Equally important is providing opportunities for employees to learn, connect and develop as individuals.

Our Brown Bag Luncheon (“BBL”) series offers informal lunchtime sessions covering a wide range of non-work-related topics that support personal wellbeing, lifelong learning and personal enrichment. From personal financial management, healthy living and tax planning to artisanal chocolate appreciation and community initiatives, the sessions encourage employees to explore new interests while gaining practical knowledge for everyday life.

Beyond the learning experience, the BBL sessions strengthen connections across the Group by bringing together employees from different business units and functions. They provide opportunities to build new relationships, reconnect with colleagues and foster a greater sense of belonging within the organisation. These informal interactions contribute to a more collaborative, inclusive and engaging workplace culture.

The programme reflects our belief that employee development extends beyond technical skills. By investing in employees’ personal growth and wellbeing, we create a workplace where people feel valued both professionally and personally. We believe these experiences strengthen employee engagement, support talent retention and reinforce MCB’s aspiration to be an employer of choice.

Learning and Development

GRI 404-1 | 404-2

Continuous learning is essential to developing the capabilities required to support MCB’s long-term growth and competitiveness. We invest in learning and development programmes that equip employees with the technical, leadership and professional skills needed to excel in their current roles while preparing them for future opportunities.

Learning needs are identified through a structured review process as part of the Group’s half-yearly performance review, enabling managers and employees to discuss development priorities and training requirements. Employees are supported through a combination of internal and external training programmes, knowledge-sharing sessions and experiential on-the-job learning.

People Development

Some of our technical and functional training programmes are delivered by experienced internal subject matter experts who understand our business, operations and processes. This practical approach enables employees to apply new knowledge directly in their work while promoting the consistent implementation of critical topics such as climate risk management, operational excellence and technical best practices across the Group.

During FY2026, the Group recorded 27,910 training hours, representing an average of 13 training hours per employee. This investment in continuous learning strengthens organisational capability, supports career development and prepares our workforce to meet evolving business and industry needs.

Employee development training

Indicator	Unit	FY2024	FY2025	FY2026
Total hours as a company	Hours	26,466	31,410	27,910
Average hours per employee	Hours	13.1	16	13

Total hours of training by employee category

Indicator	Total training hours		
	Female	Male	Total
Top Management	10	59	69
Senior and Middle Management	4,997	16,235	21,232
Executive	540	4,509	5,049
Non-Executive	133	1,427	1,560
Total	5,680	22,230	27,910

Employee Role	Persons trained	Training hours
Technical & Production	1,496	22,223
Administrative	512	5,685

Performance Management

GRI 404-3

Performance management plays an important role in aligning individual contributions with the Group’s strategic objectives while supporting employee development and career progression. Through regular performance discussions, employees receive constructive feedback, set clear performance expectations and identify opportunities for continuous improvement.

The Group conducts structured half-yearly performance reviews for all employees. The review process provides managers and employees with an opportunity to assess performance against agreed objectives, discuss development needs and establish learning and career development plans. Performance outcomes also support decisions relating to career progression, succession planning and rewards, recognising individual contributions to the Group’s success.

Community Investment

GRI 413-1

Building Better Communities Through Meaningful and Lasting Partnerships

MCB is committed to creating long-term positive social value in the communities where we operate. Through BUILDS, the Corporate Social Responsibility (CSR) arm of YTL Cement Group, we invest in programmes that strengthen communities, promote environmental stewardship and support education and talent development. Guided by three core pillars, ie Community, Sustainability and Potential, BUILDS provides a consistent framework for planning and implementing community investment initiatives across our operations.

Community investment forms an integral part of our broader sustainability strategy and reflects our commitment to creating shared value for our stakeholders. By working collaboratively with local communities, educational institutions, government agencies and non-governmental organisations, we seek to address local development priorities, strengthen stakeholder relationships and contribute to resilient, sustainable communities.



The Core Pillars of BUILDS



Community Investment

Community Engagement Approach

The Group adopts a structured community engagement approach to ensure that programmes are responsive to local needs, aligned with BUILDS' three core pillars, and delivered in collaboration with key stakeholders. The process is outlined below.



Community Investment



Employee participation

Employee volunteering has long been an integral part of MCB’s community investment efforts. By providing opportunities for employees to contribute beyond their day-to-day roles, the programme helps foster a culture of service, shared responsibility, and collaboration while supporting the successful delivery of BUILDS initiatives across the communities where we operate. FY2026 marked the formal establishment of the BUILDS Volunteering Programme to provide a structured framework for coordinating volunteer participation, recognising employee contributions and strengthening community partnerships.

Through the programme, employees participate in volunteer activities organised across our operations in collaboration with local communities, schools, government agencies and non-governmental organisations, supporting environmental conservation, education and community well-being. To encourage participation and recognise volunteer contributions, first-time volunteers receive BUILDS onboarding merchandise, while employees who demonstrate sustained participation are recognised through the BUILDS Volunteer Appreciation Programme with commemorative BUILDS merchandise and appreciation gifts. Following verification of participation records, 150 employees were recognised for their commitment and received a special appreciation gift during the year.

During FY2026, BUILDS initiatives reached approximately 101,152 beneficiaries, supported by RM1,810,684 in community investment and 3,008 employee volunteer hours. Highlights of our community investment programmes and their outcomes are presented in the following pages.

All Community Investment	Unit	FY2024	FY2025	FY2026
Total amount*	RM	1,499,744	1,514,928	1,810,684
Number of beneficiaries	persons	35,635	32,472	101,152
Number of volunteers	persons	458	753	1,004
Total volunteering hours	hours	1,473	2,268	3,008

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

Community Investment



COMMUNITY

We work together with local communities and stakeholders to improve quality of life, strengthen social well-being and create lasting positive impact.

Through the Community Pillar, we seek to create positive social and economic outcomes within the communities where we operate. Our approach focuses on supporting community wellbeing, strengthening local development, and maintaining constructive relationships with stakeholders through programmes that are aligned with identified community needs and our business capabilities.

Initiatives are delivered through a combination of targeted funding, in-kind contributions, employee volunteerism, and collaborative partnerships with community organisations, educational institutions, government agencies, and non-governmental organisations.

Programme outcomes are monitored through indicators such as beneficiaries reached, volunteer participation, funds and in-kind contributions provided, and community partnerships established. In FY2026, our Community Pillar initiatives reached approximately 13,415 beneficiaries, supported by an investment of RM169,584 and 1,442 volunteer hours contributed by employees across our operations.

Supporting Community Infrastructure

As a building materials company, MCB is uniquely positioned to support community development through the provision of cement, concrete and other construction materials. By leveraging our products and technical expertise, we help improve community facilities and public infrastructure that enhance accessibility, support local development and improve quality of life.

Building Stronger Communities Through Our Products

MCB creates community value by applying its products where they can make a meaningful difference.

One such initiative was the contribution of 50 bags of cement to support Kayuh D'Tonggang, an Orang Asli-led eco-tourism initiative in Perak. The materials were used to improve community facilities supporting sustainable tourism, helping generate economic opportunities while preserving local cultural heritage.

Through Buildcon Concrete Sdn. Bhd., MCB contributed concrete to the Perak Association for Intellectually Disabled (PAFID) for the construction of a hydroponic training facility in Ulu Kinta. The facility provides practical agricultural training and skills development for individuals with intellectual disabilities, supporting greater independence and future livelihood opportunities through sustainable farming.

During the year under review, additional donations of cement and construction materials were provided to schools, places of worship, community organisations and public institutions to support infrastructure improvements that benefit surrounding communities.



Community Investment



Promoting Community Health and Well-being

Supporting community health remains an important aspect of our community investment efforts. During the year, our operation in Langkawi island organised blood donation campaigns in collaboration with Hospital Sultanah Maliha, encouraging employees to contribute towards local healthcare needs through volunteerism.

Across two donation drives, employees donated more than 25.56 litres of blood, with the potential to benefit over 70 patients. Beyond strengthening local blood supplies, the programme provided employees with meaningful opportunities to contribute directly to community well-being while reinforcing a culture of volunteerism.

Strengthening Community Relationships

Building trusted relationships with neighbouring communities is fundamental to our community investment approach. Throughout the year, our operations engaged local communities through culturally inclusive programmes that celebrated major festive occasions, supported vulnerable groups and strengthened partnerships with local stakeholders.

During FY2026, community engagement activities were organised across Perak, Kedah, Pahang, Johor and Langkawi in conjunction with Ramadhan, Hari Raya Aidilfitri, Deepavali and Chinese New Year. Programmes included festive outreach, community gatherings, volunteer activities and the distribution of essential goods, involving employees, community leaders, local residents, government agencies and community organisations.

The Group's flagship community engagement initiative during Ramadhan was the Bubur Lambuk Programme, implemented across multiple operational locations in collaboration with mosque and surau committees, FELDA communities, healthcare facilities and local authorities.

The programme demonstrated the value of employee volunteerism and multi-stakeholder collaboration in supporting local communities during the fasting month.

Bubur Lambuk Programme	
01	4,500 packs distributed
02	Over 260 employees and community members participated
03	More than 1,200 volunteer hours contributed



Building trusted relationships with neighbouring communities where we operate is fundamental to our community investment approach.

Additional Ramadhan initiatives included supporting a Majlis Berbuka Puasa attended by approximately 100 community members at Masjid Bukit Sagu, a community iftar programme involving 102 participants in Langkawi, and donation drives benefiting 25 mosques, surau and police stations across Padang Rengas and Bukit Sagu. Hari Raya gatherings were also organised at Perak Hanjoong Simen and Langkawi Plant, providing opportunities for engagement with employees, contractors, government representatives, community leaders and local stakeholders.

In conjunction with Deepavali, Kanthan Plant distributed festive hampers to 30 underprivileged families in Taman Ladang Dovenby, Sungai Siput. During the Chinese New Year period, food essentials were provided to approximately 30 elderly beneficiaries from the B40 community in Kanthan Baru, while additional festive outreach activities were undertaken across neighbouring communities to strengthen relationships and support vulnerable groups.

Through these initiatives, we continue to strengthen community relationships, foster social inclusion and encourage employee participation in programmes that create lasting value for the communities where we operate.

Community Investment

Creating Shared Prosperity Through Local Employment and Procurement

Beyond community investment programmes, MCB contributes to the economic development of the communities where we operate through local employment and responsible procurement practices. Wherever practicable, we seek to employ local talent and source goods and services from local suppliers, recognising that these practices help create shared economic value, strengthen local capabilities and support resilient communities.

Approximately 90% of our plant workforce comprises local employees, including engineers, technicians, operators and managers. By prioritising local employment, we create meaningful career opportunities, develop local skills and capabilities, and contribute to the long-term socio-economic development of the communities surrounding our operations.

We also seek to maximise local economic value by engaging qualified local suppliers and service providers wherever practicable, while maintaining our standards for quality, safety, cost competitiveness and responsible business conduct. Through the procurement of goods, materials and services, we support local businesses, create indirect employment opportunities and contribute to economic growth across our operational footprint.

Community Investment



SUSTAINABILITY

We support environmental conservation and responsible resource management through initiatives that protect biodiversity, conserve natural resources and promote sustainable practices.

Through the Sustainability Pillar, BUILDS promotes environmental stewardship by encouraging employees, communities and stakeholders to participate in initiatives that protect biodiversity, conserve natural resources and foster responsible environmental practices. Through education, volunteerism and collaborative partnerships, we seek to strengthen environmental awareness while supporting our broader sustainability commitments.

Biodiversity Conservation

Protecting and restoring biodiversity is a key focus of BUILDS' Sustainability Pillar. Through habitat restoration, tree planting and strategic partnerships, we support the conservation of natural ecosystems while encouraging employees and stakeholders to participate in environmental stewardship.

Restoring Coastal Ecosystems Through Mangrove Conservation

As part of YTL Group's Beyond 70 campaign and our ongoing commitment to environmental stewardship, BUILDS launched a mangrove tree planting programme at the Matang Mangrove Forest Reserve in Kuala Sepetang, Perak. Recognised as one of the world's best-managed mangrove ecosystems, the reserve plays a critical role in coastal protection, carbon sequestration, and biodiversity conservation.



The programme brought together 135 volunteers comprising employees from YTL Cement operations across Perak, Johor, Selangor, and Kuala Lumpur, alongside representatives from the Department of Environment, Perak State Forestry Department, and students from SMK Convent Teluk Intan. Together, they planted 700 mangrove saplings in support of ongoing mangrove conservation efforts within the reserve.

The initiative reflects our collaborative approach to environmental stewardship, bringing together government agencies, educational institutions, and employees to contribute towards a shared environmental goal. Beyond the planting activity itself, the programme also provided opportunities to raise awareness on the importance of mangrove ecosystems in supporting biodiversity, protecting coastlines, and mitigating climate-related impacts.

Through initiatives such as these, we continue to encourage environmental stewardship, strengthen stakeholder collaboration, and provide opportunities for employees to participate in environmental conservation activities.

Mobilise society to protect biodiversity

BUILDS also supports biodiversity conservation by mobilising communities, partners and the wider public to protect Malaysia's natural heritage. Through innovative partnerships that combine creativity, collaboration and conservation, we seek to inspire greater public participation while generating tangible support for biodiversity protection.

Community Investment

The Penyu Shell-Ter Project: Where Art Meets Conservation

As part of YTL Group's Beyond 70 campaign, BUILDS launched the Penyu Shell-Ter Project, a flagship conservation initiative that brought together artists, conservation organisations, employees, community partners and the public to support the protection of Malaysia's endangered sea and freshwater turtle populations. Named after the Malay word penyu (turtle), the project demonstrated how creativity, collaboration and community participation can contribute to biodiversity conservation while raising public awareness of endangered wildlife.

The initiative featured 70 turtle sculptures, each handcrafted by YTL Cement's research and development team using ECOCem®, the Group's lower-carbon cement, before being transformed into one-of-a-kind works of art by 51 Malaysian artists and public figures. Supported by the National Art Gallery, leading local galleries, YTL Hotels, conservation organisations and media partners, the sculptures were exhibited at selected YTL Hotels nationwide and showcased through a digital catalogue and online platform, encouraging greater public appreciation of turtle conservation and environmental stewardship.

With the support of 51 Malaysian artists and public figures, the Penyu Shell Ter project raised RM1 million for the turtle conservation, while YTL Cement contributed an additional RM255,000 to NGOs selected by the participating artists.

The project culminated in a charity auction in November 2025, raising RM1 million, with 100% of the proceeds donated to the Turtle Conservation Society of Malaysia (TCS) and PULIHARA. The funds will support long-term programmes in turtle conservation, habitat protection, scientific research, environmental education and community engagement, contributing to the protection of Malaysia's endangered sea and freshwater turtle populations and the ecosystems they depend on.

In addition, YTL Cement contributed RM5,000 on behalf of each participating artist to an NGO or social enterprise of the artist's choice, providing a further RM255,000 in support of organisations advancing food security, palliative healthcare, education for underserved children, environmental conservation, child welfare, mental health, and circular economy initiatives through upcycling and women's empowerment.



Community Investment

The Penyu Shell-Ter Project: Where Art Meets Conservation (cont'd)



By bringing together art, innovation and strategic partnerships, the Penyu Shell-Ter Project created meaningful environmental and social impact beyond the exhibition itself. The initiative demonstrates how creative collaboration can mobilise public participation, generate funding for conservation and strengthen community support for protecting Malaysia's natural and cultural heritage.

The Penyu Shell-Ter Project at a Glance	
01	70 turtle sculptures created using ECOCem®
02	51 Malaysian artists and public figures
03	RM1 million raised for turtle conservation
04	100% of auction proceeds donated to TCS and PULIHARA
05	RM255,000 contributed by MCB to NGOs and social enterprises selected by participating artists
06	Supported by the National Art Gallery, YTL Hotels and conservation partners

Resource Conservation

Responsible resource use is an important component of BUILDS' Sustainability Pillar. Through recycling initiatives and community participation, we promote waste reduction, resource recovery and more sustainable consumption practices while supporting the transition towards a circular economy.

As part of the Beyond 70 campaign, BUILDS launched a six-month recycling campaign in April 2025 with a collective target of collecting 70,000 kg of recyclable materials across YTL Cement Group's operations. By the conclusion of the campaign in September 2025, employees, contractors, business partners, families and local communities collected 105,300 kg of recyclables, exceeding the original target by more than 50%.

It concluded with the BUILDS Recycling Open Day 2025, held at the PJ Eco Recycling Plaza in conjunction with YTL Founder's Day. Organised with community partners including Impactlution, Hara Makers and Yuri Tan Art, the event featured recycling and upcycling workshops while collecting an additional 3,000 kg of recyclable materials.

More than 50 volunteers contributed over 230 volunteer hours to support the campaign, reflecting the important role of employee and community participation in advancing resource conservation and environmental stewardship.

Beyond 70 Recycling Challenge	
01	70,000 kg recycling target
02	105,300 kg recyclables collected
03	150% of target achieved
04	5 operational locations
05	3,000 kg collected during Recycling Open Day
06	50+ volunteers
07	230+ volunteer hours



Community Investment

Environmental Education and Awareness

Environmental education plays an important role in fostering a culture of sustainability and encouraging responsible environmental practices. Through community outreach, stakeholder engagement and volunteer activities, BUILDS seeks to strengthen understanding of environmental issues while encouraging individuals and communities to take positive action in protecting natural resources.

During FY2026, Langkawi Plant organised an environmental stewardship programme that brought together employees, contractors, government agencies, local communities and schools to promote greater awareness of environmental conservation. The programme engaged 193 participants, including representatives from the Department of Environment Kedah, Langkawi District Forestry Office, Penang Port Commission, community organisations and nearby schools. Activities included the planting of the plant's 700th tree, the release of 700 fish into the quarry pond, and the launch of a No Single-Use Plastic Campaign to encourage more responsible consumption practices within the plant and surrounding community. Employee participation remained a key component of the programme, with more than 100 BUILDS volunteers contributing over 218 volunteer hours, demonstrating the value of collaboration in advancing environmental stewardship.



Community Investment



Potential

We nurture future talent by supporting education, skills development and lifelong learning, empowering individuals to realise their full potential.

Developing future talent is central to BUILDS' Potential Pillar. We believe education and knowledge are essential enablers of long-term progress, and that every individual should have the opportunity to realise their potential through quality education, meaningful learning experiences and access to higher education.

Our initiatives span multiple stages of the learning journey, from supporting school communities and enhancing learning environments to developing future talent, advancing research and strengthening collaboration between education, industry and government. Through these partnerships, we seek to expand access to learning opportunities, encourage innovation and contribute to knowledge development that supports sustainable development and nation-building.

By supporting students, educators, researchers and young professionals, we aim to nurture future generations with the skills, knowledge and experience needed to address emerging challenges, contribute meaningfully to their communities and industries.

Developing Future Talent



Beyond easing financial barriers to higher education, the scholarship represents YTL Cement's long-term investment in developing skilled professionals who will contribute to Malaysia's future growth and the continued advancement of the built environment.

Bintang Cemerlang 2.0: Strengthening Foundations, Enabling Futures

YTL Cement Scholarship Scheme

YTL Cement continues to invest in the development of future industry leaders through the YTL Cement Scholarship Scheme, which provides financial assistance to students pursuing tertiary education at local institutions.

Established in 2007, the scholarship has supported students in pursuing higher education in disciplines relevant to the construction and building materials industry. During FY2026, 16 new scholars joined the programme, bringing the total number of scholarship recipients to 117. Originally focused on engineering disciplines, the scholarship has since expanded to include students pursuing a Bachelor of Science in Chemistry, reflecting the evolving technical expertise required to support innovation and sustainable development within the industry.

Building on the success of the original programme established in 2008, Bintang Cemerlang 2.0 was introduced in 2025 through a collaboration between BUILDS, Sentul Raya Sdn. Bhd., Dewan Bandaraya Kuala Lumpur (DBKL) and UCSI University to expand access to meaningful learning opportunities for students from underserved communities.

The programme benefited approximately 200 students from 21 participating schools through structured bi-weekly workshops focusing on foundational competencies in Bahasa Melayu, English and Mathematics (3M). Using interactive teaching approaches such as storytelling, gamification, quizzes and collaborative learning, the programme complemented classroom learning while helping students strengthen literacy and numeracy skills, build confidence and develop a greater enthusiasm for learning.

Community Investment

To encourage learning beyond the classroom, BUILDS also donated more than 100 storybooks and established a Reading Corner Tree at Sekolah Kebangsaan Sentul Utama, creating an engaging reading space that will continue to benefit future generations of students.

Through Bintang Cemerlang 2.0, BUILDS continues to nurture future talent by strengthening educational foundations, improving access to learning resources and creating meaningful learning experiences for students from underserved communities.



In FY2026, Bintang Cemerlang 2.0 supported 200 students from 21 schools through bi-weekly workshops in Bahasa Melayu, English and Mathematics, while more than 100 storybooks were donated to encourage continued learning beyond the classroom.

Bintang Cemerlang 1.0 at a Glance	
01	Established in 2008 through a partnership between Sentul Raya Sdn. Bhd., the Ministry of Education, and DBKL
02	80,000+ beneficiaries reached since inception
03	Focused on holistic development through academics, sports, arts, and sustainability
04	In 2024, BUILDS became the main implementor, expanding the programme's reach and impact
05	Reading Corner Tree and storybook donations introduced to promote reading habits and improve access to learning resources

Supporting Access to Education

Through the BUILDS Back-to-School Programme, we supported students from local school communities by helping to reduce financial barriers and improve access to essential learning materials.

At Sekolah Kebangsaan Ewa, Langkawi, 50 students received vouchers to purchase school necessities, helping families prepare for the new academic year while ensuring students had the essential items needed for their studies. Meanwhile, Kanthan Plant provided funding to Sekolah Jenis Kebangsaan (Tamil) Ladang Dovenby, Sungai Siput, Perak, to procure schoolbooks for students from Standard 1 to Standard 6, improving access to learning resources throughout the school year.

Through initiatives such as these, BUILDS continues to support school communities by improving access to educational resources and creating a more conducive learning environment for students.

Community Investment

Supporting a Balanced Student Development

We recognise that learning extends beyond the classroom. Through partnerships with our adopted schools, BUILDS supports co-curricular programmes that encourage leadership, teamwork, creativity, innovation and healthy lifestyles, enabling students to develop their interests and talents alongside their academic studies.

During FY2026, we supported a range of educational, sporting and innovation-based activities across our adopted schools.

School	Initiative Supported	Focus Area
Sekolah Kebangsaan Ewa	MSSD Kedah Chess Tournament	Sports
Sekolah Menengah Kebangsaan Bukit Goh	National Robotics Competition	STEM & Innovation
Sekolah Menengah Agama Al-Maarif	IPITex 2025	STEM & Innovation
Sekolah Kebangsaan Bukit Sagu	Sports Championship	Sports Development
Sekolah Jenis Kebangsaan (C) Liman Kati	Programme Perayaan Tanglung	Festive Celebration
Sekolah Jenis Kebangsaan (Cina) Khiu Min, Padang Rengas	Sports Programme	Sports
Sekolah Kebangsaan Tuan Dr. Ismail, Padang Rengas	School Camping Programme	Student Development & Enrichment
Sekolah Kebangsaan Kota Lama Kanan, Kuala Kangsar	National-Level Chess Tournament	Sports
Sekolah Kebangsaan Sheikh Al Marbawi, Lubuk Merbau	Excellence Appreciation Ceremony 2025/26	Academic Excellence & Recognition
Sekolah Kebangsaan Laneh, Lubuk Merbau	School Sports 2026	Sports
Sekolah Jenis Kebangsaan (Tamil) Ladang River Valley	Annual School Sports Day 2026	Sports
Sekolah Agama Bantuan Kerajaan Al-Yahyawiyah, Padang Rengas	Development of School Herb Garden	Environmental Education
Sekolah Kebangsaan Padang Asam, Padang Rengas	Annual Athletics & Sports Championship 2025	Sports
Sekolah Menengah Kebangsaan Bukit Goh	National Robotic Competition 2025	STEM & Innovation
Sekolah Kebangsaan Bukit Kuin	National Sports Day 2025	Sports

Through these initiatives, BUILDS continues to provide students with opportunities to develop confidence, teamwork, creativity and problem-solving skills while encouraging holistic development beyond the classroom.

Community Investment



Inspiring Future Careers Through Industry Exposure

Exposure to real-world workplaces helps students make informed decisions about their future education and careers. During FY2026, Pahang Cement welcomed students from SMK Sri Jaya and SMK Pandan under the Industrial Mind Programme, an initiative led by the Member of Parliament for Paya Besar and supported by the Pahang State Government through the Teras 2025 framework.

During the visit, students gained first-hand insights into the cement manufacturing process, quality assurance and plant operations through presentations by technical and operational leaders, followed by a guided plant tour. The programme also introduced students to career opportunities within the cement industry, helping them better understand the skills and pathways required for technical and engineering professions.

The Industrial Mind Programme has reached more than 1,600 students from 13 secondary schools through collaboration with 24 industries and agencies, supporting the development of a skilled and future-ready workforce in line with the State Government's vision.

Advancing Research and Knowledge

Knowledge creation and lifelong learning are essential to advancing sustainable development and building future capabilities. Through partnerships with universities, research institutions, government agencies and professional bodies, BUILDS supports research, innovation and knowledge exchange that contribute to environmental stewardship, responsible resource management and professional excellence.

Advancing Sustainable Limestone Karst Management



The University-Industry Research Consortium (UIRC) continues to serve as a cornerstone of BUILDS' commitment to advancing research, knowledge development, and industry-academia collaboration. Established in partnership with the Ministry of Higher Education (MOHE), UIRC is Malaysia's first university-industry consortium dedicated to the study and sustainable management of tropical limestone karst landscapes.

The Consortium brings together five leading Malaysian universities – Universiti Kebangsaan Malaysia (UKM), Universiti Sains Malaysia (USM), Universiti Malaysia Pahang Al-Sultan Abdullah (UMPSA), Universiti Malaysia Sabah (UMS), and Universiti Malaysia Sarawak (UNIMAS) – alongside industry practitioners and subject matter experts to address critical knowledge gaps relating to limestone karst ecosystems. Through this collaboration, MCB has committed to funding research grants over a five-year period, while providing a platform for knowledge exchange between researchers, industry practitioners, and policymakers.

Recognising the ecological, geological, cultural, and economic significance of tropical limestone karst landscapes, UIRC adopts a multidisciplinary approach spanning five key thematic areas:

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



During the year, UIRC progressed a major multidisciplinary study titled *Kelestarian Batu Kapur Lembah Kinta: Analisis Sumber dan Nilai Warisan untuk Menentukan Zon Penggunaan Lestari dan Pemuliharaan Warisan*. The project brings together experts in geology, biodiversity, cultural heritage, sustainable resource management, and geopark development to establish a comprehensive understanding of the limestone karst landscape in the Kinta Valley and identify pathways to balance conservation objectives with sustainable development.

The first phase of the study was successfully completed during the reporting period. Key outcomes included the assessment of limestone resource quality and heritage value within the Kinta Valley, an analysis of existing policies, guidelines, and management practices, as well as recommendations to strengthen governance and management approaches for limestone karst landscapes. These findings contribute towards developing a more balanced approach that supports both industrial development and heritage conservation.

Building on these outcomes, the project has progressed to its next phase, which will focus on field verification, targeted geological and biodiversity assessments, drone-based mapping, and the collection of additional data to support the development of a structured framework for sustainable use and conservation zoning.

These research efforts support the implementation of the National Mineral Policy while contributing to broader national priorities in environmental sustainability, heritage conservation, education, and sustainable resource management. The initiative also builds upon MCB's earlier efforts to document the geological and biological significance of the Bukit Kanthan Geosite, which contributed to the Perak State Government's efforts in securing the designation of Lembah Kinta as a National Geopark.

Bukit Kanthan is located within the Lembah Kinta region in Perak and lies adjacent to our operations but is not part of our quarrying area. The site was selected for its ecological, geological, and biological significance, and plays an important role in supporting the Perak State Government's designation of Lembah Kinta as a National Geopark that promotes balanced sustainable development.

UIRC plays an important role in nurturing future talent and strengthening Malaysia's research capabilities. UIRC demonstrates how meaningful partnerships can contribute to long-term environmental stewardship, responsible resource management, and sustainable development for the benefit of both industry and society.

Community Investment



Empowering the Next Generation of Sustainability Researchers

Building on the foundation established through the University-Industry Research Consortium (UIRC), MCB continues to support the development of emerging research talent through the UIRC Industrial Grant for Young Researchers.

The grant was established to support early-career lecturers from participating universities who demonstrate strong research potential and a commitment to advancing knowledge on tropical limestone karst sustainability. Through funding support, industry exposure, and opportunities for collaboration with subject matter experts, the programme seeks to strengthen research capability while fostering closer engagement between academia and industry.

The current cohort of grant recipients is undertaking research across a range of disciplines aligned with UIRC's research priorities, including biodiversity, geodiversity, archaeology, sustainable resource management, and conservation. These studies contribute to a broader understanding of Malaysia's tropical limestone karst landscapes and support knowledge development in areas relevant to environmental sustainability and resource management.

During the reporting period, the research projects progressed significantly, with several studies entering their final stages of implementation. The findings and recommendations arising from these projects are expected to be completed and presented in the next reporting cycle, contributing valuable insights for both academic research and practical sustainability applications.

The UIRC Industrial Grant for Young Researchers reflects BUILDS' commitment to supporting knowledge development, strengthening research capability, and fostering the next generation of researchers who will contribute to the sustainable management of Malaysia's natural resources.

Community Investment

Advancing Specialist Medical Education Through Regional Knowledge Exchange



Malaysia continues to face a shortage of trained dermatologists, highlighting the importance of expanding opportunities for specialist education and continuous professional development. To support this need, MCB was the principal sponsor of the inaugural Dermatology Masterclass in Disorders of Hair: Precision Diagnosis and Advanced Therapies in Hair Disorders, held on 27 and 28 June 2026 in Kuala Lumpur.

By bringing internationally recognised experts from Malaysia, Poland, Australia, Singapore and Thailand to Malaysia, the programme made advanced sub-specialist training more accessible to healthcare professionals across the region while reducing the need for overseas travel. Participants enhanced their clinical knowledge, exchanged best practices and built professional networks through lectures and technical discussions on the diagnosis and treatment of hair disorders.

A key highlight was the Yeoh Tiong Lay Memorial Lecture, delivered by Dr Steven Chow, President of the Asian Dermatological Association, commemorating the late Tan Sri Dato’ Seri (Dr.) Yeoh Tiong Lay’s longstanding commitment to advancing education and healthcare.

Through its support for the masterclass, MCB contributed to strengthening specialist expertise, facilitating regional knowledge exchange and advancing lifelong learning within the medical profession.

MCB supported the inaugural Dermatology Masterclass to strengthen specialist expertise, expand access to advanced sub-specialist training and encourage regional knowledge sharing among healthcare professionals.

Community Investment

Celebrating Creativity and Culture

Creativity and culture play an important role in inspiring innovation, preserving heritage and strengthening community identity. Through BUILDS, MCB supports Malaysian artists by providing platforms to showcase their work, celebrate cultural expression and promote greater appreciation of the nation’s rich artistic heritage.

Celebrating Malaysian Art Through Collaboration

Since 2019, YTL Cement has supported Malaysian artists through a special initiative that features their artwork on the Group’s signature cookie jar and annual report cover. The initiative provides a platform to celebrate local creative talent while promoting appreciation for Malaysia’s rich cultural heritage and artistic expression.

Through this initiative, YTL Cement seeks to create opportunities for Malaysian artists to reach broader audiences while highlighting the important role that arts and culture play in preserving identity, fostering creativity, and strengthening community connections.

This year, we are honoured to feature the work of Datuk Mohd Nor Khalid, better known as Lat, one of Malaysia’s most celebrated cartoonists and cultural icons. In conjunction with YTL Group’s 70th anniversary, Lat’s commemorative artwork reflects themes of perseverance, humility, and nation-building. Through simple yet meaningful imagery, the artwork highlights values that continue to inspire progress while recognising the importance of strong foundations and shared purpose.

Widely recognised for his distinctive storytelling style and ability to capture the diversity and everyday experiences of Malaysian life, Lat’s work has resonated across generations and communities for nearly six decades. His contribution to this year’s programme further reinforces the role of art as a medium for storytelling, cultural expression, and shared understanding.

Through initiatives such as these, YTL Cement continues to support Malaysian artists and promote cultural appreciation while creating opportunities for local creative talent to gain greater visibility and recognition.



ABOUT THE ARTWORK

Created in conjunction with YTL’s 70th anniversary, this commemorative illustration reflects themes of legacy, perseverance, and nation building. The artwork captures YTL’s early beginnings, including its first office in 1955, and traces its growth through visual references to iconic developments associated with the Group’s progress over time.

Rendered in Lat’s signature style, the illustration draws from familiar scenes and shared memories. It reflects the parallel journeys of a Malaysian company and a developing nation, while paying tribute to the late Tan Sri Dato’ Seri Yeoh Tiong Lay, alongside Puan Sri Datin Seri Tan Kai Yong, for their roles in shaping YTL’s foundation and values.

The artwork invites reflection and recognition. It celebrates long standing effort, quiet resilience, and the people behind enduring success.

Appendix

- 108 Association Memberships
- 109 FY2026 CDL Academy Seminar Series and Collaborations
- 110 FY2026 Sustainability Performance Table
- 114 GRI Content Index



Turtles painted by
Fakhriq Zulkifli and Gan Sze Hooi



Association Memberships

GRI 2-28

MCB and its subsidiaries participate in various trade associations in Malaysia and overseas. Through the Group’s involvement in programmes organized 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 is the representative organization of the cement industry in Malaysia. The Association engages actively with regulators on key industry issues while contributing views on national decarbonisation targets and practical pathways for implementation.
2	The National Ready-Mixed Association of Malaysia	NRMCA is the representative organization of the concrete industry in Malaysia.
3	ASEAN Federation of Cement Manufacturers	The ASEAN Federation of Cement Manufacturers is a regional industry association that brings together cement producers from ASEAN member countries to promote cooperation, knowledge sharing, and sustainable development within the sector.
4	Federation of Malaysian Manufacturers	FMM is the largest private sector economic organization in Malaysia representing over 4,000 manufacturing and industrial service companies.
5	Malaysia Green Building Council	A non-profit making organization to promote sustainable buildings in Malaysia.
6	Waste Management Association of Malaysia	WMAM is a non-profit, technical and educational organization 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.
7	Malaysia Drymix Mortar Manufacturer’s Association	MDMMA is the Malaysia chapter of South East Asia Drymix Mortar Association. SEADMA is a regional industry association established to promote the use, quality, and technical standards of drymix mortars in Southeast Asia. It brings together manufacturers, suppliers, and industry stakeholders to advance knowledge, innovation, and best practices in the drymix mortar sector.
8	Johor Quarries Association	The Johor Quarries Association serves as a unified body representing quarry operators in Johor, addressing industry issues and facilitating engagement with local authorities.

FY2026 CDL Academy Seminar Series and Collaborations

No.	Title	Date	Programme Partners
ARCHITECTURE SERIES			
1	The Art and Craft of Off-Form Concrete	23 Aug 2025	PAM
2	Design Lecture Series - Distilling Spaces: Rethinking Sustainable Architecture.	12 Nov 2025	PAM
CEMENT & CONCRETE SERIES			
3	25 Years of Perfect Wall and Floor Solutions	10 July 2025	Bluechem Marketing
4	QuickMix Perfect Wall and Floor Solutions JKR Sabah Visit	13 Sep 2025	JKR Sabah
5	Technical Visit to Eastern Pretech, Beranang	24 Sep 2025	IEM
6	Emerging Sustainable Solutions in Concrete	5 Nov 2025	ACI
7	Advancing IBS & Precast Construction – Practical, Sustainable Solutions for Installers	5 Feb 2026	CREAM
8	Sustainable Construction: Tall Buildings, High Performance Concrete and Sustainable Future Materials	21 May 2026	IEM
ESG			
9	The Edge Symposium Malaysia - Building Trends Redefined: The Next Level	13 Aug 2025	The Edge
10	The Edge Symposium Singapore 2026 - The Green Transition: Unlocking Opportunities	29 Apr 2026	The Edge Singapore
11	Road Safety	24 Jun 2026	JPJ
MASTERCLASS SERIES			
12	Materialising the Virtual: Casting Concrete from Digital Model	14 Nov 2025	UiTM Puncak Alam Architecture
13	Sustainable Building Materials	12 Jan 2026	Universiti Malaysia Pahang (UMPSA) Civil Engineering
14	Materialising the Virtual: Casting Concrete from Digital Model - Project evaluation	16 Jan 2026	UiTM Puncak Alam Architecture
15	Development of Solid Concrete Blocks with Sustainable Aggregate Replacement	5 Mar 2026	UCSI University Architecture
16	Sustainability in Building Materials	18 Mar 2026	Universiti Malaysia Sarawak (UNIMAS) Civil Engineering
17	Development of Solid Concrete Blocks with Sustainable Aggregate Replacement – Project evaluation	9 April 2026	UCSI University Architecture
18	Sustainable Building Materials	6 May 2026	Universiti Malaysia Sabah (UMS)

FY2026 Sustainability Performance Table

Sustainability Mater	Metric	Measurement Unit	2025	2026	Target	Assurance
Product responsibility	Sites with ISO 9001:2015 Management System certification	%	100% of our cement plants are certified	100% of our cement plants are certified	—	Internal
Product responsibility	Laboratories accredited with MS ISO/IEC 17025:2017	%	100% of laboratories in cement plants	100% of laboratories in cement plants	—	Internal
Waste management	Total waste generation (cement operation)	ton	1,237	2,007	—	Internal
Waste management	Waste diversion rate at cement operations	%	19.6	40.4	50% (2030 target)	Internal
Use of recycled materials	Total waste recycled or reused	ton	1,130,392	1,215,698	—	Internal
Water conservation	Number of facilities, assets, production, revenue in water-stressed regions	Number of sites	0	0	—	Internal
Water conservation	Number of sites with water reuse or recycling	Number of sites	44	49	23 (2030 target)	Internal
Water conservation	Total water withdrawal	m3	3,059,608	3,291,049	—	Internal
Sustainable supply chain	Number of existing suppliers assessed using environmental and social criteria	Number	317	497	—	Internal
Sustainable supply chain	Number of new suppliers assessed using environmental and social criteria	Number	79	151	—	Internal
Sustainable supply chain	Proportion spending on local suppliers	%	62	79	—	Internal
Compliance	Plants certified to ISO 14001 Environmental Management Systems	%	100% of cement plants certified	100% of cement plants certified	100% of cement plants certified	Internal

FY2026 Sustainability Performance Table

Sustainability Mater	Metric	Measurement Unit	2025	2026	Target	Assurance
Compliance	Number of significant non-compliance related to environmental	Number of incidents	Zero incident	Zero incident	Zero incident	Internal
Anti-bribery and anti-corruption	Percentage of employees trained, company total	%	97	99	—	Internal
Anti-bribery and anti-corruption	Number of confirmed incidents of corruption	Number	0	0	—	Internal
Anti-bribery and anti-corruption	Total amount of political contributions made	RM	0	0	—	Internal
Anti-bribery and anti-corruption	Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	Persons	0	0	—	Internal
Anti-bribery and anti-corruption	Cost of fines, penalties or settlements in relation to corruption	RM	0	0	—	Internal
Competition Law compliance	Breaches of the Competition Act 2010 involving any MCB Group company or employee	Number of confirmed legal actions	0	0	—	Internal
Data security and privacy	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	Internal
Human rights at work	Number of substantiated complaints concerning human rights violations	Number	0	0	0	Internal
Diversity of the Board of Directors	Percentage of female	%	37.5	37.5	—	Internal
Employee diversity	Percentage of employees that are contractors or temporary staff	%	11	11	—	Internal

FY2026 Sustainability Performance Table

Sustainability Mater	Metric	Measurement Unit	2025	2026	Target	Assurance
Employee diversity	Percentage of women in the global workforce	%	20	20	—	Internal
Occupational health and safety	Total training hours	Hours	43,755	34,623	—	Internal
Occupational health and safety	Cement Plants certified to ISO45001 OH&S Management Systems	%	100	100	—	Internal
Occupational health and safety	Number of employees trained on health and safety topics	Persons	1,263	1,581	—	Internal
Occupational health and safety	Workplace inspections	Number	2,390	2,447	—	Internal
Occupational health and safety	Work-related fatalities	Number	0	0	0	Internal
Occupational health and safety	Lost Time Injuries Frequency Rate (LTIFR)	Rate	1.82	1.40	—	Internal
Occupational health and safety	Total Injuries Frequency Rate (TIFR)	Rate	3.45	3.32	—	Internal
Occupational health and safety	Lost Time Incident Rate (LTIR)	Rate	0.36	0.28	—	Internal
Talent attraction and retention	Full-time staff voluntary turnover rate	%	10	3.5	—	Internal
Human resources development	Average hours per employee	Hours	16	13	—	Internal
Community investment	Total amount	RM	1,514,928	1,810,684	—	Internal
Community investment	Total volunteering hours	Hours	753	1,004	—	Internal
Community investment	Number of beneficiaries	Persons	32,472	101,152	—	Internal

FY2026 Sustainability Performance Table

Sustainability Mater	Metric	Measurement Unit	2025	2026	Target	Assurance
Scope 1 GHG emissions	Scope 1 GHG emissions	ktCO2e	n/a	5,787	—	Internal
Scope 2 GHG emissions	Total electricity consumption	MWh	932,501	864,426	—	Internal
Scope 2 GHG emissions	Percentage grid electricity	%	94.1	92.8	—	Internal
Scope 2 GHG emissions	Clean energy generated	MWh	54,833	62,035	—	Internal
Scope 2 GHG emissions	Scope 2 GHG emissions	tCO2e	679,315	593,809	—	Internal
Scope 3 GHG emissions	Cat 6 Business travels	tCO2e	n/a	1,452	—	Internal
Scope 3 GHG emissions	Cat 7 Employee commuting	tCO2e	3,431	3,542	—	Internal
Climate-related risks and opportunities	Alternative fuel substitution rate	%	5.3	74	6.8 (2030 Target)	Internal
Climate-related risks and opportunities	Clinker-to-cement ratio	%	80.6	80.7	72.2 (2030 Target)	Internal
Climate-related risks and opportunities	ESG training annually for managers and above	Hours	n/a	79	Minimum of 8 hours of ESG training annually for managers and above	Internal
Climate-related risks and opportunities	Cement Plants certified to ISO 50001 Energy Management Systems	%	n/a	100	—	Internal

GRI Content Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 8 - 11
	2-2 Entities included in the organization’s sustainability reporting	Page 2 - 3
	2-3 Reporting period, frequency and contact point	Page 3
	2-4 Restatements of information	No restatements
	2-5 External assurance	Page 3
	2-6 Activities, value chain and other business relationships	Page 8 - 11
	2-7 Employees	Page 75
	2-9 Governance structure and composition	Page 15 - 16
	2-11 Chair of the highest governance body	Page 15 - 16
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 15 - 16
	2-13 Delegation of responsibility for managing impacts	Page 15 - 16
	2-14 Role of the highest governance body in sustainability reporting	Page 15 - 16
	2-22 Statement on sustainable development strategy	Page 14, 47 - 51
	2-23 Policy commitments	Page 65, 72 - 73
	2-24 Embedding policy commitments	Page 72 - 73
	2-26 Mechanisms for seeking advice and raising concerns	Page 72 - 73
	2-27 Compliance with laws and regulations	Page 64
	2-28 Membership associations	Page 108
	2-29 Approach to stakeholder engagement	Page 17 - 19
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 20 - 22
	3-2 List of material topics	Page 20 - 22
	3-3 Management of material topics	Page 20 - 22
GRI 101: Biodiversity 2024	101-4 Identification of biodiversity impacts	Page 59 - 60
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 61
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 66 - 67
	205-2 Communication and training about anti-corruption policies and procedures	Page 66 - 67
	205-3 Confirmed incidents of corruption and actions taken	Page 66 - 67
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 68
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 47, 52
	302-4 Reduction of energy consumption	Page 52

GRI Content Index

GRI Standard	Disclosure	Location
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 57 - 58
	303-3 Water withdrawal	Page 57 - 58
	303-4 Water discharge	Page 57 - 58
	303-5 Water consumption	Page 57 - 58
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 47
	305-2 Energy indirect (Scope 2) GHG emissions	Page 52
	305-3 Other indirect (Scope 3) GHG emissions	Page 53
	305-5 Reduction of GHG emissions	Page 47 - 51
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 54 - 56
	306-2 Management of significant waste-related impacts	Page 54
	306-3 Waste generated	Page 54
	306-4 Waste diverted from disposal	Page 54
	306-5 Waste directed to disposal	Page 54 - 56
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 84 - 85
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 76 - 77
	403-2 Hazard identification, risk assessment, and incident investigation	Page 76 - 77
	403-3 Occupational health services	Page 78
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 76 - 78
	403-5 Worker training on occupational health and safety	Page 79 - 80
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 79 - 80
	403-9 Work-related injuries	Page 81 - 83
	403-10 Work-related ill health	Page 81 - 83
	404-1 Average hours of training per year per employee	Page 86 - 87
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 86 - 87
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Page 87
	405-1 Diversity of governance bodies and employees	Page 74 - 75
GRI 405: Diversity and Equal Opportunity 2016		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 72 - 73

GRI Content Index

GRI Standard	Disclosure	Location
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 72 - 73
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 72 - 73
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 72 - 73
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 88 - 105
GRI 415: Public Policy 2016	415-1 Political contributions	Page 66 - 67
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 69