

SUSTAINABILITY STATEMENT

GDB Holdings Berhad (“GDB”) and its subsidiaries (“the Group”) are strongly committed to integrating robust sustainability measures and solutions that will promote environmental protection and create meaningful and long-lasting value. Our initiatives encompass best business practices to address relevant economic, environmental, social, and governance (“EESG”) issues in a responsible manner whilst also optimising our profits. We view every project as an opportunity to build a better future for our clients, partners, employees and our surrounding communities.

We continually adapt to the ever-changing global sustainability and industry trends to positively impact society and the environment. Thus, we have made significant investments and leveraged our expertise to reinforce our environmental commitments and contribute to a greener future.

Our Sustainability Policy outlines the measures and strategies that we have implemented to fulfil our commitments and keep us informed of any emerging sustainability issues.

ABOUT THIS STATEMENT

This is our second Sustainability Statement for the transparent disclosure of our sustainability practices. In FYE 2023, we elevated our sustainability journey to become one of our organisation’s overarching goals. In this Statement, we report our initiatives and actions towards sustainable development.

Scope and Boundary:

This Statement covers the Group’s entire operations, including subsidiaries directly controlled by the Group and held through a majority stake.

Assurance Statement:

In strengthening the credibility of this statement, it has been independently reviewed by Sterling Business Alignment Consulting Sdn. Bhd., our appointed internal auditors to ensure the key information disclosed is free from any material errors.

Reporting Frameworks and Standards:

This Statement was crafted to fulfil Bursa Malaysia’s Listing Requirements in accordance with Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative (“GRI”) Standards, Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations, Sustainability Accounting Standards Board (“SASB”) Standards and the International Sustainability Standards Boards (“ISSB”) Standards.

Historical information gathered from previous years was included to contextualise the data and to display actionable patterns.

Reporting Cycle: Coinciding with our financial year-end.

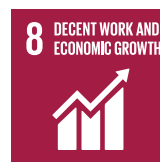
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SUSTAINABILITY STATEMENT (CONT'D)

OUR APPROACH TO SUSTAINABILITY

GDB SUSTAINABILITY FRAMEWORK

The starting point of our sustainability commitment is the GDB Vision and Mission; it provides us with the building blocks for reflecting corporate culture and direction. Aligned with the mission, we have three focus areas: Sustainable Society, Sustainable Business, and Sustainable Environment. Each focus area creates value for the Group and our stakeholders; the corresponding material matters are supported by our approach to sustainability, which provides effective strategies and clear action plans.



SUSTAINABILITY STATEMENT (CONT'D)



SUSTAINABILITY GOVERNANCE

We have created a sustainability governance structure to facilitate the implementation of our sustainability strategies across our business in a structured manner. This framework specifies the processes for setting goals, reporting progress and strengthening relations with our stakeholders. It states the clear lines of accountability and responsibility so that every level of the Group, from the workers at the construction sites up to the members of the Board, is cognisant of their roles in delivering sustainability, EESG and corporate responsibility.



Board of Directors

- > Ultimately accountable for overseeing the Group’s sustainability matters, including, but not limited to, sustainability strategy and targets, materiality assessment, and climate-related risks and opportunities.
- > Ensure sustainability matters are considered within the Group, progressively embed a strong sustainability culture, and keep abreast with emerging issues.

SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Management Committee

The SMC consists of the key management with the following responsibilities:

- Assist the BOD in fulfilling its oversight responsibilities in relation to the framework, strategies, priorities, targets, policies and practices of sustainability and EESG of the Group;
- Ensure the implementation and integration of principles of sustainability into the Group's strategies, policies and procedures;
- Create a culture of sustainability within the Group and the community with an emphasis on integrating the EESG philosophies into business decisions;
- Review the materiality assessment process and outcome;
- Evaluate overall sustainability risks and opportunities, including a focus on climate-related issues; and
- Responsible for the preparation of the Sustainability Statement including ensuring the accuracy, quality and the extent of reporting and disclosure and also ensuring compliance towards the relevant reporting frameworks and standards prior to approval by the Board.

Sustainability Working Group

- Coordinates with and provides support to SMC on the management of material matters.
- Consolidates sustainability reports and data from the SWG to the SMC.
- Undertake the materiality assessment process.
- Aligns practices on the ground with the organisation-wide sustainability agenda and strategy.
- Supports the Steering Committee with executing and monitoring sustainability activities and performance against targets.

SUSTAINABILITY POLICIES

Our policies are our commitment to upholding and protecting the rights of all individuals, economic growth, responsible leadership, safeguarding the environment and caring for the community.

Sustainability Policy	Quality, Environmental, Safety and Health ("QESH") Policy
Anti-Bribery and Corruption Policy	Whistle Blowing Policy

For detailed information about our policies, please visit: <https://www.gdbhb.com.my/investor-relations/corporate-governance/>.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

We maintain constant communication with our stakeholders via different modes of engagement throughout the year. Meaningful collaborations with them enable us to anticipate their needs and respond promptly. Our long-term success hugely depends on the value we deliver to all our stakeholders.

The table below presents the list of our stakeholders, our communication channels, their concerns and our corresponding actions.

Stakeholders	Concerns	Communication Channels and Response
Shareholders	<ul style="list-style-type: none"> - Profitability & Growth - Transparent and Timely Communications - Ethics and Governance 	<ul style="list-style-type: none"> - Annual General Meeting and Extraordinary General Meeting - Timely Financial Disclosure and Regulatory Filings - Timely Media Releases and Website Updates on Corporate Developments - Good Corporate Governance and Compliance Structure
Customers	<ul style="list-style-type: none"> - Quality - Timely Delivery - EESG 	<ul style="list-style-type: none"> - ISO 9001 and ISO 45001 Certification and Compliance Audit - Standardisation and Continuous Improvements - Customer / Client Feedback
Employees / BOD	<ul style="list-style-type: none"> - Benefits and Remuneration - Career Progression - Communication - Safety and Health 	<ul style="list-style-type: none"> - Salary and Benefits Benchmarking and Performance Reviews - Incentive Programme - Training and Succession Planning - Policy Updates and Communications - ISO 45001 Certifications, Compliance Audit - Quality, Environmental, Safety and Health Management System ("QESHMS")
Contractors / Suppliers / Consultants	<ul style="list-style-type: none"> - Safety and Health - Timely Payment - Ethics and Governance 	<ul style="list-style-type: none"> - ISO 45001 Certifications, Compliance Audit - QESHMS - Fair and Transparent Payment and Procurement Processes
Authorities / Regulators / Certification Bodies	<ul style="list-style-type: none"> - Regulatory and Statutory Compliance 	<ul style="list-style-type: none"> - Renewal of Permits and Licenses - Enhancement of Policy and Procedures for Regulatory and Statutory Compliance - Zero Non-compliance Targets - Internal Audit Reports
Analysts / Media / Investors Relations	<ul style="list-style-type: none"> - Quality Information and Feedback - Transparent and Timely Communications 	<ul style="list-style-type: none"> - Press & Investor Conferences and Media Appearances - Timely Media Releases and Website Updates on Corporate Developments - Provision of Sufficient and Accurate Information - Responding to Surveys

SUSTAINABILITY STATEMENT (CONT'D)

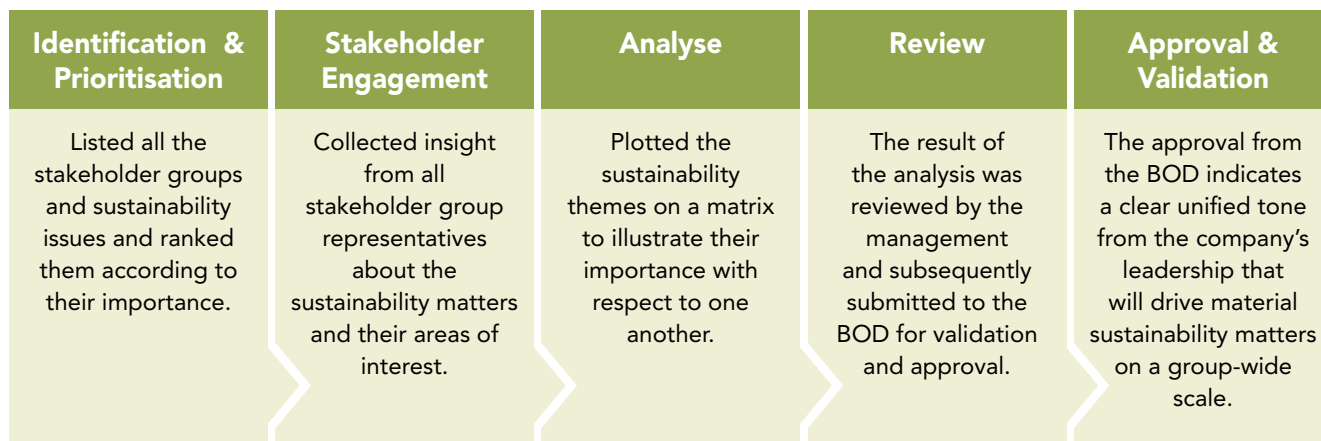
Stakeholders	Concerns	Communication Channels and Response
Financial Institutions	<ul style="list-style-type: none"> - Economic Performance and Profitability - Business Strategies - Ethics and Governance 	<ul style="list-style-type: none"> - Meetings and Conferences - Annual Reviews - Good Corporate Governance and Compliance Structure
Community	<ul style="list-style-type: none"> - Environmental Impact of Construction Activities - Safety and Health - Human Rights - Contributions to the Local Community 	<ul style="list-style-type: none"> - Environmental Protection Measures - ISO 14001 and ISO 45001 Certifications, Compliance Audit - Local Sourcing and Hiring - Corporate Social Responsibility Activities

MATERIAL MATTERS

In FYE 2022, referencing Bursa Malaysia’s Sustainability Reporting Materiality and stakeholder toolkit and guidelines, we performed our first full materiality assessment with our internal and external stakeholder groups. We determined the significant impacts on our business and operations and identified the areas where we create or diminish sustainability values. Consequently, we were able to map out the sustainability matters that can enhance our business resilience and performance. Our SMC and the BOD reviewed the outcome of the process.

Materiality Review

We conducted a materiality review in FYE 2023 to determine whether our sustainability strategies require adjustments based on external and internal changes. Such an assessment identifies the EESG sustainability themes considered most important by the Group and our stakeholders. The results confirmed that our previously identified material issues are consistent with our current activities. Our business scope remains the same, so our material issues have also remained unchanged.

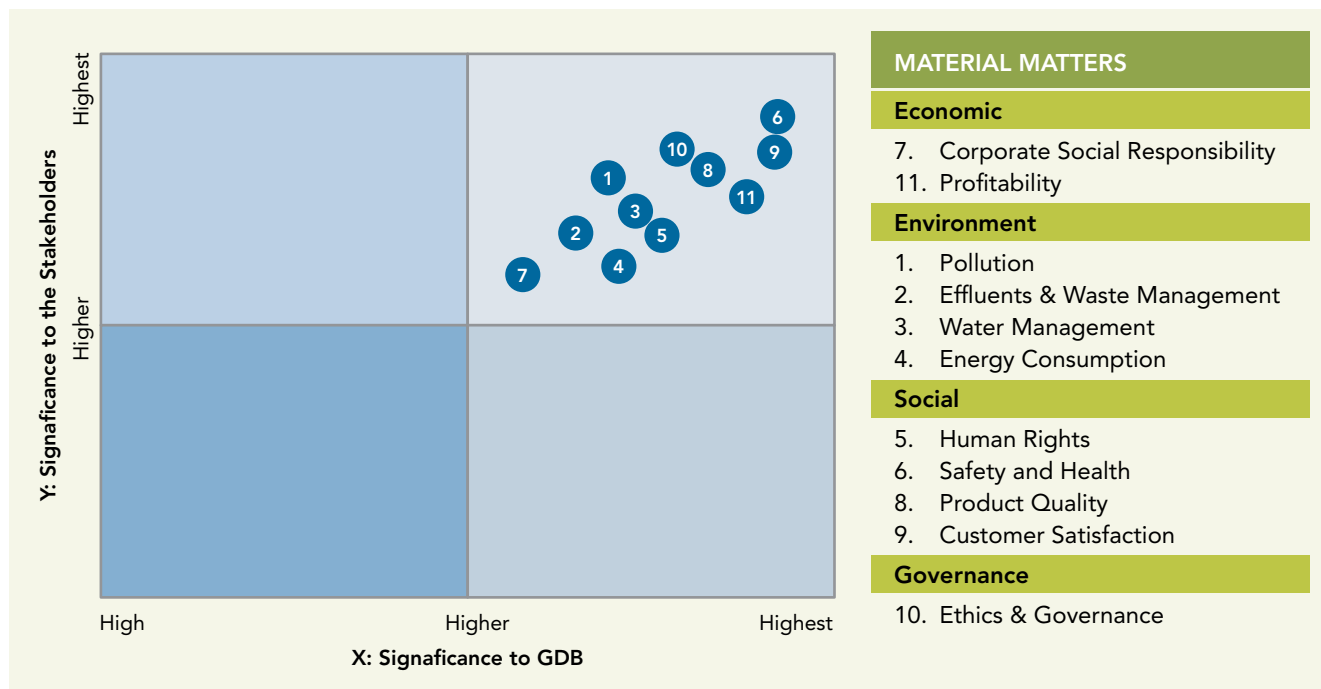


SUSTAINABILITY STATEMENT (CONT'D)

Materiality Matrix

The materiality matrix below maps the EESG issues based on their perceived significance by the Group and our stakeholder groups. The themes deemed most important by both are plotted on the upper right-hand quadrant.

The top material issues are Safety and Health, Customer Satisfaction, Profitability, Product Quality, and Ethics & Governance. Safety and Health is closely linked to the core nature of our business because we want to ensure the safety and well-being of our employees, contractors, and subcontractors. Meanwhile, Customer Satisfaction, Profitability and Product Quality imposes a direct correlation to the economic impacts on our stakeholders. Ethics & Governance pertain to the ways by which we demonstrate fair and equal treatment to our stakeholders. The material issues relating to the environment are situated closely together in the middle of the matrix. Our business segment belongs to the construction sector where we are not in control of all environmental impacts of the whole project. We strive to reduce the environmental impacts of our supply chain and operations that we are able to control.



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY RISK MANAGEMENT

We have adopted a risk management framework in our corporate governance structure to ensure that our business review process can accurately identify EESG risks and recognise opportunities. The Risk Management Committee (“RMC”) provides oversight, direction and guidance on the Group’s risk management structure, process and support system. The RMC reviews and assesses the adequacy of risk management policies and framework for identifying, measuring and controlling EESG risks over the relevant business and operations.

In addition, we have implemented a comprehensive Quality, Environmental, Safety and Health Management System (“QESHMS”) to promote quality, environmental protection and workplace safety and health.

Material Matters	Sustainability Risks	Opportunities
ECONOMIC RISKS		
Profitability	Poor financial performance can threaten business continuity and trigger loss of investment opportunities.	Strengthening the Group’s brand name, financial position, and business development strategy attracts investors, thereby generating better returns for shareholders.
Supply Chain	Performance of subcontractors / suppliers.	Yearly performance evaluations of subcontractors and suppliers strengthen our contractors’ capabilities.
Employee Retention	High employee turnover and key person succession and dependency.	Offering fair and attractive compensation, talent development and benefits to encourage employee retention.
ENVIRONMENTAL RISKS		
Pollution	Non-compliance with environmental regulations results in site closure for investigations and potentially leads to project disruption/delays.	Reducing pollution, effluents, waste, water, and energy consumption may reduce operational costs and improve the Group’s reputation, attracting more clients and investors.
Effluents & Waste Management	Poor water, energy, effluents and waste management may lead to higher operational costs.	Adopting stringent environmental monitoring and controls produces savings from paying environmental penalties and facilitates on-time project delivery.
Water Management		
Energy Management		

SUSTAINABILITY STATEMENT (CONT'D)

Material Matters	Sustainability Risks	Opportunities
SOCIAL RISKS		
Safety and Health	In the event of site injury/death, the Group will be liable for the workers' compensation claims, and the site will be subject to closure for investigations, which will lead to disruption/delays.	Adopting strict Environmental, Safety and Healthy ("ESH") monitoring controls will improve the Safety and Health Assessment System in Construction ("SHASSIC") rating, which in turn will attract more clients and improve employee well-being.
Human Rights	Non-Compliance with Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019. Validity of the work permits of foreign workers at the construction site.	We have set up an audit and monitoring system to ensure the human rights of the foreign workers working under the Group directly or indirectly are protected, which will reinforce the Group's reputation as a responsible employer.
Customer Satisfaction	Losing customer confidence and company reputation. Loss of business opportunities resulting in loss of revenue.	The average Customer / Client feedback score is 87.0%, higher than our Group's QESHMS target of 85%. Achieving good customer satisfaction will warrant customer retention.
Product Quality	Projects to be delivered do not meet contract requirements, including required quality and specified compliance.	Project delivery and project quality is one of our top priorities and our projects will go through independent quality assessments BuildQas or Qlassic to corroborate our resolve. To demonstrate the utmost importance of the safety and health at our project sites, SHASSIC assessment and certifications are carried out on them. To date, the Group has completed thirteen (13) projects, and all thirteen (13) projects were completed ahead of the contractual completion date.
GOVERNANCE RISKS		
Ethics & Governance	Suspension or delisting of trading of the listed securities. Penalty or imprisonment of directors for offences under Section 17A. Non-compliance with Malaysian Code on Corporate Governance ("MCCG") 2021 and Bursa Malaysia's Sustainability Reporting Guide.	Establishing effective corporate governance practices will enhance our reputation as a trustworthy company amongst stakeholders. Keeping abreast of compliance updates and continuous employee training on compliance and regulations will improve the integrity and reputation of our organisation, and furthermore elevate the transparency and quality of our reporting.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE SCORECARD

In the year under review, we have set annual targets. In the subsequent year, we will set mid-term and long-term sustainability targets aligned with our material matters and the changing needs of our stakeholders.

Focus Area	Material Matters	Annual Targets	FYE 2023 Performance
Economic	Supply Chain Management	Achieve proportion of spending on local suppliers > 95%	99.90%
Environmental	Waste Management	Achieve Waste Recycled vs Generated > 25%	26.95%
Social	Safety and Health	Maintain zero fatal accidents at work site	0%
	Safety and Health	Achieve Lost Time Injury Rate < 0.55	0%
	Customer Satisfaction	Achieve Customer Satisfaction Score of > 85%	87%
Governance	Ethics & Governance	Achieve 100% Anti-Bribery & Corruption training attendance for employees.	100%

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC SUSTAINABILITY

As a major industry in Malaysia, the construction sector significantly contributes to economic growth, development, innovation, and technological advances. In every project, we build the skills of our employees to create good quality and resilient products that improve people's lives and provide long-term benefits for generations to come. Doing so creates a shared value that significantly contributes to the national and local economy. The Hong Kong and SIRIM 5S certifications and awards for our projects have also garnered international repute for the Group's projects in the country.



SDG 9 : Aim to build resilient infrastructure, promote sustainable industrialisation, and foster innovation

SDG 11 : Aim to make cities inclusive, safe, resilient, and sustainable

PROFITABILITY AND DIRECT ECONOMIC IMPACTS

Our direct economic impacts include employee salaries, group revenues and profits, dividends gained by shareholders, and taxes paid. The indirect economic impacts pertain to our capabilities, employee upskilling and expansion of our supply chain.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SOCIAL RESPONSIBILITY AND ECONOMIC IMPACTS

The construction industry benefits surrounding communities by providing jobs and wages. This boosts local spending, as the employees/workers are expected to spend their earnings for their needs on other local businesses. Taxes collected from the construction industry also help fund public works and services for the betterment of the local economy. Business owners and investors also benefit from the profits and dividends, which could be used for further reinvestments or spending on other local businesses.

ECONOMIC PERFORMANCE INDICATORS

Proportion of spending on local suppliers (C7a)			Community and Society (C2a & C2b)	
FYE	Total amount spent on local suppliers (RM)	Proportion of spending on local suppliers	Total amount invested in the community where the target beneficiaries are external to the listed issuer (RM)	Total number of beneficiaries of the investment in communities
2023	272,126,681.49	99.90%	6,576.00	1
2022	478,342,324.51	99.91%	35,567.00	4
2021	324,056,111.78	99.91%	32,428.00	3

FYE 2022	FYE 2023
Revenue: RM510.06 million	Revenue: RM319.65 million
Profit After Tax ("PAT") attributable to owners of the Company: RM17.20 million	PAT attributable to owners of the Company: RM8.03 million
Corporate Tax: RM 5.56 million	Corporate Tax: RM2.60 million
Ongoing Projects ¹ : Two (2)	Ongoing Projects ² : Two (2)
Outstanding order book ¹ : RM389 million	Outstanding order book ² : RM398 million
Investments in Equipment and Machineries: RM1.10 million	Investments in Equipment and Machineries: RM1.79 million
Number of Employees: 271	Number of Employees: 197

Notes:

¹ After taking into account the determination of the 8 Conlay Project on 19 April 2023.

² Including KL International Hospital Project secured on 31 January 2024.

SUSTAINABILITY STATEMENT (CONT'D)

QUALITY, ENVIRONMENTAL, SAFETY AND HEALTH

MANAGEMENT APPROACH

It is our goal to contribute in preserving the environment and improve our EESG performance to generate shared value. Thus, we have established a QESH Policy, which outlines our procedures for protecting the environment, safeguarding the safety and health of our stakeholders, and ensuring that we deliver excellent products and services.



At GDB, we understand that our actions have immediate impacts on human and environmental conditions. We believe we can attain long-term success by integrating sustainability into our business practices.

SDG 3 : To ensure healthy lives and promote proper well-being.

SDG 13 : Take urgent action to combat climate change and its impacts.

SDG 15 : Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss.

QESH CERTIFICATIONS

International Management Systems

As a testament to our QESH commitments, we have obtained ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications. We have consolidated all these principles, systems, processes and standards into one integrated management system, QESHMS. It streamlines our Quality Management, Environmental Management and Safety and Health Management Systems, thereby saving us time and increasing our efficiency. As a result, we are able to focus on a wide range of crucial areas.



In addition, GDB projects have attained QCLASSIC, BuildQAS and SHASSIC certifications. We have also completed and been certified for the Construction Green 5S programme as part of our commitment to quality, environmental, safety, health and productivity.



Environmental, Safety & Health Committee

The Company ESH Committee is headed by the Group Executive Director, who is assisted by the Senior ESH Manager. The committee members include the General Manager, Head of Projects (“HOPs”), Project Manager, ESH Officer, and other Head of Departments (“HODs”) such as logistics, store and Quality Assurance/Quality Control (“QA/QC”).

The Project ESH Committee is headed by the HOP, who is assisted by the Project ESH Team. The Site ESH Committee consists of subcontractors, site management representatives, site staff and site workers.



SUSTAINABILITY STATEMENT (CONT'D)

QESH Management Review Board ("MRB")

We have established the MRB to review the suitability, adequacy and effectiveness of the implemented QESHMS. The review specifically focuses on the following agendas:

- Status of actions from previous MRB meetings;
- Changes in external and internal issues that are relevant to the QESHMS;
- Strategic direction of the organisation and expectations of the stakeholders;
- Evaluation of potential opportunities for continuous improvements; and
- Performance against targets and the effectiveness of the QESHMS.

QESH Risk Management

The Group's QESH risk management system is a cyclic process that consists of 5 steps. In Risk Identification, potential risks are identified and categorised into QESH. Their respective risks and opportunities are also determined. In Risk Assessment, the likelihood of occurrence and impact of each QESH risk is ascertained – the greater the impact, the higher the priority. Action Plans refer to the monitoring and mitigating measures that are implemented. The different departments across the Group take actions to identify, analyse and respond to risks with clear timelines.

Environmental Aspect and Impact Register ("EAIR") and Hazard Identification, Risk Assessment and Risk Control ("HIRARC") are the Group's primary strategies for planning and managing risks relating to ESH. We have carried out risk assessments at the workplace to detect substandard actions and working conditions and have taken the necessary corrective actions.

In summary, we use the QESH risk management system to identify potentially harmful risks and their impacts, select the most cost-effective solution, monitor the results, and maintain steady improvement.

Awareness And Training

All our site workers, both directly and indirectly employed by the Group, are Construction Industry Development Board ("CIDB") Green Card holders. This card certifies that they have attended the Safety Induction Construction Worker Course, have basic knowledge of occupational safety and health at construction sites, and have obtained an insurance protection plan.



SUSTAINABILITY STATEMENT (CONT'D)

Additionally, all onsite workers must attend an ESH induction course before commencing their work. Our ESH officers and supervisors organise onsite ESH meetings, including daily and weekly toolbox briefings, monthly ESH committee meetings, on-the-job training, emergency drills, HIRARC, SOP briefings, and policy or procedure updates. In addition, special training sessions are conducted by external experts. Participants can gain certifications in some of the off-site training programmes.

Enumerated below are the internal ESH training programmes.

TOOLBOX BRIEFING AGENDA	
<u>Safety and Health Matters</u>	<u>Environmental Matters</u>
<ol style="list-style-type: none"> 1. Trade work safe operation procedure / HIRARC requirement. 2. Daily housekeeping after work. 3. Provide fall protection to prevent fall of person or material. 4. Compliances to Covid-19 SOP. 5. Accident/Incident reporting procedure. 6. Emergency Response plan and Guideline. 7. Personal protective equipment compliances. 8. Electrical Safety. 9. Safety compliance during working at height. 10. Security matters - Electrical tool declaration and gate pass procedure. 11. Welfare facilities and it's maintenance. 	<ol style="list-style-type: none"> 1. Promote 3R. 2. Use spill tray to prevent pollution. 3. Maintain good housekeeping at working area. 4. Dust control from rubbish dumping activity.

ENVIRONMENT

We are committed to protect and preserve the environment at all our project sites for the long-term benefit of our employees and the surrounding communities. Our environmental commitments and goals are enshrined in our ISO 14001:2015 certification, Sustainability Policy and QESHMS practices.

Climate Change

We aim to contribute in mitigating the effects of climate change in accordance with the ISO 14001:2015 standard. We will strive to reduce our environmental impacts by minimising our reliance on fossil fuels, efficiently using resources, recycling materials and minimising the emissions of toxic substances throughout their life cycle.

Life Cycle Perspective

Public awareness on waste reduction has grown in recent years. Thus, we have evaluated the environmental burdens imposed by our products, processes and activities. For this purpose, we have formulated a life cycle perspective table to obtain a clear view of the environmental burdens exerted by our business activities and the solutions we have implemented to address them.

SUSTAINABILITY STATEMENT (CONT'D)

Activity	Environmental Aspect	Solutions
Raw material acquisition	Consumption of resources	Use of products with recyclable content and minimised use of virgin materials
	Air pollutant emissions	Switch to low Volatile Organic Compound (“VOC”) paint, coating, carpet flooring and sealant
Transportation / Delivery	Air pollutant emissions	Local purchasing
Use / Construction	Resource consumption and waste generation	Reduce, reuse & recycle (3Rs)
End of life	Waste disposal	Recycling and reuse of scrap

Pollution

Construction activities unavoidably generate various contaminants that contribute to pollution, posing risks to both employees and nearby residents. We have adopted several measures for mitigating air, water, noise and soil pollution.

Air Quality

Air quality is regularly monitored at all our sites. Site access zones are paved with concrete or hardcore materials to reduce dust emissions. Located on every floor are internal rubbish chutes which can be accessed via a lift shaft to minimise dust dispersion. We also use low-VOC paint and eco-friendly adhesives and ensure that our diesel vehicles and machineries smoke emissions comply with the Environmental Quality (Control of Emissions from Diesel Engines) Regulations 1996.

WASTE, EFFLUENT AND RESOURCE MANAGEMENT

Conserving natural resources is one of our main strategies for managing the environmental impacts of our activities.

Segregation and Recycling

We practise the 3Rs of waste management at all our project sites. This starts with proper waste segregation. A clearly labelled specific storage area is designated for each waste category. Scheduled and hazardous waste are clearly marked to avoid contamination. Assigned workers perform daily housekeeping.

To reduce waste disposal in landfills, we identify waste that can be transformed into reusable products. Those that cannot be reused are sent for recycling. Reusable materials include concrete waste that can be cast to the lintel, concrete blocks and barriers and wheel stoppers. Timber and scrap metals are to be collected by waste collectors and to be sent for recycling. Wastage monitoring results for major construction materials are presented during management meetings.

Total Waste Directed and Diverted from Disposal (C10a)					
FYE	Recycled (diverted from disposal)		Non-recycled (directed to disposal)		Total
	tonnes	Percentage	tonnes	Percentage	tonnes
2023	1,325.86	26.95%	3,593.79	73.05%	4,919.65
2022	2,960.18	24.66%	9,043.12	75.34%	12,003.30
2021	1,623.51	17.03%	7,912.27	82.97%	9,535.78

SUSTAINABILITY STATEMENT (CONT'D)

Effluents

In addition, we have installed earth drains, silt traps, water treatment tanks and sedimentation ponds to ensure that the quality of the water discharged to public drains is compliant with the standards prescribed by national water authorities.

Total volume of water (effluent) discharged over the reporting period (S8a)				
FYE	Surface Water Discharge (River, Lake, Stream, Pond) (m ³)	Subsurface Discharge Public Sewer (m ³)	Off-Site Water Treatment Discharge (m ³)	Total (m ³)
2023	0	82	0	82
2022	0	68	0	68
2021	0	70	0	70

Eco-Friendly Material Management

For our projects that are Green Building Index (“GBI”) certified, we practise purchasing with an Eco-Friendly Material Management process. Specifically, we conduct material tracking wherein our suppliers must indicate the recycled content and reuse value of their raw materials. We also consider the distance between the project sites and the material source, as well as the local purchasing options. All these purchasing factors boost local community development and the eco-friendliness of our activities.

WATER MANAGEMENT

We use a water filtration system to treat muddy water prior to its discharge from the site to the external drain. We have contracted an external consultant to conduct periodic water quality surveys in critical locations at all our sites. The tested parameters include Biological Oxygen Demand, Chemical Oxygen Demand, suspended solids and others. The findings are then compared to Malaysia’s National Water Quality Standards.

Water Withdrawal DATA or total volume of water used (C9a)						
FYE	Surface water	Groundwater (wells, boreholes)	Used quarry water collected in the quarry	Municipal potable water (m ³)	Harvested rainwater	Total (Megalitres)
2023	0	0	0	65,451.20	0	65.45
2022	0	0	0	119,643.76	0	119.64
2021	0	0	0	142,889.76	0	142.89

SUSTAINABILITY STATEMENT (CONT'D)

ENERGY CONSUMPTION

Our energy consumption varies depending on the number of our ongoing projects. We utilise energy prudently and use only the amount necessary.

As revealed by our life cycle analysis, we endeavour to purchase products that are sold, manufactured or harvested near our operations to save energy from logistics. We also inculcate energy conservation awareness amongst our staff and site workers, particularly during staff and toolbox meetings.

Total energy consumption (MJ) (C4a)					
Total Non-Renewable Energy				Total Energy Input	Total % of Renewable Energy Input
FYE	Electricity	Fuel	Gas		
2023	3,685,406.20	28,939,892.91	48,142.32	32,673,441.43	0%
2022	9,247,065.91	23,627,814.00	79,184.68	32,954,064.59	0%
2021	9,339,468.88	19,828,560.36	133,964.96	29,301,994.20	0%

SAFETY AND HEALTH

Safety and Health ("S&H") is one of our top priorities at GDB, as demonstrated by our ISO 45001:2018 certification and our projects' SHASSIC certifications. We have established a safe work method statement that complies with all the relevant legal and statutory requirements. These are also presented in detail in the HIRARC Safe Work Method Statement. We conduct S&H meetings with our staff and subcontractors' representatives throughout the construction period to ensure that all aspects of our S&H measures are adequately incorporated. We believe that prioritising the safety and health of our employees, workers and the workplace translates into a happier and healthier workforce which promotes better work performance and productivity.

Safe Working Practices and Monitoring

We perform S&H monitoring to identify any safety weaknesses, find their cause and formulate potential solutions to address them. We have furnished our onsite employees with a manual on S&H Roles & Responsibilities that is tailored specifically for construction site activities.

We also organise monthly ESH committee meetings which are attended by the subcontractor's project manager and heads. The discussed topics during these meetings include ESG statistical updates on manpower, accident occurrences including near-misses that occurred at the site, ESH observations and audit findings. An inspection checklist is also regularly filled out to verify the status of ESH conditions at the workplace, welfare facilities, fire and emergency equipment, first aid boxes, scaffoldings, plant and machinery, equipment and others.

We have adopted additional safe working practices to further protect our employees against risks of injuries, such as falls. We have installed fall prevention systems on floor openings, hard barricade systems for all edge protection up to the topmost working floor, demarcation of safe access, electrical safety and others.

SUSTAINABILITY STATEMENT (CONT'D)

Environmental and Social Requirements

Prior to their accreditation to our supply chain, prospective contractors are informed of the mandatory compliance with our Anti-Bribery & Corruption Policy ("ABC Policy"), QESHMS and ISO requirements. They are also made aware of our statutory and regulatory machinery and safety requirements to eliminate hazards and minimise safety and health risks. Suppliers of materials that require storage must provide safety data sheets and coordinate with the site ESH officer regarding our environmental requirements.

Compliance

Our business practices are assessed and analysed by an Independent Internal Auditor who determines whether they adhere to the Group's policies and procedures as well as the government's legislation and regulations.

Our QESH department is responsible for implementing the Group's QESHMS. The QESH Department conducts quality, environmental, safety and health assessments of all our project sites throughout the construction period. These inspections follow a set of stringent procedures that include the setup of detailed monitoring, controlling and inspection work sequence, periodic internal quality, environmental, safety and health audits and assessment practices. Subcontractors that are found to be non-compliant with the QESHMS implementations will be issued a non-compliance report, fined, or blacklisted, depending on the severity of the offence.

We also perform QCLASSIC, BuildQAS and SHASSIC assessments of our projects to further improve our workmanship quality and safety based on the construction industry approved standards. There were no work-related fatalities and lost time incidents in the year under review.

Health and Safety Performance Indicators						
FYE	2023		2022		2021	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Number of work-related fatalities (C5a)	0	0	0	0	0	0
Lost Time Incident Rate (LTIR) (C5b)	0	0	0	0	0	0
LTIR ^{N1} : Number of lost time injuries in the reporting period/Total number of hours worked in the reporting period X 200,000 ^{N2}						
N1	LTIR is calculated as a rate where the number of lost time Incidents during the Reporting period are expressed per the total number of hours worked at the end of the reporting period.					
N2	200,000 represents a standardised value of the total hours 100 employees work weekly for 40 hours for 50 weeks (100 x 40 x 50 = 200,000).					

SUSTAINABILITY STATEMENT (CONT'D)

ETHICS AND GOVERNANCE

We have established a Code of Ethics and Conduct, which states the ethical principles that must be followed by directors and employees in all business activities of the Group.

We have also set forth an ABC Policy, which emphasises our zero-tolerance approach to all forms of bribery and corruption at all levels of our organisation. Our ABC Policy is consistent with the provisions of the Malaysian Anti-Corruption Commission Act 2009.



Our Whistle-blowing Policy provides a platform where all our employees and stakeholders can securely and confidentially report incidents of improper conduct and non-compliance with the Group's Code of Ethics and Conduct and Policies.

Our continued cooperation with our stakeholders ensures that our business activities are always conducted with the highest ethical standards. Since its establishment, GDB has not received any reports of improper conduct.

SDG 16 : Promoting peaceful and inclusive societies, providing access to justice for all and building effective, accountable, and inclusive institutions at all levels.

Fair Dealing and Integrity

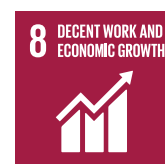
We conduct all business transactions ethically and fairly. We implement an organisation-wide system that prohibits all types of unfair dealings. Our standard purchasing procedures state the basic firm principles we follow when dealing with suppliers. In addition, our suppliers must abide by our Code of Ethics and Conduct and ABC Policy. Suppliers are provided with copies of our policies, which they must read, understand, and acknowledge to abide by them by affixing their signatures. There were zero bribery and corruption incidents in the year under review, and no penalties or non-compliance relating to Ethics and Governance were issued.

Percentage of operations assessed for corruption related risks (C1b)			
FYE	Total number of operational departments	Total number of operational departments assessed for corruption-related risks	% of operational departments assessed for corruption related risks
2023	19	19	100%

HUMAN RIGHTS

Our Sustainability Policy, upholds the rights of all our employees and stakeholders. We intend to build meaningful long-term relationships that produce mutual and lasting benefits in our local communities through the following commitments:

- Respect the human rights of every individual and condemn any form of discrimination based on race, religion, gender, age, disability, nationality and ethnicity
- Institute a system of merit-based employment, skills development and promotion
- Prohibit all practices of child labour, forced labour, modern slavery, excessive working hours, bullying, sexual harassment and abuse of power



SUSTAINABILITY STATEMENT (CONT'D)

A full copy of the Sustainability Policy is available on our website: <https://www.gdbhb.com.my/wp-content/uploads/2023/08/Sustainability-Policy-Final-230823.pdf>.

There were zero incidents or complaints concerning human rights violations in the year under review (C6d).

- SDG 5** : Promoting gender equality and empowering all girls and women.
SDG 8 : Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
SDG 10 : Reduce inequalities within and among countries.

Employees

We recognise the important role of human capital in realising our success. Our people are integral not only to our growth but also to our sustainability agenda. Thus, we have exerted a concerted effort to attract, retain and develop worthwhile and deserving talents. Moreover, we place high values on our employees' safety and health, and well-being. Our goal at GDB is to build a workplace that promotes a culture of excellence and meritocracy.

We believe that implementing robust sustainability standards enables us, in partnership with our employees, to bolster the resilience of our business against the pressures of societal demands. We proudly report that in FYE 2023, there were no employee rights issues or labour legal infractions at GDB.

Diversity and Inclusivity

We aim to uphold a culture of progressiveness where the human rights of every individual are respected and protected. We embrace diversity, inclusivity, equality and meritocracy at the workplace. We follow fair recruitment and promotion processes based on merit and provide equitable opportunities without discrimination in terms of race, religion, gender, age, marital status, disability, ethnicity and nationality.

The table below shows the composition of our workforce. As at 31 December 2023, GDB has a total workforce of 197 employees, of which 67% are male and 33% are female. At the Senior Management level, 83% of the managers are male and 17% are female. A similar ratio can be observed at the other levels. The gender composition is reflective of the generally male-dominant construction industry. The number of contractual employees varies depending on our active projects.

Percentage of employees by gender for each employee category (C3a & C3b)						
FYE	2023		2022		2021	
Gender	Male	Female	Male	Female	Male	Female
BOD	83%	17%	83%	17%	83%	17%
Senior Management	83%	17%	90%	10%	87%	13%
Managerial	68%	32%	76%	24%	80%	20%
Executive	60%	40%	64%	36%	66%	34%
Non-Executive	74%	26%	75%	25%	75%	25%
Average	74%	26%	78%	22%	78%	22%

SUSTAINABILITY STATEMENT (CONT'D)

Percentage of employees by age group for each employee category (C3a & C3b)					
	BOD	Senior Management	Managerial	Executive	Non-Executive
FYE 2023					
> 50	83%	75%	38%	13%	13%
30-50	17%	25%	62%	70%	46%
30 <	0%	0%	0%	17%	41%
FYE 2022					
> 50	66%	60%	40%	15%	17%
30-50	34%	40%	60%	64%	36%
30 <	0%	0%	0%	21%	47%
FYE 2021					
> 50	66%	62%	39%	13%	11%
30-50	34%	38%	61%	60%	37%
30 <	0%	0%	0%	27%	52%

Percentage of employees that are contractors or temporary staff (C6b)					
FYE 2023		FYE 2022		FYE 2021	
Number of temporary staff	% of temporary staff	Number of temporary staff	% of temporary staff	Number of temporary staff	% of temporary staff
102	52%	154 *	57% *	205	62%

Note: (*) Restated

Total number of employee turnover by employee category (C6c)			
FYE	2023	2022	2021
Senior Management	0	1	0
Managerial	9	9	7
Executive	25	33	21
Non-Executive	40	61	39

SUSTAINABILITY STATEMENT (CONT'D)

Human Capital Development

At GDB, we assist our employees in their path to reach their full potential by exposing them to on-the-job learning and coaching through technical and skills training, workshops and seminars. As part of our performance appraisal programme, we identify the training and development needs of our people and set annual training plans for their improvement.

Total hours of training by employee category (C6a)			
FYE	2023	2022	2021
	Total Hours of Training	Total Hours of Training	Total Hours of Training
BOD	24	10	3
Top Management	80	26	68
Mid Management	18	140	46
Lower Management	124	395	306
Executive/ Technical/ Others	858	1,277	833

Percentage of employees who have received training on anti-corruption by employee category (C1a)					
FYE 2023		FYE 2022		FYE 2021	
Number	%	Number	%	Number	%
197	100%	0	0%	317	96%

Number of employees trained on health & safety standards (External Training only) (C5c)			
FYE	2023	2022	2021
Total Employees	197	271 *	331
Employees trained	42	60 *	40
% of employees trained	21%	22%	12%

Note: (*) Restated

SUSTAINABILITY STATEMENT (CONT'D)

Labour Rights

Human rights are undeniably essential to sustainable development, so the rights of our employees are ingrained in our sustainability policy. We ensure that foreign workers are hired in accordance with relevant immigration laws and that they are provided accommodations as mandated by the Workers' Minimum Standards of Housing, Accommodations and Amenities (Amendment) Act 2019. Our foreign workers are paid salaries that comply with the required minimum wage and their safety and health is our priority. Furthermore, we strictly adhere to laws prohibiting child labour as prescribed in the Children and Young Persons (Employment) Act 1966.

Community Rights

Construction sites unavoidably contain inherent hazards, such as dust, noise, soil erosion, waste, traffic congestion, flood, stagnant water and pedestrian accidents. At the start of every project, we first assess the potential impacts of our construction activities on the communities and then introduce strategies that will protect the environment as well as the safety and health of the surrounding communities.

CUSTOMER SATISFACTION

In all our projects and at every stage of construction, we uphold the following Mission:

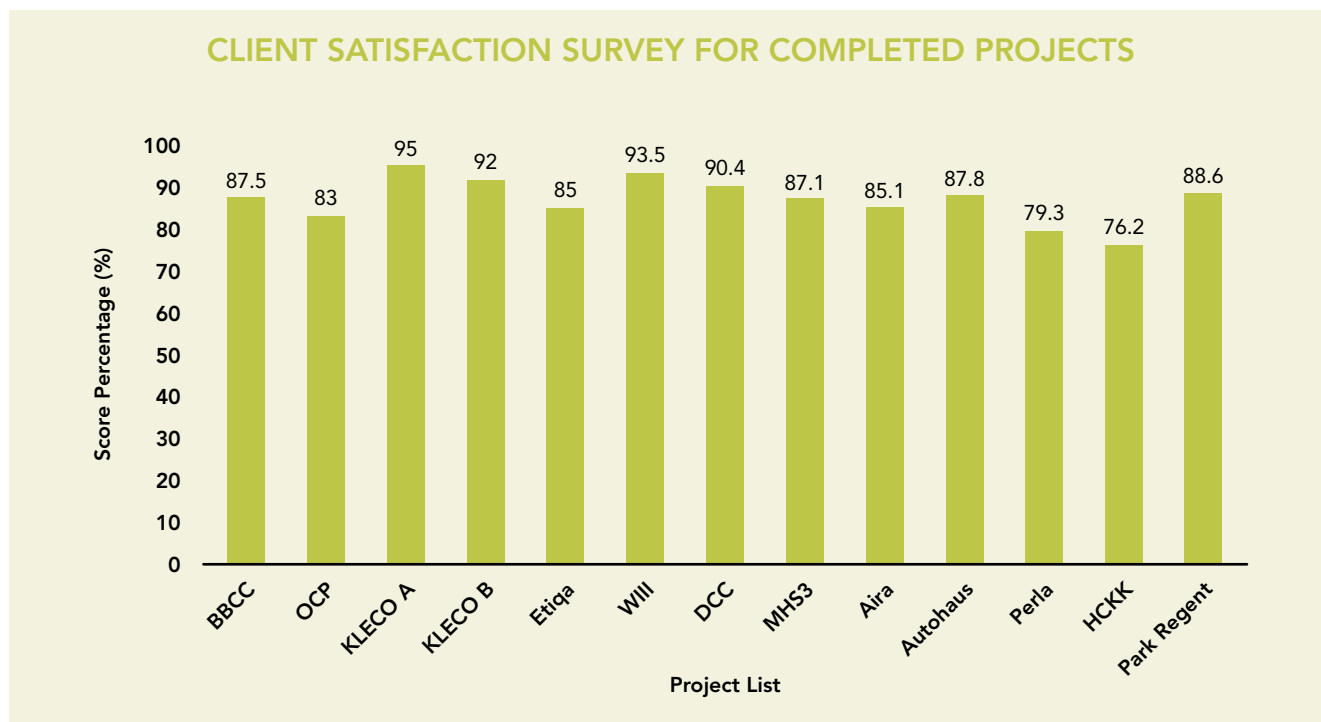
- To employ, cultivate, and support our knowledgeable and motivated teams through continuous development and improvement driven by the synergy of Efficiency, Teamwork, and Commitment of the management and staff.
- To build dedicated and lasting relationships with our valued customers by delivering progressive excellence, reliable quality and cost-effective projects that exceed expectations through the exceptional performance of every member of GDB – every time.
- To safeguard Mother Nature and provide sustainability as well as additional peace of mind for our customers by upholding ecological, resource-efficient green technologies and environmentally responsible practices during every stage of construction.

Consistent with our Mission, the Group is committed to meet our clients' needs and requirements as mutually agreed, fulfilling legal, statutory and EESG requirements. The construction sector is a very demanding industry. Any infraction can delay delivery and cause financial and reputational damages to our ourselves and our customers. As such, we strive to always be ready for any kind of regulatory and customer audits by making sure that all of our certifications and permits are always up to date. We also ensure that our management systems comply with newly introduced procedures and standards, if any.

Satisfaction Survey

Our client satisfaction target is to achieve a minimum of 85% or above in client surveys on each completed project. As shown below, we have achieved an average of 87.0% on all our projects. We look forward to serving our clients better, we have reviewed our clients' comments and survey criteria with particular attention to the sites that did not achieve our target and strive to perform better.

SUSTAINABILITY STATEMENT (CONT'D)



Customer Privacy and Security

We abide by the Malaysian Personal Data Protection Act 2010 (“PDPA”) and all other laws protecting the private data of our customers, partners and other stakeholders. We have built a strong foundation of privacy and security control and protect our customers by adopting a rigorous set of security measures. In the year under review, we had no reported incidents of breaches of customer privacy.

TASK FORCE IN CLIMATE CHANGE FINANCIAL DISCLOSURE (“TCFD”)

The effects of climate change are widespread at a global scale, affecting nearly all economic sectors. The extent of the impacts of climate-related risks can vary by sector, industry, geography, and organisation. The construction sector exerts both direct and indirect impacts in addressing climate change issues on both short and long-term risks. The short term is reducing our own carbon footprint to reduce emissions and help limit climate change; the second is providing infrastructure that is resilient to a changing climate and extreme weather events.



Below is our initial statement, which is structured in the thematic areas that represent the basic elements of tackling climate change: Governance, Strategy, Risk Management, and Metrics and Targets. As per Bursa Malaysia requirements, we will submit a progressive disclosure following a full disclosure to the TCFD in 2027.

SDG 13 : Take urgent action to combat climate change and its impacts.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE

Our Sustainability Committee is directly involved in evaluating the financial impacts, risks and key areas of improvement opportunities and reporting metrics for compliance with the TCFD.

STRATEGY

We look forward to disclosing our organisational scenarios with increased physical climate-related risks in our succeeding report. We will conduct a climate scenario analysis to assess our resilience against various climate-related probabilities and mitigate our impacts by using science-based targets.

METRICS AND TARGETS (FYE 2023 GREENHOUSE GAS ("GHG") EMISSIONS)

Relevant employees underwent GHG emissions training based on the GHG Protocol so that we can disclose our CO₂ emissions in the year under review. In counting and monitoring our emissions we can set appropriate targets and look for opportunities to progressively reduce our emissions.

CO₂e Emissions in 2023 (tonnes)

Scope 1 : 1,848.37

Definition : Direct GHG emissions from vehicles, machineries and gensets from sources that are controlled or owned by an organization.

Scope 2 : 821.32

Definition : Indirect GHG emissions associated with the purchase of electricity. Malaysia Grid

Emission Factor : 0.78

Standard : GHG Protocol

Climate Change Risks

Our Transition Risks are listed below:

Policy and Legal Risks refer to the enhanced emission reporting guidelines and the Green Building requirements.

Technology Risk is the cost of transitioning to lower-emission technology.

Market Risk is the change in behaviour and preference of clients with climate-ready services

Potential Financial Impacts

The first half of the transitional risks covers the interrelated impacts of the Policy and Legal Risks. Malaysia has a nationally determined contribution target to reduce climate change. To achieve the target, the government must establish new policies and strategies across all government and public sectors.

Companies must adapt and invest in technologies and retrain in response to policy changes. The investments will focus on new technologies, processes, and innovations that will reduce buildings' embodied carbon.

SUSTAINABILITY STATEMENT (CONT'D)

Climate Change Opportunities	Potential Financial Impacts
<p>Our Transition Risks are listed below: (cont'd)</p> <p>Reputational Risk is the increase in stakeholder concern if the company does nothing to tackle climate change.</p> <p>Physical Risks consist of Acute and Chronic Risks.</p> <p>The acute physical climate change risks include extreme weather events such as flooding and drought.</p> <p>Chronic Risks are the changes in precipitation, weather patterns and rising temperature.</p>	<p>The energy efficiency levels achieved in construction indicate vulnerability to transition risks to low-carbon materials. Customer preferences will create a market demand for low-carbon solutions and sustainable buildings. A company that is not climate-ready will be at a competitive disadvantage in cornering climate-conscious clients.</p> <p>The second half of the transition risk is the Physical Risk. Project operational cost increases are delayed due to extreme weather, supplies delays, and infrastructure damage, which also have a potential impact.</p>
Climate Change Opportunities	Potential Financial Impacts
<p>Resource Efficiency Opportunities for the construction sector continue to grow as activities increasingly focus on "greening" the built environment.</p> <p>Energy Sources can come from various renewable energy sources.</p> <p>Efficient Solutions can utilise efficient energy solutions eliminating energy waste.</p> <p>Access to New Markets can be gained through green building capability.</p>	<p>The construction companies have already seen a shift in the demand for sustainable building practices.</p> <p>Government incentives for renewable energy policies can offset the initial cost of solar power installation and the payment to public utility companies.</p> <p>Having the green building capability will increase client base visibility.</p>

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Employees	Percentage	96.00	0.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	32,428.00	35,567.00	6,576.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3	4	1
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executive Under 30	Percentage	27.00	21.00	17.00
Executive Between 30-50	Percentage	60.00	64.00	70.00
Executive Above 50	Percentage	13.00	15.00	13.00
BOD Under 30	Percentage	0.00	0.00	0.00
BOD Between 30-50	Percentage	34.00	34.00	17.00
BOD Above 50	Percentage	66.00	66.00	83.00
Non Executive Under 30	Percentage	52.00	47.00	41.00
Non Executive Between 30-50	Percentage	37.00	36.00	46.00
Non Executive Above 50	Percentage	11.00	17.00	13.00
Managerial Under 30	Percentage	0.00	0.00	0.00
Managerial Between 30-50	Percentage	61.00	60.00	62.00
Managerial Above 50	Percentage	39.00	40.00	38.00
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	38.00	40.00	25.00
Senior Management Above 50	Percentage	62.00	60.00	75.00
Gender Group by Employee Category				
Executive Male	Percentage	66.00	64.00	60.00
Executive Female	Percentage	34.00	36.00	40.00
BOD Male	Percentage	83.00	83.00	83.00
BOD Female	Percentage	17.00	17.00	17.00
Non Executive Male	Percentage	75.00	75.00	74.00
Non Executive Female	Percentage	25.00	25.00	26.00
Managerial Male	Percentage	80.00	76.00	68.00
Managerial Female	Percentage	20.00	24.00	32.00
Senior Management Male	Percentage	87.00	90.00	83.00
Senior Management Female	Percentage	13.00	10.00	17.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.00	83.00	83.00
Female	Percentage	17.00	17.00	17.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	34.00	34.00	17.00
Above 50	Percentage	66.00	66.00	83.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	2,668.42	2,642.02	1,052.97
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	40	60*	42

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2021	2022	2023
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Mid Management	Hours	46	140	18
Lower Management	Hours	306	395	124
BOD	Hours	3	10	24
Executive/ Technical/ Others	Hours	833	1,277	858
Top Management	Hours	68	26	80
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	62.00	57.00 *	52.00
Bursa C6(c) Total number of employee turnover by employee category				
Executive	Number	21	33	25
Senior Management	Number	0	1	0
Non Executive	Number	39	61	40
Managerial	Number	7	9	9
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.91	99.91	99.90
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	142.889760	119.643760	65.451200

Internal assurance External assurance No assurance

(*)Restated