

CORPORATE HIGHLIGHTS

FY2023 marked an eventful period for the Group, characterised by significant initiatives laying the groundwork for our forthcoming expansion into the green economy. Through strategic acquisitions, broadening our presence in quarrying activities and cementing partnerships to access fresh revenue streams, BDB is progressively enhancing its profile as a pioneering and forward-thinking entity driving progress in the State of Kedah and beyond.

We are committed to sharing our achievements with stakeholders, which is integral to our value-creation strategy. Particularly evident is utilising technology, investing in high-calibre human capital and responsible stewardship of natural resources, all aimed at advancing eco-consciousness across every facet of our operations.

12 JANUARY 2023

The launch of the Darulaman Saujana affordable housing project and Master Plan for Bandar Darulaman 3.0 in Kubang Pasu, Kedah was officiated by YAB Dato' Seri Haji Muhammad Sanusi Md Nor, Chief Minister of Kedah at The Tent, Darulaman Park in Jitra. In line with the State Government's commitment to advancing affordable housing for the citizens, BDB's sustainable and meticulously planned housing initiatives are catered to benefit the B40 and M40 demographics.



26 JANUARY 2023

Tuan Sr. Haji Che Had, BDB Chairman, accompanied by Senior Management, including YM Raja Shahreen, Executive Director, visited Radzuan Othman, Chief Executive Officer of Syarikat Air Darul Aman Sdn. Bhd. (SADA) at SADA's headquarters in Alor Setar, Kedah.

31 JANUARY 2023

Tuan Sr. Haji Che Had, Chairman, along with the Executive Director of BDB, visited the Kedah State Secretary, Yang Berhormat Dato' Seri Haji Norizan Bin Khazali.



■ **31 JANUARY 2023**

Tuan Sr. Haji Che Had, BDB Chairman, accompanied by YB Ts. Dr. Mohd Suffian, conducted a site visit to the Gemi Puncak Quarry at Mukim Ulu Melaka, Langkawi, which was acquired by BDB during FY2023.



■ **1 FEBRUARY 2023**

Tuan Sr. Haji Che Had, BDB Chairman and Senior Management, paid a courtesy call to Dato' Mohd Yusri Haji Md Daud, Alor Setar City Council Mayor, at the latter's office in Alor Setar, Kedah.

■ **7 FEBRUARY 2023**

Yang Teramat Mulia Dato' Seri DiRaja Tunku Shazuddin Ariff Ibni Sultan Salehuddin Tunku Mahkota Kedah granted an audience to BDB's Board Members headed by Tuan Sr. Haji Che Had, our Chairman and YM Raja Shahreen, Executive Director. His Royal Highness was briefed on BDB's progress and performance.



■ **8 FEBRUARY 2023**

Tuan Sr. Haji Che Had, Chairman and BDB Senior Management Team members called on Tuan Muhamad Mahazi Haji Ibrahim, Kubang Pasu District Officer, to discuss collaborative efforts for the area's development.

■ 16 FEBRUARY 2023

Tuan Sr. Haji Che Had, BDB Chairman led a delegation to the Bandar Baharu District and Land Office to explore potential collaboration for development with District Officer Dato' Haji Elmi Yusoff.



■ 7 MARCH 2023

Board members of Yayasan Sultanah Bahiyah, led by YBhg Dato' Bijaya Indera Dato' Paduka Syed Unan Mashri Syed Abdullah visited BDB's corporate office, where they were received by Tuan Sr. Haji Che Had, BDB Chairman.



■ 20 MARCH 2023

During BDB Infra's 50th Anniversary celebrations, the Group extended invitations to community members, including 25 students from Sekolah Menengah Kebangsaan Model Khas, Sekolah Kebangsaan Bukit Jenun and Rumah Anak-Anak Yatim Amal Solehah in Pendang, to partake in the festivities.

■ 30 MARCH 2023

BDB signed a Sale & Purchase Agreement to acquire the shareholdings of Gemi Puncak Sdn. Bhd. and Gemi Puncak Quarry Sdn. Bhd. for RM13 million, expanding its quarry operations in Langkawi.

Representing BDB were Tuan Sr. Haji Che Had, Chairman and YM Raja Shahreen, Executive Director while Ooi Chin Tong, Chua Ah Bah and Ng Ooi Chin signed on behalf of Gemi Puncak Sdn. Bhd. and Gemi Puncak Quarry Sdn. Bhd.



■ 3 APRIL 2023

Representatives from the Kedah State Development Corporation (Perbadanan Kemajuan Negeri Kedah or PKNK) visited BDB's corporate headquarters.

■ 10 APRIL 2023

BDB's Board members and employees attended an *Iftar* event with *Anak Kedah Di Perantauan* (Kedahans who are living outside of the state) that was graced by YAB Dato' Seri Haji Muhammad Sanusi Md Nor, Chief Minister of Kedah.



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■ 10 APRIL 2023

BDB organised the *Jom Moreh* event to bond with BDB employees, Lab Food & Fun Garden tenants and Madrasah Tarbiyah Auladiyah Darul Ulum students after the *terawih* prayers during Ramadan.

■ 17 APRIL 2023

BDB's Executive Director had the honour of attending an *Iftar* gathering hosted by YAB Dato' Seri Haji Muhammad Sanusi Md Nor, Kedah Chief Minister alongside representatives from the media.



■ 14 MAY 2023

DYTM Tengku Sarafudin Badlishah ibni Al-Aminul Karim Sultan Sallehuddin, Raja Muda Kedah Darul Aman granted an audience to YM Raja Shahreen, Executive Director and Senior Management Team members of BDB.

■ 15 MAY 2023

BDB held its Aidilfitri Open House to celebrate Hari Raya Aidilfitri at the lobby and foyer of Menara BDB in Alor Setar, Kedah.



■ 24 MAY 2023

The launch of the affordable housing project at Aman Nusa, Langkawi, developed by BDB Land was officiated by YAB Dato' Seri Haji Muhammad Sanusi Md Nor, Chief Minister of Kedah in Kuah, Langkawi.

■ **8 JUNE 2023**

The Group's 28th Annual General Meeting (AGM), held at the Raia Hotel & Convention Centre in Alor Setar, was the first physical AGM since the onset of the COVID-19 pandemic.



■ **19 JUNE 2023**

BDB employees came out in full force to participate in a parade to commemorate the coronation anniversary of KDYMM Sultan of Kedah.



■ **22 JUNE 2023**

Launch of Sustainability ESG Campaign to reaffirm our commitment to ESG responsibilities. Alongside this, we conducted a Health Check programme and organised an Emotional Wellbeing Programme to address both the physical and mental health needs of our employees. These initiatives aim to promote sustainable business practices throughout the Group.



■ **25 JUNE 2023**

Chairman of Langkawi Development Authority (LADA) Investment Advisory Panel, Tan Sri Abdul Wahid Omar and other officials paid a visit to The LAB at Padang Mat Sirat in Langkawi, Kedah.

25 JUNE 2023

The BDB Jom Kitar Semula Campaign was launched on 25 June 2023 to raise awareness about the importance of waste management among employees. Partnering with E-Idaman, the campaign kicked-off with a detailed briefing session outlining the various waste segregation methods essential for effective recycling.

The campaign emphasises the significance of the 3R principle (recycle, reuse, reduce), guiding employees towards more sustainable waste handling practices. The campaign's inaugural recycling programme was successfully launched on 6 July 2023.



26 JUNE 2023

Darulaman Park in Jitra was transformed into a magical land with the mesmerising Luna Lights Wonderland 2023. Drawing large crowds, the Malaysia Book of Records recognised their unique public entertainment as the largest park lighting event in Malaysia.

5 JULY 2023

Officials from LADA were apprised of BDB's latest developments at The LAB by YM Raja Shahreen, Executive Director, during their visit.



26 JULY 2023

BDB was a significant contributor to the Lembaga Zakat Negeri Kedah - LZNK (Kedah Zakat Board), aligning with its commitment to social responsibility. In a collective effort, entities either owned or predominantly controlled by the Kedah State Development Corporation (PKNK) made a substantial contribution, amassing a total of RM2,077,473 towards the annual alms tax or zakat, underscoring their collective dedication to supporting community welfare and development initiatives in Kedah.

■ **3 AUGUST 2023**

BDB paid a courtesy call to the Northern Corridor Implementation Authority (NCIA), during which YM Raja Shahreen, Executive Director and Hasri A Hasan, NCIA COO, agreed on a greater collaboration to stimulate the economic landscape of Kedah.



■ **30 AUGUST 2023**

BDB employees proudly displayed the Jalur Gemilang, Malaysia's national flag, at the headquarters building and official vehicles in conjunction with the Merdeka celebrations.

■ **11 SEPTEMBER 2023**

During a guided tour led by BDB's Senior Management Team, including YM Raja Shahreen, Executive Director, NCIA officials visited the Darulaman Sanctuary. The visit showcased the sanctuary's conservation efforts, including habitat restoration and biodiversity initiatives, and highlighted BDB's commitment to environmental stewardship. This experience aimed to illustrate effective conservation management and the role of partnerships in sustaining the sanctuary's ecological health.



■ **26 SEPTEMBER 2023**

As a signal of our intent to diversify into renewable energy, BDB Energy Sdn. Bhd. signed a Memorandum of Understanding (MoU) with Pumar Solar Power Sdn. Bhd. The MoU aims to expand the utilisation of solar power within Kedah and beyond.

■ 28 SEPTEMBER 2023

Tuan Sr. Haji Che Had, BDB Chairman visited YB Datuk Mohd Salleh Saidin, Kedah State Tourism, Culture & Entrepreneurship Committee Chairman to brief on the Group's Leisure segment development.



■ 28 SEPTEMBER 2023

A delegation from BDB visited the Forest Research Institute Malaysia (FRIM) in Kuala Lumpur to deepen their understanding of forest management, emphasising the preservation, sustainability and importance of biodiversity in forest ecosystems.

■ 4 OCTOBER 2023

Strengthening ties with the media fraternity at Sinar Harian's office.



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■ 4 OCTOBER 2023

BDB's Senior Management Team dropped by for a familiarisation visit to the publishing team at Utusan Malaysia, Kosmo! and the Malaysian Reserve.

■ **12 OCTOBER 2023**

Tuan Sr. Haji Che Had, BDB Chairman met with State Housing, Local Government and Health Committee Chairman YB Major (R) Mansor Zakaria to discuss the Group's progress and development within its Property segment.



■ **13 OCTOBER 2023**

YB Dzowahir Ab. Ghani, Kedah State Executive Councillor for Agriculture, Farming and Transport met with BDB's Chairman and Senior Management Team for updates on the Group's activities.

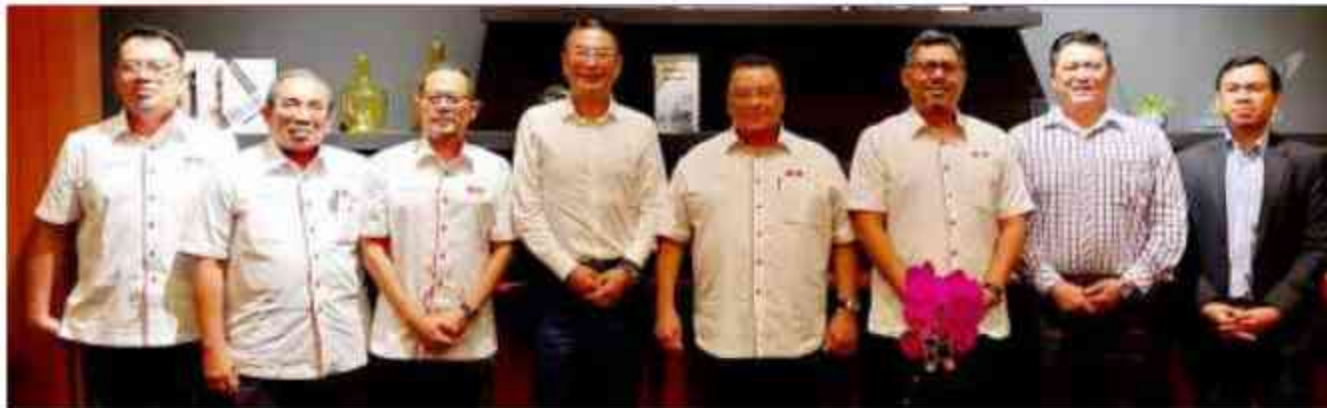
■ **14 OCTOBER 2023**

YB Dr. Haim Hilman Abdullah, Kedah State Committee Chairman for Industry & Investment, Higher Education, and Science, Technology and Innovation, engaged in discussions with representatives from BDB. The aim was to foster increased investment and development for the benefit of the people.



■ **18 OCTOBER 2023**

BDB Chairman and Senior Management actively engaged in discussions with YB Haji Mohamad Yusoff@Munir Haji Zakaria, Kedah State Committee Chairman for Works, Natural Resources, Water Supply, Water Resources and the Environment. The primary objective was to address critical concerns pertaining to improving infrastructure, natural resource management, water supply and environmental conservation.



■ **22 OCTOBER 2023**

BDB convened a meeting with President Yu Qiang of Shanghai Youzhu Industry Co. Ltd. to discuss a potential collaboration to provide industrial waste management solutions to industries in the Northern Region.



■ **24 OCTOBER 2023**

Officers from Bank Muamalat Malaysia Berhad visited BDB's Chairman and Senior Management at Menara BDB.

■ **2 NOVEMBER 2023**

Tuan Sr. Haji Che Had, Chairman of BDB, accompanied by YM Raja Shahreen, Executive Director and Senior Management of BDB, paid a courtesy visit to Datuk M Noor Azman Taib, the Chief Secretary of the Ministry of Local Government Development.



■ **28 NOVEMBER 2023**

A delegation from the Kubang Pasu District Office, led by District Officer Tuan Muhammad Mahazi Haji Ibrahim, met with the Chairman and Executive Director of BDB at Menara BDB.



■ 28 NOVEMBER 2023

BDB employees and Kelab Media Elit Kedah (KMEK) members pitted their skills against each other in a friendly bowling match at Aman Bowl in Aman Central, Alor Setar, Kedah.



■ 30 NOVEMBER 2023

The Bukit Perak Quarry, operated by BDB Infra, was conferred the National Sustainable Development Indicator (SDI) 5-Star Rating by Jabatan Mineral Dan Geosains Malaysia (JMG). BDB Infra scored highest across audited criteria, indicating the operations team's dedication to good ESG and Sustainability practices.



■ 6 DECEMBER 2023

A Blood Donation Campaign was organised collaboratively by Hospital Sultanah Bahiyah's Department of Transfusion Medicine and BDB at Menara BDB. The event saw contributions from BDB employees and community members who donated blood.

Aimed at highlighting the critical need for blood donations and addressing shortages in both government and private hospital blood banks, the initiative specifically sought to replenish the blood supply for patients at HSB. The hospital has shown keen interest in sustaining its partnership with BDB for future campaigns.

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■ 14 DECEMBER 2023

Hosted by BDB Leisure Sdn. Bhd. (BDB Leisure), the BDB Jitra Half Marathon 2023 (BDB JHM 2023) was a resounding success, attracting 1,600 participants who competed across nine categories.

The event featured a competitive total cash prize pool of RM13,000, complemented by an array of enticing lucky draw prizes, adding excitement and motivation for all attendees.





14 DECEMBER 2023

A Malaysian Communications and Multimedia Commission (MCMC) delegation led by Kedah State MCMC Director Encik Mazlan Othman toured Darulaman Sanctuary. This visit was a critical step in the preliminary planning stages for the Digital Economic Centre Empowerment Programme (Pusat Ekonomi Digital Keluarga Malaysia, PEDi).

To facilitate this visit and offer in-depth insights, YM Raja Shahreen, Executive Director, and other senior management members from BDB joined the delegation. This was to aid MCMC in recognising the sanctuary's potential role in the PEDi initiative, demonstrating the impactful synergy between corporate entities and government agencies in advancing digital and economic empowerment programmes.



17 DECEMBER 2023

BDB Embraces Greener Darulaman Sanctuary - A Commitment to Environmental Sustainability.

The initiative involved a symbolic tree-planting ceremony, during which 60 saplings of indigenous species were planted at Darulaman Sanctuary. The launch of the Greener Darulaman Sanctuary marks a new chapter in our journey towards environmental sustainability. We remain committed to nurturing this sanctuary and embracing eco-conscious practices for generations to come.



18 DECEMBER 2023

The delegation from Mineral Resource Management, Green Technology & Renewable Energy SG4 visited Darulaman Sanctuary in Langkawi.

SUSTAINABILITY REPORT

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GRI INDICATORS:

2-3, 2-22

OVERVIEW

BDB's Sustainability Report (the Report) 2023 has been prepared following the guidelines set forth by Bursa Malaysia's Sustainability Reporting Guide (3rd edition), incorporating criteria from the FTSE4Good Bursa Malaysia (F4GBM) Index. Reporting was also prepared with reference to the Global Reporting Initiative (GRI) Sustainability Standards and the Integrated Reporting Framework. The alignment with pertinent United Nations Sustainability Development Goals (UNSDGs) is highlighted, focusing on significant Economic, Environmental, Social and Governance (EESG) impact areas and corresponding performance indicators across each dimension.

The presentation is comprehensive and transparent, facilitating a deeper comprehension of the strategy and EESG performance. The Annual Report for 2023 encompasses information relating to the same set of GRI indicators as outlined in the Sustainability Report.

REPORTING PERIOD AND SCOPE

The Report covers the period from 1 January to December 2023 as part of the Group's annual review and updates on corporate sustainability. All business operations in Malaysia are included in the Report, while data and information from associate companies and joint ventures outside of management control are excluded.

ASSURANCE

In accordance with the disclosure requirements of Bursa Malaysia, selected aspects of our Sustainability Report has undergone a limited assurance review by our Internal Audit and have been approved by our Audit Committee. Please refer to the *Statement of Assurance on page 143 of this Sustainability Report*.

FEEDBACK

Your comments and feedback are valued. Please direct all enquiries and comments to:

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TRANSITIONING TOWARD SUSTAINABLE BUSINESS PRACTICES

In 2017, BDB embarked on its sustainability journey, focusing on compliance before gradually evolving into a more robust approach. Over time, we strategically shifted from mere reporting to addressing stakeholder concerns and integrating sustainability into our business strategies across our four core business areas of Engineering, Construction & Quarry (ECQ), Property, Leisure and Investment Holding.

**YM RAJA SHAHREEN
BIN RAJA OTHMAN**
Executive Director





In FY2023, BDB took another step forward to embed sustainability practices and initiatives with the launch of its Sustainability ESG Campaign in June 2023.

Background: Breathtaking view of Darulaman Sanctuary, an ideal escape for nature lover.

On June 22, 2023, we launched the BDB ESG Sustainability Campaign, signalling key milestones in our sustainability journey. This initiative highlights our progress and emphasises our dedication to embedding ESG principles into every facet of our operations and decision-making processes.

BDB is exploring sustainability as a business focus, particularly within the rapidly evolving green economy. This includes ventures into solar energy and hydrogen fuel, aligning with the global shift towards cleaner energy sources.

To support these initiatives, we have established a subsidiary, BDB Energy Sdn. Bhd., alongside signing Memorandums of Understanding (MoUs) with local and international partners. Besides renewable energy, these partnerships cover eco-tourism, industrial waste management and aquaculture.

Through these endeavours, BDB aims not only to enhance its sustainability, but also to contribute to the broader sustainability of businesses, industries, communities and the nation. In addition, we remain dedicated to improving our sustainability performance across key areas, including business and economic sustainability, environmental protection, employee empowerment and stakeholder engagement.

The Darulaman Sanctuary, a sprawling 226-acre green expanse owned by our Group, is a verdant haven nestled in Lubuk Semilang, Langkawi, Kedah. This hidden jewel of an untouched rainforest is a treasure trove of biodiversity, hosting a rich tapestry of flora and fauna. Darulaman Sanctuary is indispensable for biodiversity conservation, serving as a crucial site for protecting wildlife, tree species, current carbon stocks and future carbon accumulation.

Home to 73 bird species, including the majestic Great Hornbill, the pristine rainforest boasts more than 160 medicinal plants and 80 timber species. Through our unwavering commitment to preserve and safeguard the Darulaman Sanctuary, we not only prioritise environmental conservation, but also foster the prosperity and wellbeing of the local community.

InshaAllah, as we venture into this promising yet dynamic landscape, BDB is pioneering meaningful sustainability initiatives within Kedah and Malaysia, aiming to inspire others through our journey. With determination and confidence, we are poised to carve a path to set new standards for success in sustainability.

YM RAJA SHAHREEN BIN RAJA OTHMAN
Executive Director

WHO WE ARE

For nearly three decades, Bina Darulaman Berhad (BDB) has spurred key developments and infrastructure projects, primarily focused on creating sustainable townships and affordable housing, and maintaining state-owned roads.

Over the years, BDB has undergone a strategic transformation to enhance its resilience and reinforce good governance and institutional integrity to remain relevant in the corporate world. BDB plays a crucial role in our nation's development, particularly in positively impacting socioeconomic development in Kedah and the Northern Region of Peninsular Malaysia.



ENGINEERING, CONSTRUCTION & QUARRY (ECQ)



BDB Infra and BDB Synergy are pioneering entities in advancing innovative and sustainable ECQ methodologies in Kedah and beyond.

The ECQ subsidiaries manage diverse projects across the state, contributing to infrastructure development, maintenance and employment opportunities.

PROPERTY



Catalysing sustainable growth in Kedah's socioeconomic landscape BDB Land focuses on sustainable and affordable housing initiatives, and wealth creation.

LEISURE

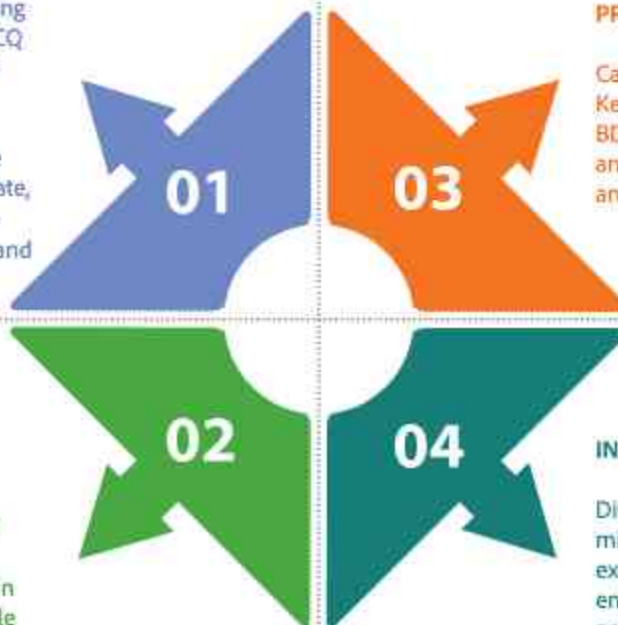


BDB's strategic investments in Kedah State's tourism sector leverages smart partnerships in the development of sustainable tourism.

INVESTMENT HOLDING



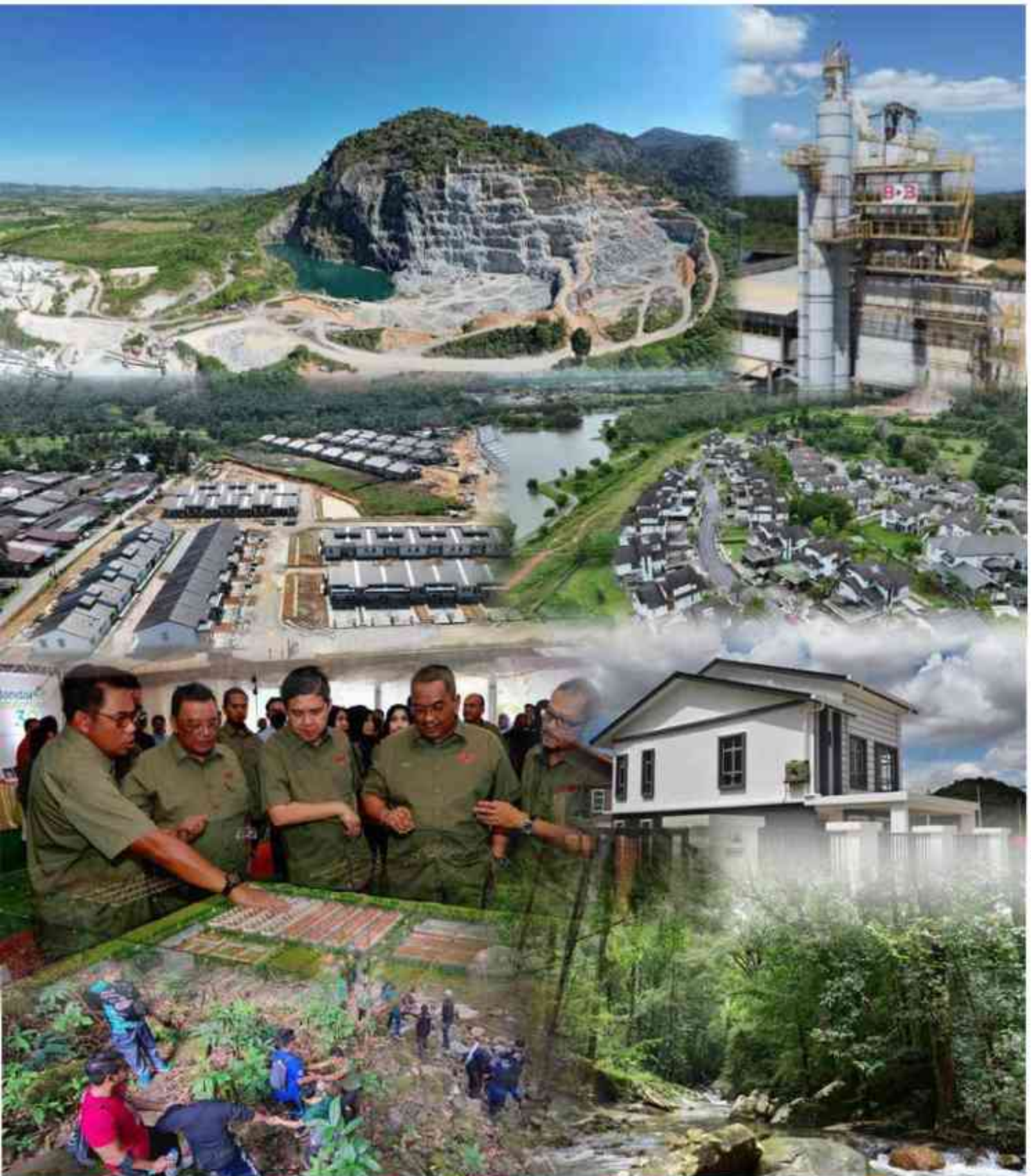
Diversifying revenue streams to mitigate risks, BDB Energy is set to expand into emerging renewable energy and green economic sectors, prioritising sustainability and digitalisation initiatives.



Profile of BDB Group and its subsidiary companies are featured in About Us on pages 4 to 15 and the Corporate Structure on page 16 of the Annual Report 2023.

Scan the QR code to access www.bdb.com.my





OUR SUSTAINABILITY APPROACH & STRATEGY

As our understanding of the importance and relevance of sustainability to business deepens, our Group's sustainability strategy progresses, aligning more closely with our commitment to integrating EESG principles into every aspect of our operations. We are dedicated to continuously monitor and assess our operations' impact on diverse stakeholders, including shareholders, investors, partners, associates, customers, employees, vendors, communities and authorities.

OUR VISION



SUSTAINABILITY FRAMEWORK

OUR MISSION

- To lead in the transformation and innovation of cutting-edge Engineering, Construction & Quarry (ECQ) methodologies that prioritise sustainability.
- Within the Property segment, we aspire to create vibrant, sustainable communities within our townships.
- In developing and managing eco-conscious Leisure environments, we exemplify environmental stewardship.
- Through strategic investments, we aim to drive societal change, spearheading our nation's journey towards a net-zero carbon economy by embracing innovative green technologies and sustainable principles.

- To drive innovation in Engineering, Construction & Quarry (ECQ) technology, prioritising sustainability in all our infrastructure projects and products.
- We are committed to developing affordable and eco-friendly property solutions that ensure accessibility to sustainable living.
- Through our Leisure segment, we aim to curate unforgettable eco-conscious experiences for tourists and visitors, focusing on environmental stewardship and community engagement.
- Committed to our nation's objective of achieving net-zero carbon emissions by 2050, we actively pursue opportunities in green technology to contribute to a sustainable future. Simultaneously, we are dedicated to advancing people and uplifting communities.

SUSTAINABILITY PRINCIPLES



ECONOMIC

Sustainable & Affordable
Property Development

Sustainable ECQ
Technology

Family-Oriented
Eco-Friendly Leisure
Development

Capacity & Competency
Building



ENVIRONMENT

Responsible Sourcing

Natural Resource
Management &
Renewable Energy



SOCIAL

Green Certification for ECQ,
Property & Leisure Segments

Health, Safety, Security &
Environment (HSSE)

Employee Training Programmes

Community Empowerment



GOVERNANCE

Regulatory Compliance

Comprehensive Risk &
Sustainable Management in
Corporate Strategy

Certifications
(ISO, Green Certification)

4 STRATEGIC FOCUS AREAS

SUPPORTING GOVERNMENT ASPIRATIONS FOR SUSTAINABLE GROWTH

Sustainable Model in
Engineering & Property
Development Design

Training (Employee Upskilling
& Reskilling) for economic
upscaling, feasibility &
viability in green economy

Green Financing

PRESERVING THE ENVIRONMENT

Procurement Policies

Energy Management Roadmap
(Business & Products)

ENABLING AND EMPOWERING EMPLOYEES & COMMUNITIES

Employee Safety, Health &
Wellbeing

Community Development

ENGAGING EFFECTIVELY WITH STAKEHOLDERS

MCCG Requirements

Bursa Malaysia Requirements

Pursue and maintain industry-
recognised certifications
(Branding and Reputation)

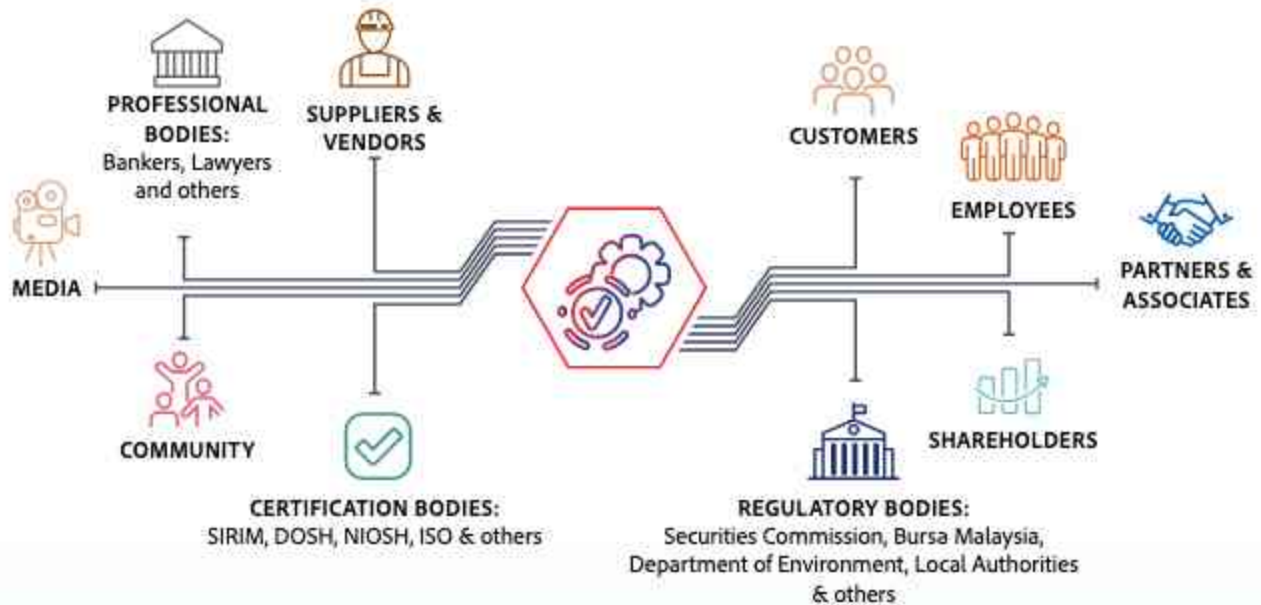
Smart Partnerships

Sustainable Financing
(for customers)

Sustainable Supply Chain

IMPACT OF SUSTAINABILITY ON STAKEHOLDERS

Embedding sustainability into business operations and corporate activities is to effectively manage the impact of operations on all stakeholders and the environment. Our overarching objective is to maintain a harmonious equilibrium between BDB's objectives and the needs and concerns of our stakeholders. This is achieved by concerted efforts to optimise positive outcomes and mitigate adverse effects via purposeful plans and initiatives.



RELEVANCE OF SUSTAINABILITY TO BDB



OUR SUSTAINABILITY JOURNEY

2022 – 2024

BDB's Sustainability Strategy was unveiled in FY2022 as a blueprint for developing and implementing structured mechanisms to track and enhance performance across the ESG domains. The six main steps outlined in this strategy depict the incremental development and approaches taken, highlighting our focus on transparency and accountability in all sustainability initiatives.

2017-2021

COMPLIANCE-BASED REPORTING

- Published inaugural Sustainability Statement within the Annual Report 2017.
- The Board oversaw strategies in relation to sustainability matters.
- Senior Management identified and focused on key sustainability areas by assessing most material matters.

2022-2023

ENHANCEMENT AND ROLL-OUT

- Formation of Board Sustainability Committee.
- Extending functions of the Board's Sustainability Committee.
- Establishing short-, medium- and long-term sustainability objectives, targets and goals.
- Integrating plans and initiatives into business strategies, establishing KPIs and aligning the reporting framework with the UNSDGs, GRI Standards and F4GBM criteria.

2024

CONTINUITY OF JOURNEY

- Business ventures in renewable energy and other areas of the green economy

PURPOSE

- Establish structure to drive sustainability implementation and reporting.

STATUS

- Expansion of structure endorsed by the Board in FY2023.
- Board Sustainability Committee & Board Investment Committee were established in FY2023.

GOVERNANCE STRUCTURE

1

PURPOSE

- Outline policy to determine overall direction.

STATUS

- Policy endorsed by the Board in FY2023.

SUSTAINABILITY POLICY

2

PURPOSE

- Identify and select concerns important to stakeholders and relevant to BDB.

STATUS

- New Materiality Survey to be conducted in FY2024.

MATERIALITY MATTERS

3

PURPOSE

- Most Material Matters consolidated into 4 Focus Areas.

STATUS

- 4 Focus Areas to be maintained for FY2023 and FY2024.

FOCUS AREAS

4

PURPOSE

- Set KPIs for material matters.
- Formulate plans to meet KPIs.
- Assign responsibilities to compile results and track progress.

STATUS

- To be introduced after new Materiality Survey is conducted in FY2024.

KPIs & ACTION PLANS

5

PURPOSE

- Align EESG areas to the UNSDGs.
- Track and report on EESG performance based on the GRI Sustainability Standards and F4GBM criteria.

STATUS

- Updated GRI disclosures.
- Included F4GBM disclosures.

UNSDGS, GRI & F4GBM

6

SUSTAINABILITY GOVERNANCE STRUCTURE

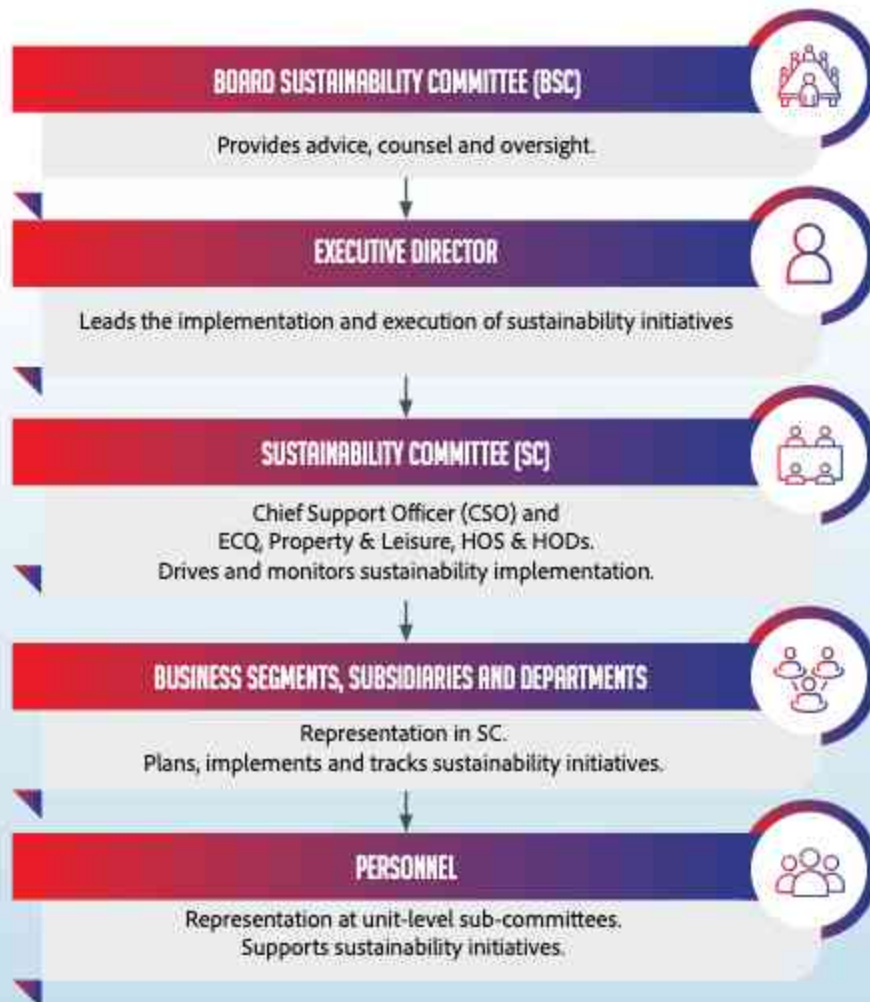
Endorsed by the Board in FY2023, BDB's enhanced governance framework establishes an inclusive and comprehensive chain of command to oversee the integration and reporting of sustainability initiatives across the Group.

This framework delineates clear roles and responsibilities for each level of our organisation, facilitating seamless coordination between the Board, Senior Management, subsidiaries and departments while streamlining reporting processes.

At the apex of the structure, the Board Sustainability Committee (BSC) assumes oversight of sustainability initiatives and activities. One tier below, the Executive Director leads the implementation and execution of sustainability initiatives, with a direct reporting line to the Board.

At the core of our governance structure lies the Sustainability Committee (SC), led by the Chief Support Officer (CSO), Heads of Business (HOB) of the ECQ, Property and Leisure segments, Heads of Subsidiaries (HOS) and Heads of Departments (HOD).

Collectively, diverse input from various people within the organisation is gathered to deliberate on suitable initiatives, which are then proposed at sustainability committee meetings. Action plans, KPIs and targets are subsequently formulated and presented to the Executive Director for review. If necessary, these plans are refined before being brought to the Board Sustainability Committee for additional deliberation and ultimate approval. This governance structure ensures that sustainability efforts are thoroughly considered, implemented and aligned with the organisation's overarching goals and values at BDB.



BOARD SUSTAINABILITY COMMITTEE

Puan Nawal Binti Hanafiah,
Chairman (centre) and members of
the BSC, Tuan Mohamad Ibrahim Bin
Ghazali (right) and YB Ts. Dr. Mohd
Suffian Bin Yusoff (left).



SUSTAINABILITY POLICY

During the year under review, BDB formulated the Sustainability Policy, which was subsequently endorsed by the Board. This policy aligns with our Sustainability Objectives, outlining the Group's evolution into a sustainable business with responsible practices prioritising environmental stewardship, social responsibility and solid governance.

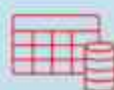
SUSTAINABILITY OBJECTIVES

1



To generate profits while minimising negative impacts on the environment and society.

2



To prioritise sustainable practices that consider environmental and social impacts to ensure the long-term sustainability of our core businesses.

3



To ensure that our subsidiaries lead in their respective industries by prioritising the adoption of best practices towards environmental and social sustainability.

4



To diversify our income and revenue sources through sustainable practices that can positively impact our economic and ESG spheres.

5



To cultivate a conducive and sustainable work environment that fosters employee growth and development.

6



To embed sustainability in our efforts to contribute meaningfully to the social and environmental needs of the communities where we operate.

SUSTAINABILITY POLICY

ENVIRONMENTAL RESPONSIBILITY

1

- **REDUCE GREENHOUSE GAS EMISSIONS:** We are committed to continuously reduce our carbon footprint by implementing measures to reduce greenhouse gas (GHG) emissions across our operations and supply chain.
- **WASTE MANAGEMENT SYSTEM:** We promote effective waste management practices including waste reduction, recycling and responsible disposal to minimise environmental impact.
- **CONSERVATION OF NATURAL RESOURCES:** We strive to conserve natural resources by promoting responsible use of resources, implementing sustainable practices and adopting efficient technologies.



SOCIAL RESPONSIBILITY

2

- **DIVERSITY AND INCLUSION:** We promote diversity and inclusion within our workforce, ensuring equal opportunities and fostering a respectful and inclusive work environment.
- **EMPLOYEE RIGHTS:** We respect and uphold the rights of our employees, including fair remuneration, safe working conditions and opportunities for professional growth and development.
- **COMMUNITY ENGAGEMENT:** We actively engage with local communities to understand their needs and concerns, support community development initiatives and contribute to the wellbeing of the communities in which we operate.
- **STAKEHOLDER ENGAGEMENT:** We actively engage with our stakeholders to understand their expectations, issues and concerns. We foster open dialogue and collaboration to incorporate stakeholder perspectives into our sustainability strategies and decision-making process.



GOOD CORPORATE GOVERNANCE

3

- **STRONG CORPORATE GOVERNANCE PRACTICES:** We implement corporate governance practices that promote transparency, accountability and ethical behaviour throughout our organisation.
- **ETHICAL BUSINESS PRACTICES:** We embrace ethical business practices and ensure that relevant ESG issues are addressed in an ethical and profitable manner. Transparency, Integrity and accountability are fundamental values in our operations.
- **PERFORMANCE MONITORING AND REPORTING:** We monitor and evaluate our sustainability performance regularly, setting clear targets and reporting progress to stakeholders.
- **INTEGRATION INTO DECISION MAKING:** We embed sustainability considerations into our business decision-making process, ensuring sustainability is an integral part of our strategic planning and operations.
- **CONTINUOUS IMPROVEMENT:** We are committed to continuously improve our sustainability performance. Through regular assessments, performance monitoring and stakeholder engagements, we strive to identify areas for improvement, set challenging targets and implement initiatives to drive positive change.



MATERIALITY MATTERS

FY2023

THEME / MATERIALITY MATTER	UNSDGs	GRI STANDARDS DISCLOSURES
ECONOMIC / GOVERNANCE		
FOCUS AREA 1 SUPPORTING GOVERNMENT ASPIRATIONS FOR SUSTAINABLE GROWTH <ul style="list-style-type: none"> Supporting Government Policy Accountability & Transparency 		201 Economic Performance 202 Market Presence 203 Indirect Economic Impacts 204 Procurement Practices 205 Anti-Corruption 206 Anti-Competitive Behaviour 207 Tax
ENVIRONMENTAL		
FOCUS AREA 2 PRESERVING THE ENVIRONMENT <ul style="list-style-type: none"> Compliance Conservation Waste Management Pollution Control 		301 Materials 302 Energy 303 Water and Effluents 304 Biodiversity 305 Emissions 306 Waste 308 Supplier Environmental Assessment
SOCIAL		
FOCUS AREA 3 ENABLING AND EMPOWERING EMPLOYEES <ul style="list-style-type: none"> Health, Safety, Security & Environment (HSSE) Employee Training & Development Employee Engagement 		401 Employment 402 Labour/Management Relations 403 Occupational Safety & Health (OSH) 404 Training and Education 405 Diversity and Equal Opportunity 406 Non-Discrimination 407 Freedom of Association and Collective Bargaining 408 Child Labour 409 Forced or Compulsory Labour
FOCUS AREA 4 ENGAGING EFFECTIVELY WITH STAKEHOLDERS <ul style="list-style-type: none"> Public & Community Engagement 		410 Security Practices 411 Rights of Indigenous Peoples 413 Local Communities 414 Supplier Social Assessment 415 Public Policy 416 Customer Health and Safety 417 Marketing and Labelling 418 Customer Privacy

F4GBM INDICATORS

- 1 Procurement Practices
- 2 Community Investment
- 3 Indirect Economic Impact
- 4 Climate-related Financial Risks & Opportunities
- 5 Responsible/Sustainable Lending

CLIMATE-RELATED FINANCIAL RISKS AND OPPORTUNITIES:

Encompassing both the potential positive and negative impacts of climate change on BDB's financial standing and operations.

- 6 Emissions
- 7 Waste & Effluent
- 8 Water
- 9 Energy
- 10 Biodiversity
- 11 Supply Chain (Environmental)
- 12 Product & Services Responsibility (Environmental)
- 13 Materials
- 14 Compliance (Environmental)
- 15 Land Remediation, Contamination or Degradation

COMPLIANCE: Pertaining to the extent to which an organisation's activities comply with pertinent environmental laws and regulations. It assesses the organisation's level of adherence to laws governing its operations and its efforts to evaluate the expected environmental consequences of its activities.

LAND REMEDIATION, CONTAMINATION OR DEGRADATION: Land contamination can have adverse effects on land usability, rendering it unproductive. Such contamination may arise from current or past activities of the organisation or its previous occupants and can be of natural origin, occurring in various states (solid, liquid or gas), affecting soil quality and its surrounding ecological and environmental receptors. Land remediation, conversely, involves efforts to remove or reduce pollutants or contaminants from the soil. This area of concern entails disclosure on soil quality management and initiatives to remediate contaminated land.

- 16 Diversity
- 17 Human Rights
- 18 OSH
- 19 Anti-Competitive Behaviour
- 20 Anti-Corruption
- 21 Labour Practices
- 22 Society
- 23 Product & Services Responsibility (Social)
- 24 Supply Chain (Social)
- 25 Compliance (Social)

PRODUCT AND SERVICES RESPONSIBILITY: Focusing on the societal impact of BDB's products and services, including privacy, health and safety considerations.

COMPLIANCE: Evaluating how our activities comply with relevant social laws and regulations. It gauges our adherence to laws and guidelines governing its operations and its efforts to assess the expected societal impact of its activities.

MATERIALITY MATTERS (CONTINUED)

Materiality Matters reflect the concerns and priorities of all our stakeholder groups, whose interests in the Environmental, Social and Governance (ESG) domains may not always echo those of BDB or our employees. Identifying and prioritising the most significant material matters are crucial for directing resources and efforts towards enhancing performance in these areas of importance.

We carried forward the top 10 material matters from FY2022 to the reporting period. We intend to conduct a new Materiality Survey in FY2024, following which we will establish the respective KPIs and action plans for the identified most material matters. This exercise is essential to account for our expansion into the green economy and ensure that our sustainability efforts remain aligned with emerging industry trends and stakeholder expectations. The survey will incorporate the 25 materiality matters outlined in the Bursa Malaysia Sustainability Reporting Guide (3rd Edition), which are listed in the table on the previous page.

FOCUS AREAS

Since FY2022, we have consolidated our reporting on disclosures for our 10 most material matters and other relevant issues into four Focus Areas. Our aim is to streamline our efforts and concentrate on making a significant impact in these areas.

ALIGNMENT WITH UNSDGs

The Group's sustainability efforts address areas aligned with the UNSDGs, which were introduced in 2015 to address global challenges such as poverty, inequality, climate change, environmental damage, education and health, among others.

DISCLOSURES ACCORDING TO THE GRI AND F4GBM

We continued to expand the scale of our disclosures based on the GRI Standards, which is a framework and set of standards for the reporting of sustainability performance. While we have yet to reach a comprehensive level of disclosure, nevertheless, we are determined to gradually improve on our curation and collation of all required data and information under 34 applicable areas listed by the GRI. The Group has also prepared the Report based on the relevant F4GBM criteria. While there are numerous overlaps between the two standards, we have taken note of specific disclosure requirements under F4GBM that are not covered under GRI.



The BDB's ESG & Sustainability Workshop 2023 was a comprehensive and insightful event held over two days. The workshop brought together key internal stakeholders, including YM Raja Shahreen, Executive Director, the Senior Management Team and members of the Sustainability Committee. This gathering allowed for in-depth discussions, knowledge sharing, and strategic planning around ESG practices and sustainability initiatives within the organisation.

By convening a diverse group of attendees with a shared focus on sustainability, the workshop served as a platform for aligning priorities, setting goals and enabling collaboration across different organisational levels. The insights gained and strategies developed during this event are expected to guide BDB towards further integrating ESG considerations into its business strategies and driving positive impact in the broader community.

FOCUS AREA 1

SUPPORTING GOVERNMENT ASPIRATIONS FOR SUSTAINABLE GROWTH



As the primary state investment entity, partnering with Perbadanan Kemajuan Negeri Kedah (PKNK) as its principal stakeholder, BDB was established to lead sustainable economic and socioeconomic progress in alignment with the objectives of the Kedah State Government. Since its inception in 1996, for nearly three decades the Group has been actively supporting Kedah's growing small and medium enterprises (SMEs) while creating employment, especially for the youth and graduates in the Northern Region.

BDB, in its growth trajectory, has pursued a strategy centred on organic expansion, leveraging its expertise in its four core business segments of ECQ, Property, Leisure and Investment Holding. Through these strategic segments, BDB has positioned itself to capitalise on diverse opportunities, ranging from construction, large-scale infrastructure and road maintenance, sustainable and affordable townships and housing to eco-friendly leisure and tourism projects. Over time, this approach has facilitated its gradual but consistent development. In FY2023, BDB extended its reach into the clean and renewable energy technology sector. This move was marked by the exploration of solar and hydrogen technologies, aligning closely with the global momentum towards sustainable energy solutions.



MOST MATERIAL MATTERS

Supporting Government Policy

Accountability & Transparency

STANDARDS / INDICATORS

GRI 2-25, GRI 2-27, GRI 201-1, GRI 204-1,

GRI 205-2, GRI 308-1, 308-2, F4GBM

This expansion into clean energy technologies reflects a broader global trend catalysed by the urgency of transitioning towards more environment-friendly energy sources. Following the country's National Energy Transition Roadmap (NETR), BDB's entry into this sector underscores this transformative shift while seizing emerging opportunities in the clean energy market.

Aligned with the Economic Prosperity Thrust delineated in the Kedah State Development Plan 2035 (KEDAH 2035), we resolve to chart the state's economic development, including attracting foreign direct investments (FDIs). Our business approach is anchored in the shared vision of the State and Federal Governments to foster sustainable economic growth, fortify infrastructure, propel technological innovation, advance socioeconomic indicators and cultivate human capital.

Opportunities for the population in Langkawi to buy cost-effective quality homes with the launch of the Aman Nusa housing project.



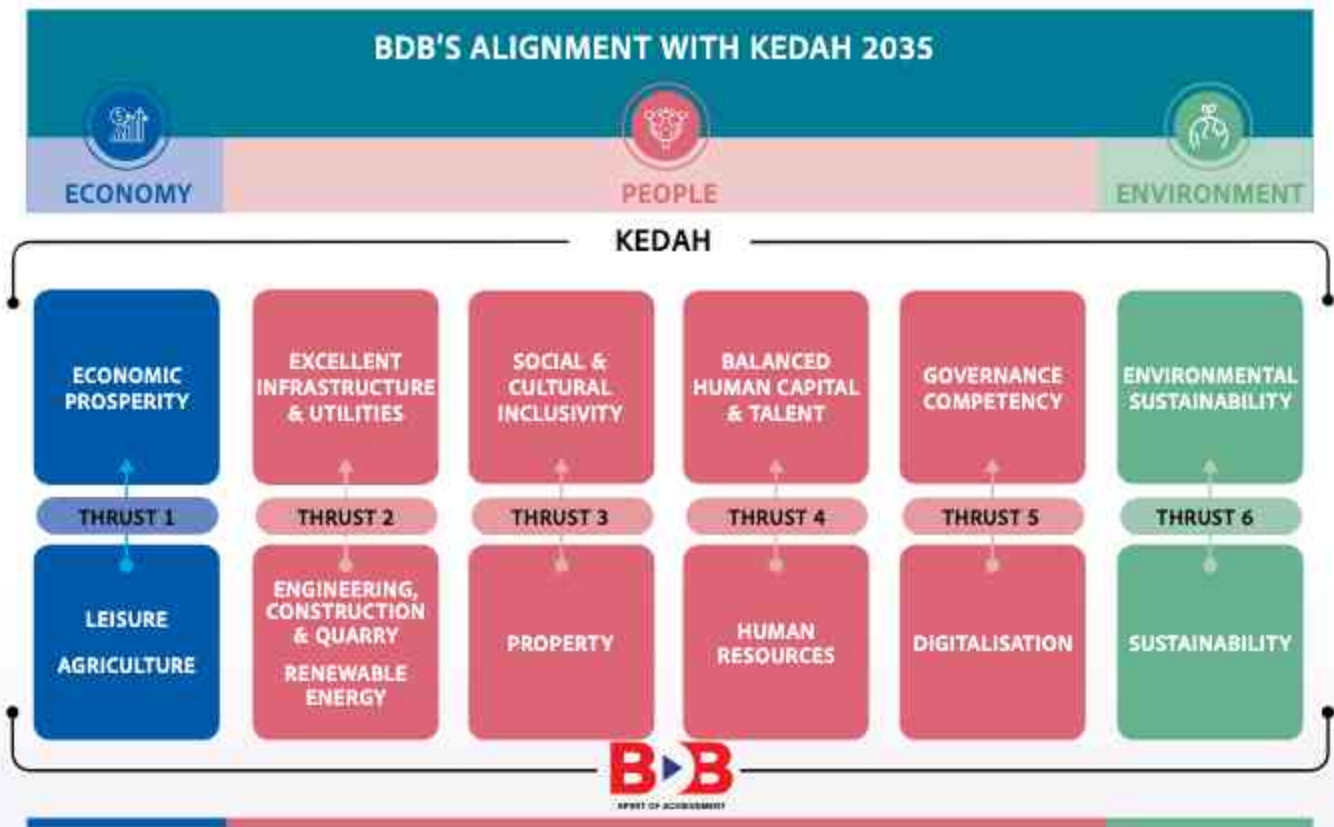
Upgrading the Petubang WTP will mitigate the increase in water capacity due to the expanding population and industrial needs.



BDB has been instrumental in shaping Kedah's socioeconomic growth, meeting stakeholder demands and providing employment opportunities in line with the Group's expansion and diversification plans.

Recent refurbishment of the golf club to entice more sporting activities and recreation in the northern region.





Our strategic focal points seamlessly intersect with the objectives of the State Government, which has outlined a comprehensive 15-year roadmap to propel Kedah into a high-income and well-rounded economic entity encapsulated in the Kedah 2035 Strategic Plan.

Accordingly, we have aligned our business imperatives with Kedah 2035's six strategic, encompassing the realms of Economy, People and Environment.

Beyond catalysing economic and employment opportunities, and uplifting community development via the Group's comprehensive Corporate Social Responsibility (CSR) programmes, BDB has emerged as a significant contributor to both Federal and State Government revenues through tax remittances and dividends stemming from a mandated share of our profits. Our commitment to social responsibility is evident in our substantial contributions to the Lembaga Zakat Negeri Kedah (LZKN) and various philanthropic endeavours to assist the underserved in our communities.



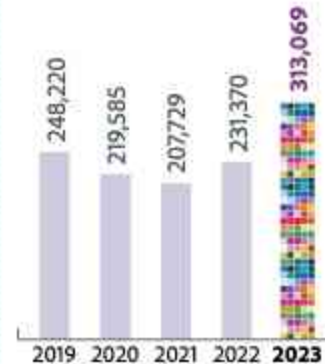
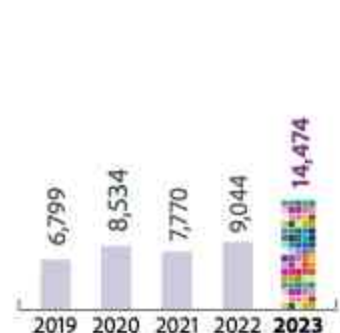
In FY2023, BDB maintained its largess following yet another financially-rewarding year. Group Revenue surged by an impressive 35.3%, accompanied by a remarkable 121.4% increase in Profit After Tax (PAT) and a notable 117.4% rise in dividend issuance. These creditable financial metrics were underpinned by the stellar performances of our core business segments, particularly ECQ and Property, alongside commendable returns from our Leisure segment.

To sustain the upswing of our growth momentum, the Group has embarked on a strategic diversification journey into the green economy, aligning with the Federal Government's progressive agenda to shift towards cleaner and renewable energy sources. In line with this vision, we have established the Renewable Energy segment and introduced a subsidiary entity, BDB Energy Sdn. Bhd. (BDB Energy), focused on developing solar power infrastructure.

Simultaneously, we are actively pursuing opportunities in other sustainable business domains, including hydrogen fuel generation, industrial waste management, eco-tourism and aquaculture. Through strategic collaborations with industry experts, we are cultivating a resilient and environmentally-conscious business ecosystem to maximise our collective impact.

5-YEAR GROUP FINANCIAL SNAPSHOTS

REVENUE (RM '000)

PROFIT BEFORE TAXATION
(RM '000)NET PROFIT ATTRIBUTABLE
TO OWNER OF THE COMPANY
(RM '000)

Further details on our financial performance, business plans and strategic diversification plans are presented in the Management Discussion & Analysis on pages 50 to 73 of this Annual Report 2023.

ECONOMIC VALUE DISTRIBUTION FY2019-FY2023 (RM MILLION)

	FY2023	FY2022	FY2021	FY2020	FY2019
• Economic value generated	313.07	231.37	207.73	219.59	248.22
• Economic value distributed	302.31	226.17	208.58	215.01	239.13
• Operating costs	259.52	183.23	172.95	175.97	196.04
• Community investment	0.40	0.73	1.56	0.52	0.61
• Total payout to employees in salaries and benefits	24.29	29.65	24.08	27.88	29.58
• Finance costs (repayment to financiers)	5.83	6.79	5.32	7.38	9.63
• Corporate taxation and zakat	2.06	3.49	2.40	3.26	2.09
• Dividend returns to shareholders	1.40	2.28	2.27	Nil	Nil
• Economic value retained	10.76	5.20	(0.85)	4.58	9.09



ENHANCING VITAL INFRASTRUCTURE: EXPANSION AND UPGRADING STRATEGIES ECQ SEGMENT

BDB's vital role in enhancing Kedah's infrastructure for economic growth and improved living standards is indisputable. Our ECQ segment harnesses the collective strengths of our subsidiaries to align with the Kedah State Government's objectives, generating value across diverse stakeholder groups engaged in Kedah's evolving infrastructure landscape.

Operating with a clear set of goals, we prioritise delivering high-quality projects on time while embracing innovation, safety and sustainability. BDB's ECQ segment has continually strengthened its operations to enhance operational efficiency, stakeholder satisfaction, market distinction and community welfare. These efforts are crucial for driving Kedah's economic growth, with cascading effects benefitting neighbouring states within the northern region.

Currently, we are engaged in a comprehensive road improvement initiative under a maintenance contract which was awarded on 15 May 2023 by the Kedah State Government. The project encompasses road networks in six districts of Kota Setar, Padang Terap/Pokok Sena, Kubang Pasu, Pendang, Yan, and Sik. Building upon the success of our earlier project, concluded in April 2023 and resulting in the enhancement of 2,700 km of roads across similar districts, including Kuala Muda, Kulim/Bandar Baharu and Baling, these efforts aim to provide residents, visitors and commuters with enhanced road user safety and convenience.

In addition to road maintenance, BDB Infra was awarded a vital project commissioned by the Ministry of Agriculture and Food Security (KPKM) to develop an irrigation system critical to the agricultural landscape of both Kedah and Perlis, commencing in February 2023. The RM34.08 million contract, aimed at strengthening and improving rice production in the states, is expected to contribute positively to BDB's revenue for FY2023 and FY2024. Given the region's significance in paddy cultivation, this project is paramount in ensuring the nation's food security.



BDB Infra secured an RM204 million state road maintenance contract from the Kedah Government on 15 May 2023 based on its competence as a G7 Grade contractor. The contract was awarded based on BDB Infra's experience and an excellent track record in carrying out road maintenance and construction works in the northern part of the country.

Ensuring Sustainable Rice Production: BDB Infra embarked on a crucial irrigation project commissioned by the Ministry of Agriculture and Food Security to ensure food security and contribute to the region's staple crop production.

Further reinforcing our commitment to infrastructure development, the RM431 million project to upgrade the Pelubang Water Treatment Plant (WTP) or Loji Rawatan Air (LRA) in Kubang Pasu to resolve issues with water supply is on track for completion in FY2025.

The Kedah State Government awarded the project to wholly-owned subsidiary, BDB Synergy Sdn. Bhd., in May 2021, and upon completion, the WTP will have an increased production capacity of over 50%, from the current 247 million litres to 457 million litres. As the first of five similar projects managed by state-owned Syarikat Air Darul Aman (SADA), these improvements are a top priority to ensure that basic amenities are provided for the affected people.

Particularly benefiting Kuala Kedah and Kubang Pasu residents, the WTP is also anticipated to catalyse economic activities across the region. The WTP upgrade is expected to spur economic activities supporting the Northern Corridor Economic Region (NCER) Strategic Development Plan established in 2007 for two notable projects, namely Kedah Rubber City (KRC) and the Delapan Special Border Economic Zone (Delapan SBEZ).

The 4,400-acre Delapan SBEZ features a freehold commercial and industrial zone. It is strategically positioned at the northern terminus of the North-South Expressway, near the border with Thailand.

Further details on the Group's ECQ Division activities are presented in the Management Discussion & Analysis on pages 50 to 73 of this Annual Report 2023.



Masterplan of the 4,400-acre Delapan SBEZ in Bukit Kayu Hitam in northern Kedah.



The RM431 million Pelubang WTP upgrading project is on track for completion by 2025. It will increase the daily water production capacity by over 50%, from 247 million litres to 457 million litres per day once fully operational. This enhancement aims to resolve water supply disruptions in Kuala Kedah and Kubang Pasu, Kedah.

EMPOWERING COMMUNITIES: AFFORDABLE HOUSING FOR THE RAKYAT



Aman Perdana

In the realm of affordable housing development within Kedah, BDB's Property segment has firmly established itself as a frontrunner, achieving a notable milestone by delivering 10,000 residential units priced below the RM300,000 threshold by the conclusion of FY2023.

The Group has diligently and consistently addressed the pressing societal need for increased home ownership, particularly among the B40 (households in the bottom 40% of the income bracket) and M40 (middle 40%) demographics, aligning closely with the directives issued by the Federal and State Governments.

At the Federal level, the Ministry of Housing and Local Government's 'Ownership of Affordable and Liveable Housing' initiative is geared towards achieving a bold target of 500,000 units to be developed during the 12th Malaysia Plan 2021-2025, reflecting the national emphasis on equitable access to housing.

Similarly, the Kedah State Government's visionary 'Kedah Sejahtera, Nikmat Untuk Semua' concept places paramount importance on home ownership, aiming to realise 15,000 affordable homes over a span of 15 years starting from 2023.

During the year in review, our Property segment launched five projects, including 2,515 units of affordable homes in Darulaman Saujana 3.0, Hosba and 176 units in Aman Nusa, Langkawi. These property projects signify our proactive response to mitigate the housing scarcity experienced by the B40 and M40 segments within these localities.

Further insights on the Group's Property development activities are presented in the Management Discussion & Analysis on pages 50 to 73 of this Annual Report 2023.

Darulaman Utama
Kuala KetilDarulaman Perdana
Sungai Petani

Bandar Darulaman 3.0, Jitra, Kedah



An aerial photograph of a traditional Chinese village. In the foreground, a stone bridge with multiple arches spans a calm pond. The village features numerous buildings with distinctive red-tiled roofs, arranged in a cluster. The surrounding landscape is lush with green trees and vegetation, with rolling hills visible in the background under a clear sky.

A collaborative venture with Lagenda Properties Berhad, offering an affordable and vibrant township.



https://property.bdb.com.au/?_gl=1%2A1B9qIu%2A_go%2AMTY2NDk4MDEDMj4xZzA4MjUzZnRy%2A_gdJISRECIW4Gss2AMTcxMTgyNzY3MC4yLjUAUMTcxMTgyNzY3MC4wLjUAUMA

REVITALISING KEDAH'S LEISURE AND HOSPITALITY LANDSCAPE

In tandem with BDB's concerted efforts to stimulate Kedah's leisure sector, there has been an uptick in local leisure activities across Malaysia, reflecting a broader trend of renewed interest in domestic tourism post the COVID-19 pandemic. Domestic tourism has witnessed a notable surge, with Malaysians increasingly seeking out leisure activities closer to home amidst ongoing travel restrictions and concerns over international travel safety. (Source: Domestic Tourism Booms as Malaysians Rediscover Local Destinations, *The Star*, 2023)

This shift towards domestic leisure pursuits has presented a unique opportunity for local businesses and recreational establishments to cater to the evolving preferences of Malaysian travellers. Initiatives aimed at promoting domestic tourism have gained traction, with various state governments rolling out campaigns and incentives to encourage local exploration and support homegrown leisure enterprises. The Kedah State Government is actively implementing a range of initiatives to secure the ambitious target of three million visitors to Langkawi for 2024, establishing the island's status as a premier tourist destination.

Drawing upon the current momentum, the State Tourism, Culture and Entrepreneurship Committee is confident of achieving this goal, particularly in light of recent statistics indicating positive progress. As of 31 January 2024, a total of 206,443 tourists have been recorded, underscoring the promising trajectory towards meeting the targeted visitor arrivals.

The Kedah State Economic Planning Division, in collaboration with the Langkawi Development Authority (LADA), is spearheading a series of strategic initiatives to enhance accessibility to Langkawi. Central to these efforts is enhancing transportation infrastructure and services, improving existing routes and elevating the quality of transport facilities. Through coordinated planning and implementation, these initiatives seek to facilitate seamless travel to and within Langkawi via better connectivity and to enhance the overall visitor experience on the island.



MoU between BDB Land and Enfinity Escapes (M) Sdn. Bhd.



Alluring and idyllic in its natural beauty, plans are underway to expand eco-tourism within Lubuk Semilang in Darulaman Sanctuary, Langkawi.



The dedicated team at BDB ensures the conservation of Darulaman Sanctuary through diligent monitoring tracking and adhering to established guidelines. Their commitment safeguards the sanctuary's biodiversity and ecological balance.



The comprehensive inventory of timber types within Darulaman Sanctuary is a testament to the complex and nuanced habitat conditions present—ranging from the moist, shaded undergrowth to the sun-drenched canopy openings.

In this dynamic landscape, BDB's proactive stance in supporting Kedah's leisure sector not only aligns with broader national objectives, but also positions the region as a compelling destination for leisure travellers seeking enriching experiences closer to home. By leveraging its diverse portfolio of recreational assets and spearheading innovative initiatives, BDB is poised to play a pivotal role in driving the resurgence of Kedah's tourism landscape and contributing to the overall revitalisation of Malaysia's leisure sector.

Since the beginning of FY2022, our Leisure segment has assumed ownership and operations of two recreational venues: the Darulaman Golf & Country Club (DGCC), situated just outside Alor Setar, and the Fantasia Aquapark located in Jitra.

Throughout the reporting period, the Leisure segment has been diligently engaged in a myriad of initiatives aimed at showcasing and promoting our premier leisure assets. Notably, efforts have been directed towards invigorating eco-centric activities within the serene environs of Darulaman Sanctuary. These activities encompass diverse experiences, ranging from immersive jungle walks and invigorating jungle trekking adventures to eye-opening birdwatching excursions and enlightening educational tours delving into the intricacies of forest ecosystems and wildlife habitats.

In a strategic move to amplify our presence and promote tourism in the State and the northern region, we completed the construction of the Langkawi Art Box near the Langkawi Airport. This innovative platform offers a dynamic showcase for local SMEs to exhibit their tourism-related products and services, enabling economic growth and promoting local entrepreneurship. It also serves as a hub for advancing art and culture, embracing the nation's unique heritage.

Beyond this, the segment has staged standout events to captivate locals and tourists alike. Notably, the Luna Lights Wonderland 2023 held at Darulaman Park is a testament to our commitment to creating immersive and unforgettable experiences. This grand event, recognised by the Malaysia Book of Records as the largest park lighting event in the nation, has garnered widespread acclaim for its enchanting ambience and vibrant festivities. Additionally, we hosted the BDB Masters 2023 golf tournament at DGCC, further solidifying our reputation for excellence in leisure and sporting pursuits.



Swings of Glory: Irfan Syahmi Norshaharudin, a student of Akademi Golf Nasional Universiti Utara Malaysia (AGNUUM), emerged as the Champion of the three-day BDB Masters 2023 Golf Tournament at DGCC.



Luna Lights Wonderland 2023 captivated both tourists and Kedah residents, drawing a large crowd to Darulaman Park in Jitra. The event offered a delightful array of family-oriented activities, diverse food stalls and engaging games, transforming the park into a bustling hub of excitement and entertainment.



Renowned for its innovative architecture and vibrant atmosphere, the LAB, Food and Fun Garden, is conveniently situated adjacent to the Langkawi International Airport and within walking distance to the Mohsuri International Exhibition Centre.

FUELLING SOCIOECONOMIC GROWTH AND OPPORTUNITIES

Beyond recreational and leisure pursuits, we are also focused on nurturing economic development and facilitating opportunities for local talent and small and medium-sized enterprises (SMEs).

As one of the leading companies in the state, we take pride in our role as a stimulus for employment and business expansion. As at the end of FY2023, we employed 642 individuals and actively supported the local economy through awarding of contracts to Kedah-based contractors and vendors.

Central to our approach is a procurement process characterised by fairness and transparency, guided by a Procurement Policy endorsed in 2019. This policy, meticulously crafted to encompass all salient aspects, is the cornerstone of our commitment to develop a robust and resilient supply chain, with a steadfast emphasis on cost optimisation, quality assurance and operational efficiency.

NAVIGATING RISKS: STRATEGIES FOR EFFECTIVE MANAGEMENT

Risk management is an intrinsic aspect of our practice of good corporate governance, forming the foundation for business sustainability in a volatile and evolving operating environment subject to rapid changes in the economic, technological and climatic landscapes.

Our established Enterprise Risk Management (ERM) framework necessitates periodic evaluations of the risk register, wherein risks and opportunities are meticulously identified, classified and accompanied by recommended control measures.

Further details on the Group's risk management are presented in the Management Discussion & Analysis on pages 50 to 73 and the Statement of Risks and Internal Control (SORMIC) on pages 163 to 166 of this Annual Report 2023.

Risk management is an intrinsic aspect of our practice of good corporate governance, forming the foundation for business sustainability.



ETHICS, INTEGRITY AND COMPLIANCE

We fully subscribe to upholding integrity, accountability and transparency across all facets of our operations, recognising that adherence to these values is paramount to gaining trust and generating sustainable value for our stakeholders.

As part of our governance framework, the Anti-Bribery and Anti-Corruption Policy (ABAC) is designed to prevent and combat corrupt practices within our organisation. This policy, available on our corporate website, serves as a guiding document for the Board, Senior Management, employees, contractors and vendors. Its primary purpose is to establish clear guidelines and standards for ethical conduct, outlining the expectations regarding bribery and corruption, and detailing procedures for reporting and addressing any suspected violations. Our stance is zero tolerance towards transgressions in this domain, as we steadfastly uphold ethical standards and maintain the highest level of integrity in our business practices.

We comply strictly with all tax regulations and requirements, underscoring our commitment to responsible corporate citizenship and adherence to legal standards in all our jurisdictions.

