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## Sustainability Report 2025

# About this Report

### SCOPE AND BOUNDARY

This Sustainability Report aligns with a number of key reporting frameworks and references Bursa Malaysia's Sustainability Reporting Guide (3rd edition). Other criteria incorporated or referenced include the FTSE4Good Bursa Malaysia (F4GBM) Index, the Global Reporting Initiative (GRI) Sustainability Standards and the United Nations Sustainable Development Goals (UNSDGs).

In addition to recommendations provided by the Task Force on Climate-Related Financial Disclosures (TCFD), BDB is progressively preparing to adopt additional and more advanced sustainability reporting standards in its future reporting. These include the International Sustainability Standards Board's (ISSB) International Financial Reporting Standards (IFRS), specifically IFRS S1 and IFRS S2, as the Group continues to strengthen the quality, consistency and comparability of its sustainability disclosures.

### REPORTING PERIOD

Unless otherwise stated, the information presented in this report covers the period from 1 January to 31 December 2025. In places, the report has been supplemented by historical data beyond the current reporting period.

### RESTATEMENT OF INFORMATION

During the year under review, we have amended information previously disclosed in our Sustainability Report FY2024 following the identification of an error in the Lost Time Injury (LTI) performance table under Sustainability Pillar 3: Enabling and Empowering Employees.

The amendments involved aligning safety terminology with industry standards, revising the Lost Time Incident Rate (LTIR) calculation to a frequency-based method in line with Bursa Malaysia's reporting requirement, and removing a non-standard metric. These changes were made to improve clarity, consistency and comparability of safety performance disclosures.

### AFFILIATIONS, MEMBERSHIPS AND ASSOCIATIONS

BDB is committed to raising standards and implementing best practices throughout its value chain, while also raising awareness of sustainability issues at every step. These efforts are evidenced by a combination of professional certifications, and supported by our membership in several notable industry associations, which outlined below:

- The Real Estate and Housing Developers' Association Malaysia (REHDA)
- The Construction Industry Development Board (CIDB)
- The Institute of Quarrying Malaysia (IQM)

- The National Institute for Occupational Safety and Health (NIOSH)
- The Standards and Industrial Research Institute of Malaysia (SIRIM)

### ASSURANCE

In line with Bursa Malaysia's disclosure requirements, selected elements of this Sustainability Report have undergone a limited assurance review by our team of internal auditors and have subsequently been approved by the Board Audit Committee.

For more information, please refer to the Statement of Assurance on pages 131 to 132 of this report.

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## Sustainability Report 2025



# Leadership Statement

Dear Valued Stakeholders,

**T**hank you for taking the time to read our Sustainability Statement for FY2025 – a detailed account of our commitments, initiatives and impact across the ESG spectrum over the past year.

In FY2025, we continued to strengthen the foundations of our sustainability structure, cognisant of the fact that strong governance, internal capability and regulatory readiness are central pillars to long-term resilience and value creation.

At the governance level, the Board Sustainability Committee provided strategic direction for the Group's sustainability agenda, with the Executive Committee overseeing implementation across the organisation. This structure ensures that sustainability considerations are embedded in decision-making processes, supported by clear accountability and oversight. Over the past year, we have also invested significantly in building internal capabilities through targeted ESG training, strengthened data governance frameworks, and clearer ownership and control of sustainability data. Policies and standard operating procedures (SOP) have been reviewed and enhanced to align with Bursa Malaysia's requirements, MFRS and the IFRS Sustainability Disclosure Standards, ensuring that we are well prepared to meet the evolving requirements of disclosure and assurance expectations.

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### Leadership Statement

Sustainability is also being integrated more deeply into our business strategy and capital allocation decisions. We are prioritising investments that deliver strong risk-adjusted returns alongside clear environmental and social value, including initiatives focused on energy efficiency, resilient design and responsible sourcing. Operational efficiency remains a key focus, supported by increased digitalisation, disciplined budgeting and forecasting, and the adoption of green procurement practices. At the same time, we continue to explore opportunities to develop new revenue streams, including renewable energy and nature-based or ecotourism offerings, where these are commercially viable and aligned with our sustainability objectives.

A central pillar of our sustainability strategy is Darulaman Sanctuary, which we are developing as a flagship conservation and edu-ecotourism asset. During the year, efforts were intensified to enhance biodiversity monitoring,

habitat protection measures and engagement with local communities and partners. Looking ahead, we aim to formalise conservation-related key performance indicators and baseline data, covering areas such as species inventories, restoration activities, visitor management, and carbon and nature metrics, to support consistent and transparent reporting. Meanwhile, we will continue to pursue credible partnerships with government agencies, universities, NGOs and corporate sponsors to scale conservation impact, while working closely with FRIM to ensure that development plans for Darulaman Sanctuary remain fully aligned with conservation priorities.

In parallel, we are advancing a structured approach to carbon and energy management. Specifically, this has involved developing a Group-wide roadmap for reducing baseline emissions across Scope 1 and 2, and relevant Scope 3 categories, identifying priority reduction levers,

and tracking progress over time. Practical abatement measures are also being implemented, including energy efficiency improvements at facilities, electrification and optimisation of fleet operations, enhanced site practices and greater engagement with suppliers. These actions are supported by strengthened governance, data systems and assurance-ready processes, positioning the Group to meet future climate-related compliance requirements, including alignment with IFRS S2.

As we move forward to 2026, we remain committed to embedding sustainability as a driver of resilience, competitiveness and long-term value, while delivering meaningful outcomes for the environment and the communities connected to our operations. With these strong foundations as our base, we expect to go from strength to strength in the year ahead.



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# Our Sustainability Highlights



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# Our Sustainability Approach



## SUSTAINABILITY FRAMEWORK

At BDB, the overarching aim is to support robust and long-term business viability through responsible growth that delivers value to stakeholders while supporting a healthy environment through the application of clear sustainability principles. To achieve this, sustainability remains a central pillar of our core business strategy, underpinned by Environmental, Social and Governance (ESG) principles. These considerations are integrated across the Group’s infrastructure and operations, spanning infrastructure development, property, leisure activities and the development of green energy solutions.



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### SUSTAINABILITY FRAMEWORK

#### OUR VISION

- To lead in the transformation and innovation of cutting-edge Engineering & Construction and Roadbuilding & 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.

#### OUR MISSION

- To drive innovation in Engineering & Construction and Roadbuilding & 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 Engineering & Construction and Roadbuilding & Quarry Technology
- Green Certification for Quarry
- Capacity & Competency Building

#### ENVIRONMENT

- Responsible Sourcing
- Natural Resource Management & Renewable Energy

#### SOCIAL

- Health, Safety, Security & Environment (HSSE)
- Employee Capacity Building & Engagement
- Family-Oriented Eco-Friendly Leisure Development
- Community Empowerment

#### GOVERNANCE

- Regulatory Compliance
- Comprehensive Risk & Sustainable Management in Corporate Strategy
- Certifications (ISO, Green Certification)

### 4 SUSTAINABILITY PILLARS

#### SUPPORTING GOVERNMENT ASPIRATIONS FOR SUSTAINABLE GROWTH

- Strategic Economic Value Creation
- Ethical Governance and Compliance

#### PRESERVING THE ENVIRONMENT

- Environmental Compliance
- Sustainable Resource Stewardship
- Waste and Pollution Management

#### ENABLING AND EMPOWERING EMPLOYEES

- Human Capital Management and Development
- Occupational Health, Safety and Well-Being

#### ENGAGING EFFECTIVELY WITH STAKEHOLDERS

- Customer Value and Quality Management
- Social Responsibility and Community Engagement

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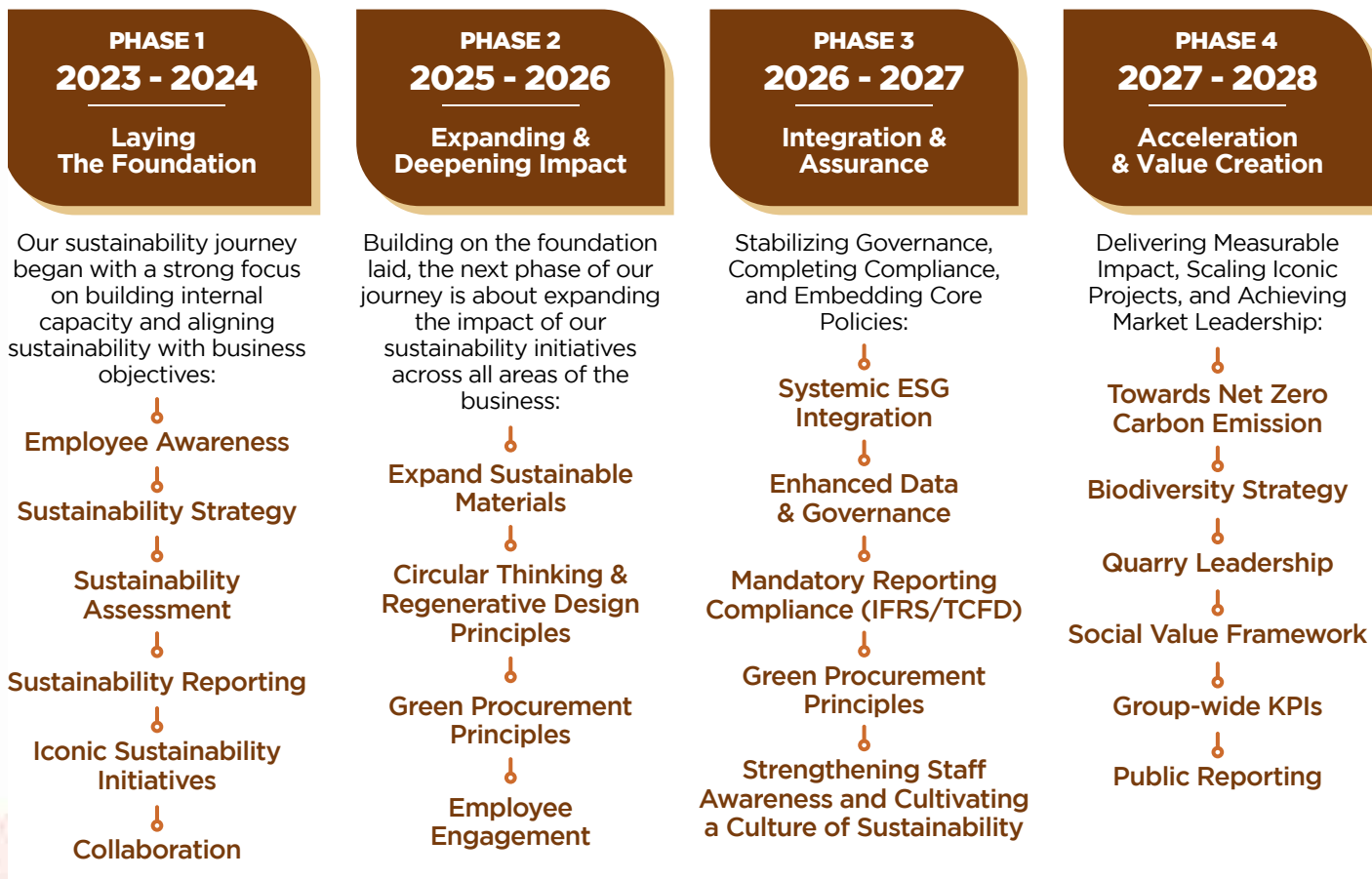
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## Sustainability Report 2025

# SUSTAINABILITY JOURNEY (BUSINESS SUSTAINABILITY PLAN)

Our Sustainability Journey is guided by a structured, multi-year Business Sustainability Plan, which is designed to progressively strengthen governance, embed sustainability into core operations and deliver measurable environmental, social and economic value. The plan is implemented through four clearly defined phases, following a disciplined and scalable approach in which each phase builds on progress achieved in earlier periods. In FY2025, we updated our Sustainability Journey by extending the roadmap, including revisions to Phase 3 and the introduction of a new Phase 4 to reflect the Group’s evolving sustainability priorities and maturity.

### SUSTAINABILITY JOURNEY 2.0 FRAMEWORK



#### Phase 1 (2023–2024): Laying the Foundation

The initial phase focused on establishing the fundamental building blocks for sustainability across the Group. Priority was given to building internal awareness and capability, developing a clear sustainability strategy, and conducting baseline sustainability assessments to better understand key risks, impacts and opportunities. Sustainability

reporting processes were introduced, alongside early iconic sustainability initiatives that helped translate strategy into action. Collaboration (both internally and with external stakeholders) was emphasised as a critical enabler of progress and alignment with business objectives. The principles established during this phase continue to underpin our sustainability approach.



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### Phase 2 (2025–2026): Expanding and Deepening Impact

Building on this foundation, the second phase centres on expanding the reach and depth of sustainability initiatives across all areas of the business. Key priorities include increasing the use of sustainable materials, embedding circular thinking and regenerative design principles, and implementing Green Procurement Principles across operations. Employee engagement remains a central focus, recognising that sustained impact depends on active participation and ownership of sustainability across the organisation. This phase reflects a shift from initial capacity building towards broader operational integration, while retaining the core foundations established in Phase 1.

### Phase 3 (2026–2027): Integration, Governance and Compliance

The third phase focuses on fully integrating sustainability into day-to-day operations, governance structures and decision-making processes, while strengthening compliance and assurance readiness. Systemic ESG integration is supported by enhanced data governance, clearer ownership and controls, and assurance-ready reporting processes. Governance frameworks are further strengthened to ensure alignment with applicable laws, regulations and listing requirements, including mandatory sustainability and climate-related reporting in line with IFRS and TCFD. Green Procurement Principles are further operationalised, and sustained emphasis is placed on strengthening staff awareness and cultivating a consistent, organisation-wide culture of sustainability grounded in discipline, accountability and compliance.

### Phase 4 (2027–2028): Acceleration and Value Creation

Looking ahead, the final phase will focus on accelerating performance and translating sustainability commitments into measurable environmental and operational value. Key initiatives include the operationalisation of plans towards net zero carbon emissions, the delivery of measurable biodiversity outcomes through the Darulaman Sanctuary Biodiversity Strategy and achieving industry leadership through initiatives such as Green Quarry Certification. A structured social value framework will be implemented to quantify community impact, supported by cascading sustainability targets and group-wide KPIs across departments and operations.

Enhanced public reporting, including IFRS S1 and S2 climate disclosures and comprehensive digital reporting, will further strengthen transparency, accountability and stakeholder confidence.

## FOCUS FOR 2026

In line with the Sustainability Journey 2.0 roadmap, our focus for 2026 will be on strengthening staff awareness and culture around sustainability, integrating sustainability more deeply into key operational processes (including SOPs, procurement, risk management, asset utilisation, safety and energy use) and achieving full compliance with sustainability-related legal, regulatory and Bursa Malaysia's requirements. These priorities are designed to be practical and cost-conscious, emphasising operational discipline, compliance and continuous improvement.

Together, these four phases provide a clear and credible roadmap for our sustainability journey, thereby ensuring that sustainability is embedded as a core driver of resilience, competitiveness and long-term business success.

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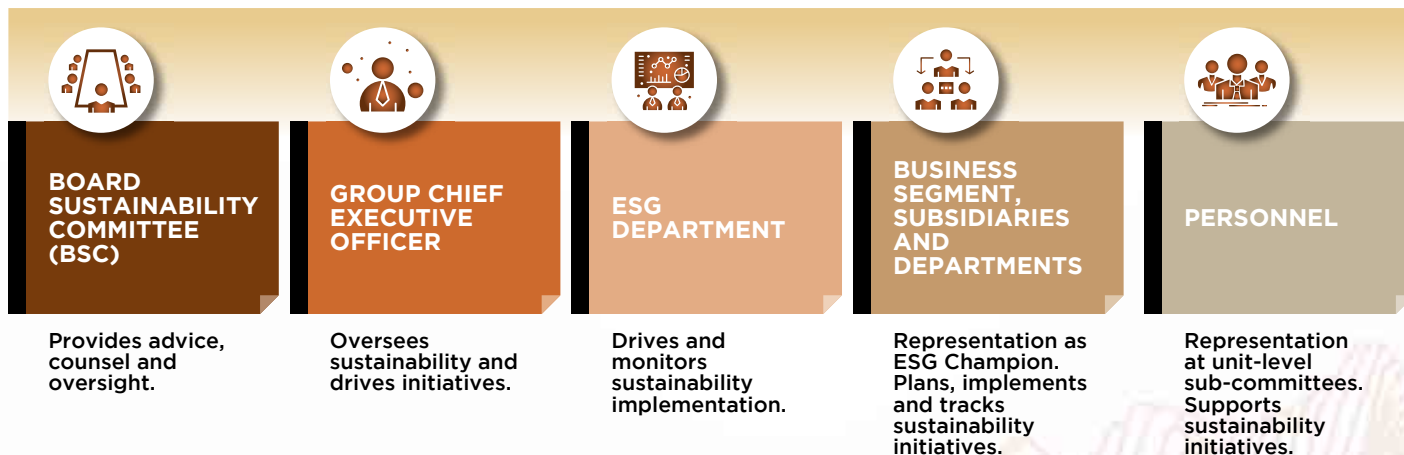
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# SUSTAINABILITY GOVERNANCE & POLICY

### SUSTAINABILITY GOVERNANCE STRUCTURE

Our Sustainability Governance Framework provides the basis for effective oversight, accountability and execution of the Group’s sustainability agenda. Since first being endorsed by the Board in 2023, the framework has continued to evolve, ensuring that ESG considerations are systematically embedded into corporate governance and decision-making processes, with clear roles, reporting lines and performance monitoring mechanisms in place. Through this structured approach, we strengthen alignment between sustainability priorities, business strategy and operational delivery, thereby enabling consistent and responsible value creation across the Group.



### BOARD SUSTAINABILITY COMMITTEE



- BSC MEMBERS:**
- Puan Nawal Binti Hanafiah**  
Chairman (centre)
  - Tuan Haji Junaidi Bin Abidin**, BCK  
Member (right)
  - YB Ts. Dr. Mohd Suffian Bin Yusoff**  
Member (left)

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### 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 business.

**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.

As part of our ongoing review of the ESG governance framework, we will continue to assess the effectiveness of our existing governance arrangements and implement enhancements to the structure in FY2026 to further strengthen oversight, accountability and the integration of ESG considerations into our core business decision-making. Details of any material changes to the ESG governance structure will be disclosed in the subsequent reporting period.

To further strengthen governance oversight and internal controls, we established Project Diamond under the Group Corporate Planning and Enterprise Risk Management (GCPERM) function as a strategic governance enhancement initiative, to be implemented in 2026. Project Diamond provides a structured and systematic approach to reviewing, updating and formalising policies to ensure they remain relevant, robust and aligned with the Group's operating environment and evolving regulatory requirements. During 2025, this initiative resulted in the approval of a comprehensive suite of new and revised Group policies spanning human resources, procurement, enterprise risk management, finance, treasury, investments, subsidiary governance, corporate social responsibility (CSR), sponsorship and donations. Additional

policies relating to facilities management & common services and health, safety & environment are being progressed for approval in 2026, reinforcing our commitment to disciplined governance, risk management and continuous improvement.

Building on the Sustainability Governance Framework endorsed in 2023, this refined model enhances operational alignment and execution across the organisation. The ESG Department continues to lead the implementation and monitoring of the Group's sustainability roadmap, working in close coordination with ESG Champions across business segments and subsidiaries to ensure initiatives remain targeted, consistent and well-coordinated. At the operational level, personnel engagement is supported through representation in relevant sub-committees, enabling sustainability objectives to be translated into practical actions with clear ownership. Through this strengthened governance structure, we have reinforced the link between operational delivery and Board-level oversight, ensuring that our sustainability journey remains forward-looking, results-oriented and aligned with long-term business resilience and value creation.

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### SUSTAINABILITY POLICY

<p style="font-size: 2em; font-weight: bold;">1</p>  <p style="font-weight: bold; text-align: center;">ENVIRONMENTAL RESPONSIBILITY</p>	<p><b>REDUCE GREENHOUSE GAS EMISSIONS</b> We are committed to continuously reduce our carbon footprint by implementing measures to reduce greenhouse gas (GHG) emissions across our operations and supply chain.</p> <p><b>WASTE MANAGEMENT SYSTEM</b> We promote effective waste management practices including waste reduction, recycling and responsible disposal to minimise our environmental impact.</p> <p><b>CONSERVATION OF NATURAL RESOURCES</b> We strive to conserve natural resources by promoting responsible use of resources, implementing sustainable practices and adopting efficient technologies.</p>
<p style="font-size: 2em; font-weight: bold;">2</p>  <p style="font-weight: bold; text-align: center;">SOCIAL RESPONSIBILITY</p>	<p><b>DIVERSITY AND INCLUSION</b> We promote diversity and inclusion within our workforce, ensuring equal opportunities and fostering a respectful and inclusive work environment.</p> <p><b>EMPLOYEE RIGHT</b> We respect and uphold the rights of our employees, including fair remuneration, safe working conditions and opportunities for professional growth and development.</p> <p><b>COMMUNITY ENGAGEMENT</b> We actively engage with local communities to understand their needs and concerns, support community development initiatives and contribute to the well-being of the communities in which we operate.</p> <p><b>STAKEHOLDER ENGAGEMENT</b> 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.</p>
<p style="font-size: 2em; font-weight: bold;">3</p>  <p style="font-weight: bold; text-align: center;">GOOD CORPORATE GOVERNANCE</p>	<p><b>STRONG CORPORATE GOVERNANCE PRACTICES</b> We implement corporate governance practices that promote transparency, accountability and ethical behaviour throughout our organisation.</p> <p><b>ETHICAL BUSINESS PRACTICES</b> 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.</p> <p><b>PERFORMANCE MONITORING AND REPORTING</b> We monitor and evaluate our sustainability performance regularly, setting clear targets and reporting progress to stakeholders.</p> <p><b>INTEGRATION INTO DECISION MAKING</b> We embed sustainability considerations into our business decision-making process, ensuring sustainability is an integral part of our strategic planning and operations.</p> <p><b>CONTINUOUS IMPROVEMENT</b> 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.</p>

Our Sustainability Policy provides a structured framework for integrating environmental responsibility, social responsibility and good corporate governance into the Group's operations and decision-making processes. Guided by clear principles and measurable commitments, this policy outlines our approach to managing environmental impacts, supporting employees

and communities, engaging stakeholders and upholding high standards of governance, ethics and transparency. Through this framework, sustainability is embedded into strategic planning, operational execution and performance monitoring, reinforcing our commitment to responsible growth, accountability and continuous improvement.

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# Engagement with Stakeholders



Stakeholder engagement is a core enabler of sustainable growth and long-term value creation at BDB. During FY2025, our overarching engagement priorities focused on strengthening customer relationships, enhancing customer satisfaction and deepening stakeholder engagement across the value chain. Key initiatives included the strengthening of Key Account Management (KAM) practices and more structured engagement with customers and partners, ensuring that stakeholder needs are better understood and aligned with the Group’s strategic business objectives. Through structured and continuous engagement, we continue to work towards generating shared economic value, strengthening supply chain resilience and supporting social progress across our operating environments.



To enhance the effectiveness of stakeholder engagement, we have refined our approach during FY2025 to be more targeted, collaborative and outcome-driven. Improvements made during the year were guided by a focus on operational excellence and efficiency, including initiatives to reduce operational costs, optimise resource allocation and enhance workforce productivity through better coordination and communication. By fostering open dialogues with communities, business partners, contractors, suppliers and regulators, we integrated stakeholder perspectives into

decision-making processes, enhanced operational reliability and ensured regulatory compliance. This collaborative approach supports capacity-building, improves operational efficiency and reinforces a resilient and integrated value chain.

As a result of these engagement efforts, we have delivered broad social, economic, operational and environmental impacts. Stakeholder engagement initiatives have supported the integration of sustainability practices across business processes, strengthened energy efficiency initiatives, expanded training and awareness programmes, and enhanced the Group’s branding and reputation. Through regular outreach (including meetings, briefings, press releases, interviews and development programmes) we continue to build robust collaborative networks with customers, investors, local communities, NGOs, financial institutions and regulators, ensuring that stakeholder engagement remains a strategic driver of sustainable business growth.

Our network of stakeholder groups, along with the channels of communication through which each sector is engaged and the value delivered to the company via these processes, are outlined in the table below:

### STAKEHOLDERS ENGAGEMENT







	EXTERNAL STAKEHOLDERS	ENGAGEMENT CHANNELS	VALUE DELIVERY
 <b>Local Authorities, Municipalities and Regulators</b>	<ul style="list-style-type: none"> <li>◆ Municipalities. Regulators.</li> <li>◆ Ministries. Certification Bodies.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Meetings and Discussions. Compliance with Rules and Regulations.</li> <li>◆ Briefings and Training. Periodic Visits and Inspections.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Governance and Regulatory Compliance.</li> <li>◆ Ethical Business Practices. Health and Safety.</li> <li>◆ Social Management.</li> </ul>
 <b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>◆ Shareholders. Potential Investors.</li> <li>◆ Potential Business Partners.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Annual General Meeting. Bursa Malaysia Announcements. Media Releases.</li> <li>◆ Meetings with Potential Investors. Business Networking Sessions.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Growth in Company Performance.</li> </ul>

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	EXTERNAL STAKEHOLDERS	ENGAGEMENT CHANNELS	VALUE DELIVERY
 <b>Customers</b>	<ul style="list-style-type: none"> <li>◆ ECQ's Customers. Residential Property Buyers.</li> <li>◆ Commercial Property Buyers. Land Buyers.</li> <li>◆ Leisure &amp; Hospitality.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Meetings. Correspondences. Brochures.</li> <li>◆ Product and Services Briefings.</li> <li>◆ Media Releases. Bursa Malaysia Announcements.</li> </ul>	<ul style="list-style-type: none"> <li>◆ New Product and Services Development and Reliability.</li> <li>◆ Product and Service Quality. Product Pricing and Credit Terms.</li> </ul>
 <b>Financiers and Financial Institutions</b>	<ul style="list-style-type: none"> <li>◆ Financial Institutions.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Annual General Meetings. Bursa Malaysia Announcements. Meetings.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Value Creation.</li> </ul>
 <b>Sub-contractors, Suppliers and Service Providers</b>	<ul style="list-style-type: none"> <li>◆ Sub-Contractors. Suppliers. Service Providers.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Tenders.</li> <li>◆ Briefings and Meetings. Compliance with Rules and Regulations.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Safety and Regulatory Compliance.</li> <li>◆ Long-Term Viability of the Company.</li> <li>◆ Product and Service Quality Improvements.</li> <li>◆ Supply Chain Security and Sustainability.</li> </ul>
 <b>Local Communities and NGOs</b>	<ul style="list-style-type: none"> <li>◆ Local Communities. Non-Governmental Organisations (NGOs).</li> </ul>	<ul style="list-style-type: none"> <li>◆ Education, Entrepreneurship and Community Development Programmes.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Positive Impact on Environmental, Social and Health Concerns.</li> <li>◆ Job Opportunities.</li> </ul>
 <b>Industry Associations</b>	<ul style="list-style-type: none"> <li>◆ Industry Associations.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The International Real Estate Federation (FIABCI).</li> <li>◆ Real Estate and Housing Developers' Association Malaysia (REHDA).</li> </ul>	<ul style="list-style-type: none"> <li>◆ Strong Branding Visibility. Knowledge Sharing.</li> <li>◆ Industry Best Practices.</li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>◆ Mainstream Media. Online Media</li> <li>◆ Channels/Portals. Social Media.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Press Releases. Press Invites. Press Conferences. Interviews.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Brand Positioning, Image and Credibility.</li> <li>◆ Ethical Business Conduct and Regulatory Compliance. Business Performance and Growth.</li> </ul>

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# Our Sustainability Material Matters



Our materiality assessment process provides a structured and disciplined basis for identifying, prioritising and managing sustainability matters that are most relevant to the Group's long-term value creation. Informed by stakeholder expectations, regulatory developments and business priorities, the assessment enables us to proactively address risks, capture emerging opportunities and align sustainability efforts with strategic objectives. By integrating material sustainability matters into decision-making processes, operations and reporting, we support a focused, consistent and transparent approach to delivering sustainable value across the organisation.

Aligned with the UNSDGs and GRI Standards disclosures, our ESG priorities are divided into four key focus areas: supporting government aspirations for sustainable growth, preserving the environment, enabling and empowering communities and engaging effectively with stakeholders. By mapping the risks, opportunities and value creation associated with each of these four areas, we are better able to align operations with our overarching goals, and calibrate their implementation to ensure the best possible outcomes. The framework for these materiality assessments is outlined in detail below:




















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SUSTAINABILITY PILLAR	MATERIALITY MATTER	UNSDG**	GRI STANDARDS DISCLOSURES	F4GBM INDICATORS
<b>ECONOMIC/GOVERNANCE</b>				
Supporting Government Aspirations for Sustainable Growth	i. Strategic Economic Value Creation ii. Ethical Governance and Compliance	<b>Primary</b>   <b>Secondary</b>  	<b>GRI 204:</b> Procurement Practices <b>GRI 205:</b> Anti-corruption	1 Procurement Practices 2 Community Investment 3 Indirect Economic Impact 4 Climate-related Financial Risks & Opportunities 5 Responsible/Sustainable Lending
<b>ENVIRONMENTAL</b>				
Preserving the Environment	iii. Environmental Compliance iv. Sustainable Resource Stewardship v. Waste and Pollution Management	<b>Primary</b>    <b>Secondary</b>  	<b>GRI 302:</b> Energy <b>GRI 303:</b> Water and Effluents <b>GRI 304:</b> Biodiversity <b>GRI 305:</b> Emissions <b>GRI 306:</b> Waste	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
<b>SOCIAL</b>				
Enabling and Empowering Employees	vi. Human Capital Management and Development vii. Occupational Health, Safety and Well-Being	<b>Primary</b>   <b>Secondary</b>  	<b>GRI 401:</b> Employment <b>GRI 403:</b> Occupational Health and Safety <b>GRI 404:</b> Training and Education <b>GRI 405:</b> Diversity and Equal Opportunity <b>GRI 406:</b> Non-discrimination	16 Diversity 17 Human Rights 18 Occupational Safety and Health 19 Anti-Competitive Behaviour 20 Anti-Corruption 21 Labour Practices 22 Society 23 Product & Services Responsibility (Social) 24 Supply Chain (Social) 25 Compliance (Social)
Engaging Effectively with Stakeholders	viii. Customer Value and Quality Management ix. Social Responsibility and Community Engagement	<b>Primary</b>   <b>Secondary</b>  	<b>GRI 413:</b> Local Communities	

\* BDB's sustainability initiatives contribute to the United Nations Sustainable Development Goals (UNSDGs) primarily through those most relevant to our business activities and material sustainability matters. References to secondary SDGs reflect indirect or enabling contributions.

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## STRATEGIC ECONOMIC VALUE CREATION

In FY2025, we generated economic value through the collective performance of our operating subsidiaries across the Property, Engineering & Construction, Road Building & Quarry, and Leisure segments. Operating in a challenging environment marked by cost volatility, competitive pressures and cautious market sentiment, we prioritised disciplined financial management while continuing to invest selectively in long-term growth, operational resilience and income diversification.

### ROAD BUILDING & QUARRY

The Road Building & Quarry segment remained a key contributor to our revenue, delivering resilient operational performance in FY2025. BDB Infra Sdn Bhd continued to benefit from recurring income under its three-year RM204 million state road maintenance contract (2024–2026), alongside contributions from quarry, premix and selected projects secured during the year. While revenue performance improved, margins remained under pressure due to elevated material and fuel costs amid challenging market conditions.

In response, we strengthened operational and financial controls across the segment through enhanced governance, tighter cost monitoring, improved procurement practices and more structured material planning. These efforts were complemented by better work coordination, reduced rework and more effective utilisation of resources, supporting greater cost predictability and improved cash flow stability.

Our road building and quarry operations remained strategically important in ensuring reliable material supply and operational continuity, while external quarry sales provided supplementary revenue and improved asset utilisation. Despite ongoing cost volatility, closer integration across activities helped generate economies of scale and support overall margin sustainability.

During the year, the acquisition of a mobile crusher by BDB Infra Sdn Bhd further enhanced our operational flexibility, improved cost certainty and strengthened responsiveness to project requirements, contributing to greater efficiency across operations.

### PROPERTY

The Property segment operated under challenging market conditions in FY2025, characterised by slower buyer demand, heightened price sensitivity, tighter financing conditions and rising construction costs. These factors resulted in weaker sales momentum and a lower revenue contribution, leading to a before-tax loss for the year.

Despite these challenges, we continued to progress our development pipeline through affordable and mid-market housing launches, township and mixed-use developments, as well as phased handovers in key locations. Development strategies focused on market-aligned pricing, phased launches, closer buyer engagement and proactive contractor coordination to manage financial exposure. While certain infrastructure investments within development sites were not immediately revenue-generating, they enhanced project value, marketability and long-term financial sustainability. We also continued to strengthen digital sales and marketing platforms to support future revenue generation.

### ENGINEERING & CONSTRUCTION

The Engineering & Construction segment remained strategically important and integral to our overall performance in FY2025, despite operating within a challenging market and cost environment. During the year, BDB Synergy Sdn Bhd continued to advance its strategic diversification into water infrastructure through the submission of an application for a SPAN licence to provide Compact Water Treatment Plant solutions. Subject to regulatory approval, this initiative is expected to broaden our participation in water-related projects, enhance order visibility, diversify revenue streams and reduce reliance on traditional construction activities, while aligning with national priorities on water security and environmental management.

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At the same time, in response to a challenging cost environment, we strengthened commercial and project management discipline across our construction portfolio. This included more rigorous project controls, enhanced procurement planning and earlier identification of cost risks at both tender and execution stages. These efforts were complemented by tighter site coordination and improved resource allocation, supporting greater delivery certainty, better cost visibility and more resilient project margins across the division.

#### LEISURE

The Leisure segment recorded operational improvements during FY2025, supported by higher visitor traffic and enhanced offerings at key assets, including Darulaman Park and Fantasia Aquapark. Facility upgrades, promotional initiatives and improved visitor management contributed to increased revenue and better utilisation of leisure assets.

However, overall profitability continued to be affected by high operating and maintenance costs. These pressures were partially mitigated through tighter budget controls, selective outsourcing, strategic partnerships and revenue diversification initiatives, aimed at improving cost efficiency while sustaining community engagement and tourism value.

### OUR PERFORMANCE

We continued to invest in future-oriented subsidiaries, including BDB Energy Sdn Bhd and Darulaman Sanctuary Sdn Bhd. These businesses remain in their capability-building and growth phases and contributed marginally to FY2025 revenue as they focus on renewable energy, forest conservation and eco-tourism. Performance for these entities is assessed based on strategic positioning, partnerships and long-term value creation rather than short-term profitability.

Overall, our economic performance in FY2025 reflects a balanced approach to value creation, combining disciplined financial management with continued investment in strategic diversification, infrastructure capability and sustainability-aligned growth. Through integrated operations, cost discipline and prudent capital allocation, we strengthened Group resilience and positioned BDB for sustainable economic value creation over the long term.



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## ETHICAL GOVERNANCE AND COMPLIANCE

At BDB, we recognise that strong ethical governance is fundamental to sustainable value creation and long-term business resilience. Guided by Board oversight, our governance framework integrates integrity, compliance and accountability across all operations, ensuring that regulatory obligations, stakeholder expectations and ESG commitments are consistently upheld.

By reinforcing trust, mitigating risk and safeguarding organisational credibility, this commitment supports value creation across our six capitals: Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural.

### GENERAL ETHICAL CONDUCT AND SOUND GOVERNANCE

Our Enterprise Risk Management (ERM) framework continues to provide structured oversight of strategic, financial, operational and external risks, with ESG considerations embedded into decision-making processes to ensure alignment with regulatory and sustainability expectations. Governance mechanisms are designed not only to ensure compliance, but to strengthen organisational resilience in an increasingly complex operating environment.

In parallel, we maintain a strong commitment to regulatory compliance, tax transparency and responsible corporate citizenship. Ethical standards are embedded into policies, operational controls and leadership accountability, ensuring that governance is not treated as a compliance function alone, but as a driver of sustainable performance.

### Integrity and Governance Unit (IGU)

Following its establishment in July 2024, the Integrity and Governance Unit (IGU) continued to mature in FY2025 as a central pillar of our governance architecture. Reporting functionally to the Board Audit Committee and administratively to the Group Chief Executive Officer (GCEO), IGU provides an independent and structured mechanism to manage corruption risks across the organisation.

IGU's mandate continues to focus on four core functions:

- Complaint management, ensuring transparent and fair handling of whistleblowing and misconduct cases;
- Detection and verification, strengthening early identification of integrity breaches;
- Integrity enhancement, establishing a medium for inculcating and implementing a culture of integrity through an anti-corruption programme applied consistently across all levels of the Group; and
- Governance alignment, ensuring policies, controls and risk frameworks remain robust and consistent.

During FY2025, the IGU achieved several significant governance milestones:

- Establishment of Organisational Anti-Corruption Plans (OACP) for BDB Infra and BDB Synergy in April 2025, officiated during the Ikrar Bebas Rasuah ceremony in August 2025;
- Coordination of ISO 37001:2025 Anti-Bribery Management System (ABMS) certification efforts for both subsidiaries, with Stage 1 certification audit successfully completed in December 2025;
- Organisation of the Ikrar Bebas Rasuah ceremony in collaboration with the Malaysian Anti-Corruption Commission (SPRM), involving Board members, senior management, subsidiaries and selected vendors; and
- Joint review and monitoring of ABMS-related policies, including the Human Resource Policy and Employee Handbook, Finance and Accounts, Procurement, CSR, Donation and Sponsorship policies.

### Complaint Handling and Whistleblowing

Our Whistleblowing Policy provides a formal, confidential and secure framework that enables employees and external parties to report concerns relating to improper conduct, unethical behaviour or breaches of laws and internal policies without fear of retaliation. The Company offers designated reporting channels, including written submissions and a dedicated email supported by a whistleblowing form, to facilitate clear and fact-based disclosures.

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All reports are assessed and investigated by the appropriate management or Board-level committees, with escalation procedures in place for more serious matters. The Policy safeguards whistleblowers by maintaining strict confidentiality of identity and information, permitting anonymous reporting at the Company's discretion, and prohibiting any form of retaliation, harassment or victimisation against individuals who raise concerns in good faith.

In FY2025, one (1) whistleblowing report was received and is currently being reviewed in accordance with the Group's Whistleblowing Policy and established procedures. The matter is being assessed through the designated reporting channel with appropriate oversight to ensure independence and due process. Relevant details will be disclosed in the next reporting cycle should the review result in any material outcomes or actions by the Group.

We remain committed to ensuring that whistleblowing mechanisms are protected, transparent and free from retaliation, in line with best governance practices.

#### ANTI-BRIBERY AND ANTI-CORRUPTION (ABAC)

We maintain a zero-tolerance stance towards bribery and corruption. Our ABAC and Gifts Policy applies to Board members, management, employees, contractors and business partners, and is publicly available to promote transparency and accountability.

#### FY2025 Policy Enhancements

On 25 February 2025, the ABAC Policy was revised and strengthened as follows:

- The policy was retitled as the ABAC and Gifts Policy to align with industry standards and expand its scope;
- The policy structure was enhanced to serve as a high-level commitment framework that clearly communicates our anti-corruption principles; and
- Supporting procedures were strengthened, including due diligence processes, to provide a more structured and practical policy framework.



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These revisions improve clarity, consistency and future readiness, ensuring that the policy remains relevant to evolving governance expectations.

#### Training, Awareness and Capacity Building

Throughout FY2025, we continued to invest in strengthening organisational awareness and capability in anti-corruption practices:

- ABAC and Gifts Policy Awareness sessions were conducted to educate our employees on offences under the MACC Act 2009, corporate liability under Section 17A, and gift-handling procedures.
- ABMS implementation training was delivered to our management teams of BDB Infra and BDB Synergy, supported by the development of an ABMS Manual, dedicated implementation teams, and integration of ABMS procedures into SOPs.
- Corruption Risk Assessment (CRA) training was conducted for BDB and BDB Land to support identification of corruption risks and development of mitigation action plans.

#### ISO 37001:2025 Anti-Bribery Management System

We remain on track to achieve ISO 37001 ABMS certification for BDB Infra and BDB Synergy, which are G7 companies registered under CIDB.

Key FY2025 milestones achieved include:

- ABMS training modules conducted in June and September 2025.
- ABMS internal audits completed in November 2025.
- Stage 1 ABMS Certification Audit conducted by the National Institute of Occupational Safety and Health (NIOSH) in December 2025.

The Stage 2 ABMS Certification Audit is scheduled to be conducted in February 2026, which will form the final assessment toward achieving ISO 37001 ABMS certification.

#### EMBEDDING A CULTURE OF INTEGRITY

Integrity remains central to our operational excellence and business longevity. By embedding governance controls

within high-risk operational and financial functions, we continue to strengthen investor confidence, stakeholder trust and organisational resilience.

With IGU providing strategic oversight, and ABAC and ABMS frameworks reinforcing behavioural standards, we are building a governance-driven culture in which ethical leadership is consistently practiced, owned and sustained across all levels of the organisation.

Through continuous policy enhancement, structured risk management and proactive capacity building, we remain committed to ensuring that ethical governance is not only enforced, but fully integrated into the way the business operates and grows.

### OUR PERFORMANCE

During the year, the Company recorded the participation of 483 employees in anti-corruption-related training programmes, including ABMS, CRA, Certified Integrity Officer, Ikrar Bebas Rasuah, as well as ABAC and Gifts Policy Awareness sessions. This comprised 81 management-level staff, 123 executive-level employees and 279 non-executive employees, representing approximately 81% of our total workforce. These initiatives strengthened awareness, accountability and the consistent application of our anti-corruption controls across the organisation.

Furthermore, throughout the reporting period, we did not record any major incidents of illegal activities, corruption, misconduct or breaches of applicable legislation or laws. As a result, there were no disciplinary actions against employees, no termination or non-renewal of contracts with business partners, and no public legal cases related to such matters involving the Company or its employees.

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### ENVIRONMENTAL COMPLIANCE

During FY2025, BDB continued to strengthen environmental compliance frameworks as part of a broader commitment to responsible, sustainable and future-ready business practices. Environmental stewardship is embedded across our operations, supporting regulatory compliance, operational resilience and long-term value creation.

In recent years, we have expanded our sustainability agenda beyond impact mitigation, progressing towards a business model that actively supports environmental protection and sustainable development. This evolution reflects our recognition that environmental compliance goes beyond regulatory obligations; it is fundamental to business continuity and stakeholder trust.

### ADVANCING SUSTAINABILITY-ASSOCIATED BUSINESS

BDB has continued its transition towards sustainability-associated business activities, diversifying into green ventures alongside our engineering, construction, quarrying, property development and leisure operations. Over the past two years, we have continued our pursuit within the renewable energy sector through BDB Energy, with a focus on solar power development.

We have also maintained our support for Darulaman Sanctuary, a 226-acre ecological conservation area that promotes biodiversity protection and eco-tourism development. The sanctuary serves as a clear demonstration of our commitment to environmental preservation and nature-based value creation.

The past two years have also witnessed a clear shift towards ESG-focused business activities, evidenced by the



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establishment of a dedicated Sustainability Segment to support our growing portfolio of green initiatives.

These strategic developments position BDB as an advocate for ESG-aligned business growth, while reinforcing our ambition to act as a catalyst for positive environmental change.

#### STRENGTHENING ENVIRONMENTAL MANAGEMENT SYSTEMS

In FY2025, to enhance operational environmental compliance, BDB Synergy within the Engineering and Construction segment implemented targeted improvements aligned with ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System requirements.

##### Procurement and Contracting

Moreover, environmental and occupational health and safety (EHS) requirements were formally embedded into procurement policies and contractual documentation. Contractor and vendor selection criteria were strengthened to include EHS compliance performance, statutory requirements and risk assessments.

Contractors are now required to submit environmental management plans and safety method statements prior to project commencement, with performance monitored throughout the contract period to ensure continuous compliance.

##### Construction Activities

Construction sites adopted enhanced environmental controls, including:

- Sediment and erosion management measures;
- Proper waste segregation and disposal practices; and
- Responsible material handling procedures.

Safety management practices were reinforced through structured inspections, regular safety briefings, incident reporting systems and corrective action tracking. Training programmes were expanded to strengthen workforce awareness of ISO environmental and safety requirements.

#### GOVERNANCE AND CONTINUOUS IMPROVEMENT

Environmental compliance is supported through regular internal audits, management reviews and compliance assessments. During FY2025, documentation and record-keeping processes were further standardised to improve traceability, accountability and audit readiness.

These mechanisms enable us to identify gaps early, implement corrective actions and drive continuous improvement across environmental and safety performance.

##### Governance-Driven Environmental Responsibility

Environmental compliance at BDB is guided by a governance-driven approach that integrates regulatory adherence, operational discipline and strategic sustainability objectives.

By embedding environmental management into procurement, contracting, construction and governance processes, we can strengthen our ability to:

- Reduce environmental risks;
- Improve operational consistency;
- Maintain ISO certification alignment; and
- Enhance stakeholder confidence.

##### Building Long-Term Environmental Value

Our expanding sustainability portfolio and strengthened environmental management systems reflect a concept that is fundamental to the Group that environmental responsibility and business performance are mutually reinforcing.

Through continuous improvement in environmental compliance, responsible project execution and sustainability-driven business expansion, we remain committed to building an organisation that protects environmental integrity while delivering resilient, future-focused growth.

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#### REGULATORY REQUIREMENT



Environmental Quality (Industries Effluent) Regulations 2009



Environmental Quality (Sewage) Regulations 2009



Environmental Quality (Scheduled Wastes) Regulations 2009



Environmental Quality (Control of Pollution from Solid Waste Transfer Station and Landfill) Regulations 2009

#### ENVIRONMENTAL QUALITY ACT 1074

#### OUR PERFORMANCE

BDB did not record any significant fines or non-monetary sanctions arising from non-compliance with environmental laws and regulations during FY2025. In this regard, we did not incur any material monetary fines, non-monetary sanctions or environmental-related cases brought through dispute resolution mechanisms.



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## SUSTAINABLE RESOURCE STEWARDSHIP

At BDB, we recognise that responsible stewardship of natural resources is central to long-term business resilience, climate accountability and stakeholder trust. With that in mind, our approach integrates energy transition, biodiversity protection and water efficiency within a governance-driven sustainability framework.

Resource stewardship initiatives are guided by science-based planning, regulatory alignment and continuous performance monitoring, ensuring that environmental responsibility is embedded into both operational and strategic decision-making processes. These initiatives can broadly be divided into three key areas of impact: energy management, biodiversity conservation and water management.

### ENERGY MANAGEMENT

BDB continues to strengthen its commitment to cleaner energy adoption through the gradual integration of solar solutions for both internal consumption and third-party applications. This is evidenced by our expanding use of solar energy for internal operations, alongside the implementation of solar projects for external clients. These initiatives support our long-term decarbonisation agenda while also contributing



to operational efficiency and cost optimisation; this is aligned with the Group's broader sustainability positioning and climate-responsible growth trajectory.

During the reporting period, we continued to implement our Residential Solar Programme as part of our efforts to support renewable energy adoption among residential customers. Alongside this, we advanced the deployment of in-house commercial and industrial (C&I) solar systems across selected operational sites, with installations at Menara BDB and Kulim Kedah Premix Plant (KKPP) energised and operational, while other sites progressed through regulatory and licensing stages to support future commissioning.

By the end of FY2025, 15 residential solar systems had been installed, contributing to an installed capacity of 36.72 kWp, against a target of 550 kWp. The programme generated actual revenue of RM205,000, reflecting initial traction during its early stage of implementation.

Residential solar sales activity moderated following the closure of the Net Energy Metering (NEM) programme on 30 June 2025. During this period, we successfully secured the final NEM project, involving a 14.73 kWp system and generating RM57,000 in sales. Installation of this system was completed in October 2025 under the approved NEM Rakyat quota.

At the same time, we undertook preparatory initiatives to support increased market participation, including aligning the programme structure with upcoming incentive mechanisms such as the Solar Advance Purchase Agreement (ATAP) scheme, which is scheduled for launch in January 2026. These initiatives are intended to strengthen programme uptake and support a more consistent installation pipeline going forward.

Overall, while the programme remains in its early stages, the foundations have been established to support progressive scaling. The Group will continue to refine its delivery approach and expand residential solar installations in line with market readiness and regulatory developments, contributing to its longer-term energy management objectives.

### BIODIVERSITY CONSERVATION

Biodiversity conservation remains a cornerstone of our sustainability strategy, anchored by the Group's long-term stewardship of Darulaman Sanctuary in Lubok Semilang, Langkawi under the Forest Conservation Certificate (FCC) Programme, administered by the Malaysia Forest Fund.

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The sanctuary plays a critical role as a preserved natural refuge, supporting an impressive breadth of biodiversity. Within its boundaries, the sanctuary sustains 73 bird species, 169 butterfly species, 160 species of herbs and 80 types of timber, all thriving within an intact ecosystem. This ecological richness underscores the sanctuary's significance as a conservation area, highlighting the importance of safeguarding natural habitats to ensure the long-term survival of diverse flora and fauna. Notably, several species present in the sanctuary are recognised under the International Union for Conservation of Nature (IUCN) Red List.

Among the avian population, the Great Slaty Woodpecker (*Mulleripicus pulverulentus*) is listed as vulnerable, while species such as the Asian Glossy Starling (*Aplonis panayensis*) and the Crimson Sunbird (*Aethopyga siparaja*) are classified as threatened. In addition to birdlife, the sanctuary provides habitat for 21 other wildlife species, including reptiles such as Cobra and Pit Viper, as well as endangered mammals like the Long-tailed Macaque (*Macaca fascicularis*), Dusky Langur (*Lutung Berkacamata*) and Sunda Slow Loris (*Nycticebus coucang*).

Besides, BDB also participates in the FCC Programme in our capacity as a landowner-led project proponent and long-term custodian. Under the FCC framework, we have committed 91.58 hectares of privately owned land exclusively for conservation purposes throughout the certification period (2025–2027), ensuring protection against conversion or incompatible land use.

The FCC initiative represents a strategic shift from land development potential to long-term ecological stewardship, supported by financial co-investment, scientific collaboration with Forest Research Institute Malaysia, otherwise known as FRIM Incorporated Sdn. Bhd. (FRIM Inc.), and inclusive governance.

#### FY2025 FCC Progress Highlights

- **Forest Conservation Masterplan**  
Preparation of the Forest Conservation Masterplan commenced under the leadership of FRIM Inc., providing the technical foundation for long-term conservation, restoration and eco-tourism integration.
- **Forest Restoration and Tree Planting**  
A total of 720 trees were planted in FY2025, achieving approximately 36% completion of the FCC commitment to plant 2,000 trees. Two structured planting sessions were conducted:
  - 21 June 2025: 300 native trees planted
  - 29 November 2025: 420 native trees planted
- **Forest Maintenance Readiness**  
Dedicated personnel, tools and monitoring systems were deployed, achieving approximately 40% readiness in forest maintenance capacity.



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#### • Biodiversity Assessment Surveys

FRIM Inc. commenced biodiversity surveys in July 2025. By year-end, approximately 60% progress had been achieved. Eight endangered tree species were identified:

- *Anthoshorea hypochra* (Meranti Temak)
- *Anthoshorea henryana* (Meranti Jerit)
- *Anthoshorea roxburghii* (Meranti Temak Nipis)
- *Dipterocarpus grandiflorus* (Keruing Belimbing)
- *Hopea ferrea* (Giam Malut)
- *Hopea odorata* (Merawan Siput Jantan)
- *Vatica hermandiana* (Resak Laut)
- *Vatica umbonata* (Resak Air)

Technical analyses for these species are currently in preparation.

As part of our commitment to biodiversity transparency within Darulaman Sanctuary at Lubok Semilang, we also provide access to detailed information on common wildlife and plant species through our dedicated website at <https://darulamansanctuary.bdb.com.my/>.

The site outlines species that have been recorded and are expected to be found within the area, together with their respective conservation status (including Endangered, Near Threatened, Vulnerable and Least Concern), according to their IUCN Red List classification. This information supports an informed understanding of the ecological value and conservation considerations associated with the area.

#### Conservation Infrastructure and Edu-Eco Tourism

In FY2025, BDB also advanced conservation-sensitive infrastructure planning to support site development while minimising potential ecological impacts. Details of these developments are outlined, below:

- Preliminary canopy walk design to minimise ecological disturbance while supporting education and access;
- Planning of interpretive information panels to communicate conservation values and biodiversity insights; and
- Development planning for the Edu-Eco Tourism Main Entrance, with contractor appointment and design selection completed.

#### Community Engagement, Governance & Resource Stewardship

On 29 November 2025, the Mini Temasya @ Darulaman Sanctuary programme served as the year's closing FCC activity, integrating restoration with community participation. Approximately 163 stakeholders participated, supported by FCC funding via the Malaysia Forest Fund, reinforcing inclusive conservation governance.

BDB's resource stewardship approach reflects a balance between environmental responsibility, operational discipline and long-term value creation. Through a combination of structured energy transition, biodiversity protection and water management systems, the Group has successfully been able to strengthen:

- Climate and conservation credibility;
- Regulatory and ESG compliance;
- Stakeholder confidence; and
- Future readiness for sustainable financing and carbon mechanisms.

BDB's participation in the FCC Programme and its expanding sustainability initiatives demonstrate a strategic shift towards measurable, verifiable and investable conservation stewardship. Through continued investment, scientific collaboration and inclusive governance, BDB is transforming natural capital stewardship into a core pillar of sustainable business value.

#### WATER MANAGEMENT

Water efficiency at BDB is managed through operational monitoring and preventive maintenance, particularly within high-usage leisure facilities. Routine meter readings and operational reporting enable early detection of abnormal consumption. Scheduled inspections of pipelines, filtration systems and water features support leak prevention and usage optimisation.

Moreover, SOP are implemented to regulate daily water use, thereby supporting compliance with operational and environmental requirements. In FY2025, BDB focused on strengthening data collection and monitoring systems to improve early detection of inefficiencies and support long-term reduction planning.

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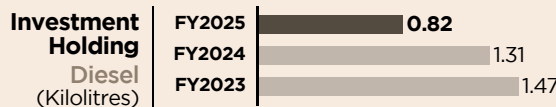
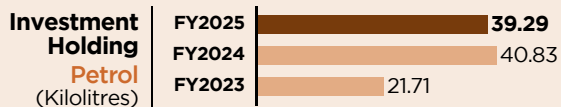
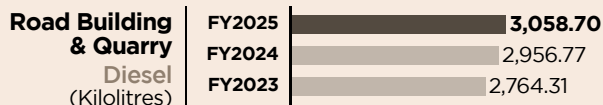
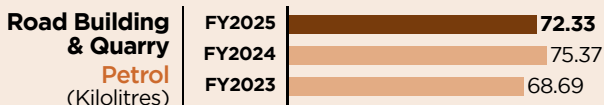
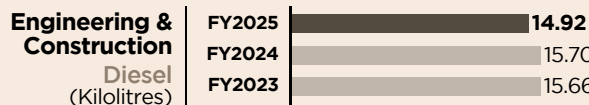
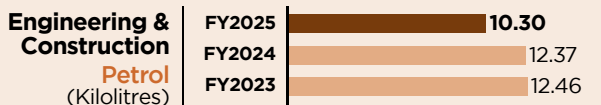
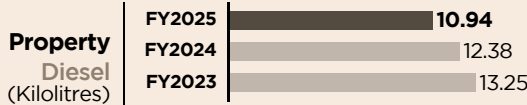
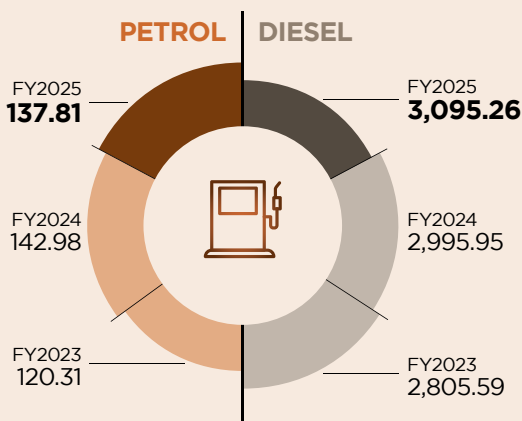
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#### OUR PERFORMANCE

The following tables provide an overview of our performance in relation to fuel, energy, electricity and water consumption during the reporting period.

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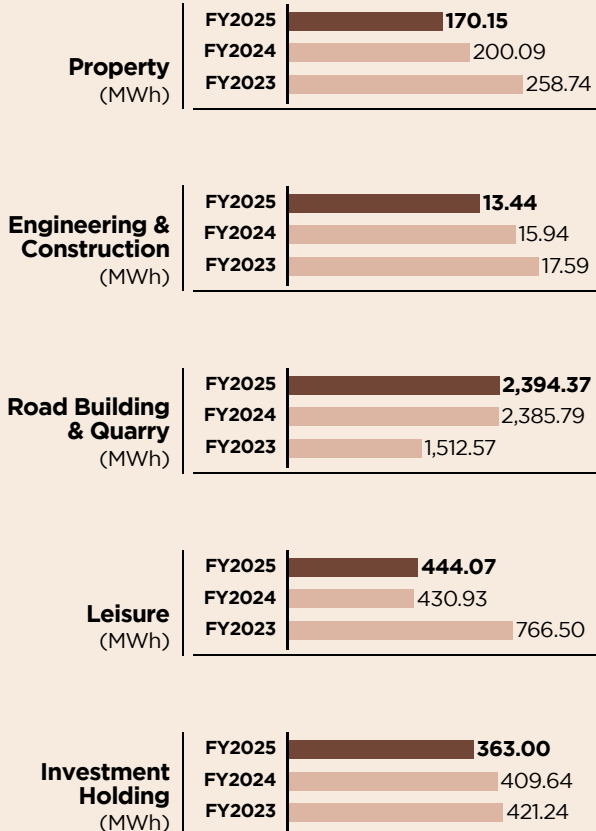
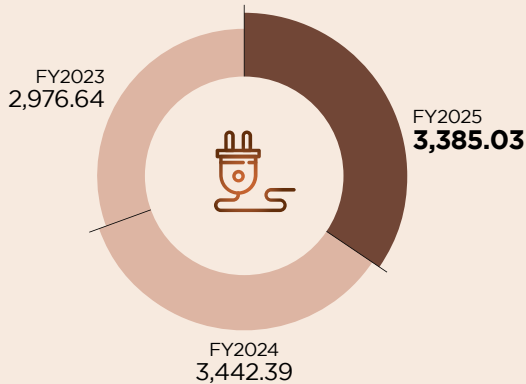
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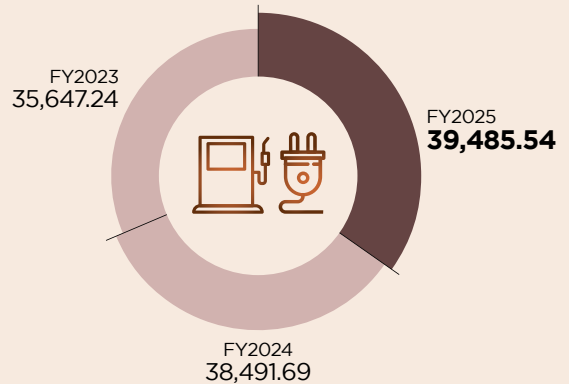
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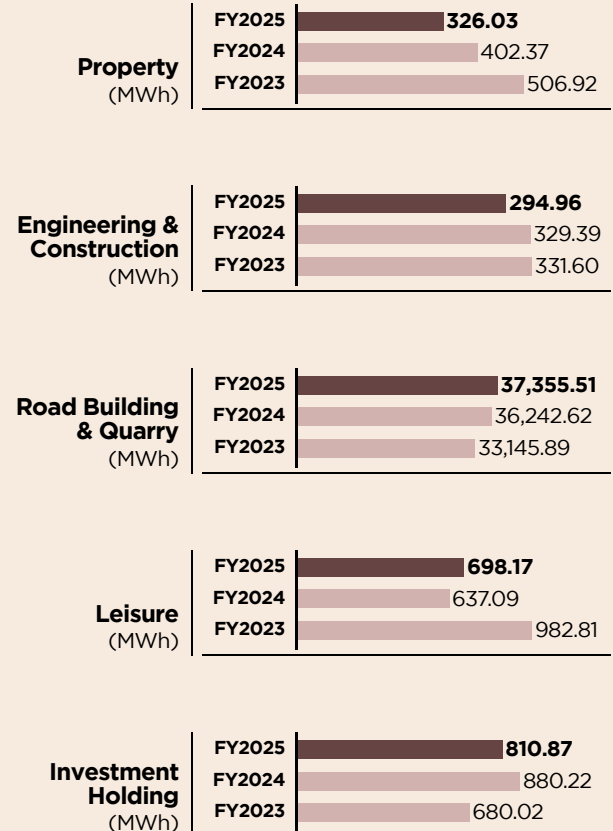
#### ELECTRICITY CONSUMPTION (MWh)



#### ENERGY CONSUMPTION (MWh)



**NOTE:** Total energy consumption is calculated based on total fuel consumption (i.e., petrol and diesel) and electricity consumption.



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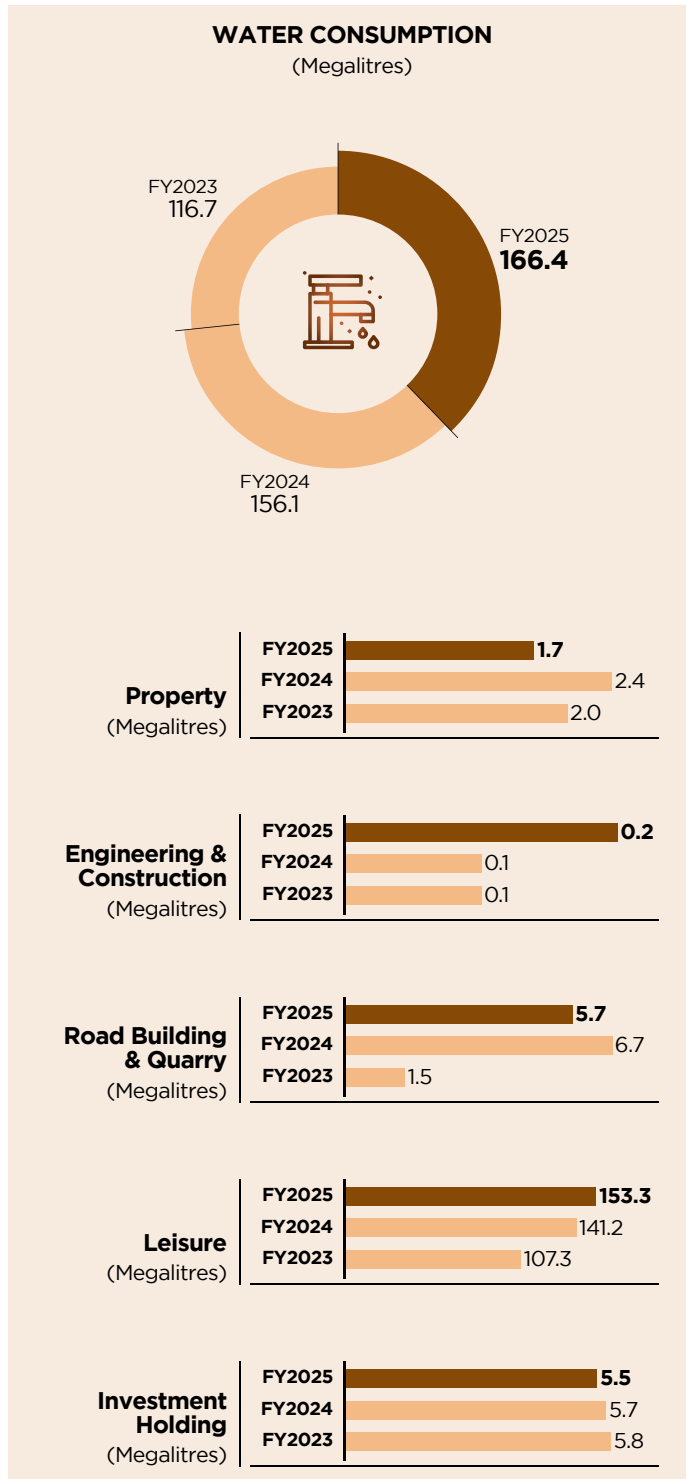
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## WASTE AND POLLUTION MANAGEMENT

A key part of BDB's broader environmental compliance and sustainability framework is a commitment to responsible waste, effluent and emissions management. To minimise environmental impact and safeguard public and ecosystem health, our approach blends regulatory adherence with stringent operational controls, supported by continuous monitoring and improvement.

Waste and pollution management practices are implemented across business operations in alignment with applicable laws, guidelines and industry standards. These practices can be split into two main areas: emissions, and waste/effluents.

### EMISSIONS

In FY2025, we continued to implement measures to reduce greenhouse gas (GHG) emissions and enhance carbon sequestration as part of our broader sustainability strategy. Through BDB Energy, we advanced the deployment of renewable energy solutions, including solar energy for internal operations and third-party applications, to reduce reliance on grid electricity and associated emissions.

During the year, BDB Energy progressed five in-house solar projects across commercial and industrial (C&I) sites to support emissions reduction from electricity consumption. Two systems—Menara BDB (89 kWp) and the Kulim Kedah Premix Plant (87 kWp)—were energised in October 2025, with Menara BDB fully operational and the Kulim plant partially operational pending rectification works. With the two energised system, we generated and utilised 36,850 kWh of renewable energy during FY2025, which is estimated to have avoided approximately 27.92 tCO<sub>2</sub>e based on the Malaysia national grid emissions factor published by Malaysia Energy Information Hub (MEIH). The remaining installations at Fantasia Aqua Park, Lifestyle Gallery/Glass Hall and Darulaman Golf & Country Club continued to advance through regulatory and licensing processes and are expected to be energised from June 2026 onwards, subject to approvals.

In parallel, we continued to promote residential solar adoption to support reductions in grid electricity use and associated

GHG emissions. While sales momentum moderated following changes to the net energy metering framework, the programme remained active and positioned to leverage future policy developments.

We also continued to prioritise nature-based solutions through the conservation of Darulaman Sanctuary, which serves as a long-term carbon sink while supporting biodiversity conservation.

During the year, we maintained our participation in the Forest Conservation Certificate (FCC) Programme, led by the Malaysia Forest Fund (MFF) in collaboration with the Ministry of Natural Resources and Environmental Sustainability (NRES). Through this programme, Darulaman Sanctuary contributes to structured forest conservation efforts that support carbon sequestration and climate mitigation outcomes.

Overall, these initiatives reflect our ongoing efforts to reduce emissions, enhance carbon sequestration and support the transition towards a more sustainable, low-carbon economy. Emissions arising from our operational activities continue to be monitored and managed through controls focused on regulatory compliance, efficiency optimisation and environmental risk reduction. Emission management remains embedded within our environmental management systems, supporting reporting consistency, compliance and long-term sustainability alignment.

### WASTE/ EFFLUENTS

Waste and effluent management practices are guided by operational procedures, regulatory standards and environmental safeguards to ensure that waste streams are handled responsibly and do not pose risks to public health or ecosystems.

#### Water Discharge Management at Fantasia Aquapark

At Fantasia Aquapark and Darulaman Park, periodic water quality testing is conducted to monitor bacterial levels and other key parameters, ensuring that water managed or discharged meets applicable environmental and public health standards. Monitoring results are used to guide operational adjustments and support ongoing compliance with regulatory requirements.

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During FY2025, wastewater discharge management at the water park was carried out by a third-party operator appointed to manage the facility in its entirety. The operator was responsible for:

- Conducting routine water quality monitoring;
- Managing discharge controls; and
- Reporting performance outcomes regularly to Group's headquarters.

We maintained governance oversight through performance reporting and compliance monitoring to ensure that third-party practices remained aligned with our environmental standards and regulatory obligations.

To further strengthen oversight, coordination and accountability for waste and effluent management, an internal team was established to manage and operate Fantasia Aquapark with effect from 1 January 2026.

#### Pollution and Waste Management for Our Quarrying and Construction Activities

In FY2025, and in line with our commitment to mitigating pollution, our Procurement and Contracting Procedure for BDB Infra remained in place and is subject to ongoing review. Practices continued to be aligned with ISO 45001:2018 and ISO 14001:2015 to embed environmental responsibilities across operational and contractor management processes.

Pollution control measures were implemented at our quarry and construction sites throughout the year, including dust suppression through regular water spraying and sprinkler systems, the operation of air pollution control systems such as bag filters and scrubbers at pre-mix plants, and the use of retention ponds to capture and treat surface runoff prior to discharge. These measures support the protection of surrounding communities and local water resources.

Waste management remained an integral component of our environmental management approach. Post-Environmental Impact Assessment (EIA) monitoring and quarterly water quality monitoring continued at Bukit Perak Quarry to manage potential environmental impacts. Contractors engaged for our projects were required to appoint subcontractors registered with the Solid Waste and Public Cleansing Management Corporation (SWCorp), while scheduled waste generated at quarry sites continued to be disposed of by contractors registered with the Department of Environment (DOE), in

accordance with applicable regulations.

#### GOVERNANCE-DRIVEN WASTE AND POLLUTION MANAGEMENT

Our approach to waste and pollution management is guided by a governance-driven framework that emphasises regulatory compliance, operational discipline, transparency in reporting and continuous improvement. Through strengthened operational oversight and structured monitoring processes, we proactively manage pollution risks and ensure that environmental safeguards remain effective across our operations.

BDB recognises that effective waste and pollution management is essential to protecting community wellbeing, preserving environmental quality and maintaining stakeholder trust. By embedding accountability across internal teams and third-party operators, and reinforcing performance monitoring and reporting mechanisms, we continue to strengthen our environmental governance and uphold operational integrity.



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## OUR PERFORMANCE

The following tables provide an overview of our performance in relation to GHG emissions and waste management during the reporting period.

### GHG Emissions (CO<sub>2</sub>mt)

Scope	FY2025	FY2024	FY2023
<b>Scope 1: Mobile Combustion</b>	8,518.06	8,266.10	7,710.65
<b>Scope 2: Purchased Electricity</b>	2,565.86	2,609.33	2,256.29

**NOTE:** Total emissions are calculated based on emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Malaysia Energy Information Hub (MEIH), a portal managed by the Energy Commission (Suruhanjaya Tenaga) of Malaysia.

### Waste Management (mt)

Scope	FY2025	FY2024	FY2023
<b>Total Waste Generated</b>	147	155	82
<b>Total Waste Directed to Disposal</b>	147	155	82

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## HUMAN CAPITAL MANAGEMENT AND DEVELOPMENT

At BDB, we recognise human capital as a critical driver of organisational resilience, operational excellence and long-term value creation. Aligned with this guiding principle, our human capital strategy focuses on attracting, developing, engaging and retaining talent through structured governance, continuous learning and inclusive workplace practices.

Human capital management is guided by a combination of formal policies, performance systems and development frameworks to ensure alignment with business priorities, regulatory requirements and evolving workforce expectations.

### OVERALL HUMAN RESOURCE (HR) FRAMEWORK

Our human capital framework is anchored in structured policies, SOP and governance mechanisms that support fair employment practices, performance accountability and employee well-being. In FY2025, key organisational updates in this area included the following:

- Ongoing succession planning, currently in progress under a phased implementation roadmap;
- Expansion of outsourcing arrangements to support operational efficiency; and
- Revision of recruitment SOPs to align with ESG and ABMS requirements.

In addition, recruitment processes were strengthened through clearer procedures, governance alignment and competency-based selection, ensuring that new hires support both operational and strategic business needs.

### HUMAN CAPITAL DEVELOPMENT

In FY2025, learning and development remained a core priority for BDB. During the year, we achieved an average of 16 training hours per employee, delivered through a mix of on-the-job

training, structured classroom and online programmes, as well as mandatory regulatory and accreditation training.

Our training programmes were developed based on annual Training Needs Analysis (TNA) conducted across all departments and aligned with our business priorities, statutory and regulatory requirements, and evolving competency development needs. Furthermore, training effectiveness was assessed through post-training evaluations and participant feedback.

Our approach to human capital development is guided by a structured four-pronged framework:

- **Role Refinement and Organisational Efficiency** – Organisation charts and job descriptions are updated to enhance role clarity, accountability and alignment with operational needs.
- **Targeted Learning and Development** – Investments are made in job-related and industry-relevant upskilling programmes to strengthen employee capabilities.
- **Performance-Driven Culture** – Performance management systems (PMS) and key performance indicator (KPI) frameworks are applied to reinforce accountability, drive continuous improvement and support career progression.
- **Engagement and Retention Strategies** – Town halls and direct employee engagement sessions are conducted to promote transparent communication, encourage feedback and foster a sense of belonging across the organisation.

In parallel, BDB has implemented strategic technical development initiatives for our leadership, including management training, mandatory accreditation programmes and targeted programmes to drive technical skills development. These initiatives support leadership capability enhancement, succession planning and overall workforce competency strengthening.

### Talent Pipeline Development

BDB's HR strategies in FY2025 focused on building a sustainable talent pipeline by creating structured entry pathways for students and fresh graduates through our Internship and Protégé programmes. These initiatives support

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long-term workforce planning objectives by developing early-career talent with the skills, exposure and readiness required to meet future business needs.

In FY2025, we engaged a total of 55 participants, comprising 38 interns and 17 Protégé participants. The effectiveness of these programmes is reflected in the successful absorption of one Protégé participant as a full-time employee, reinforcing their role as viable pipelines for talent acquisition.

Our Internship Programme provides students with practical industry exposure over an average duration of three to six months, enabling them to apply academic knowledge in a real-world corporate setting. Interns are placed across key functions, including engineering, quantity surveying, architecture, town planning, administration, human resources and finance, where they can gain hands-on experience, develop core competencies and contribute fresh perspectives to our operations.

Complementing this, BDB actively participates in the government-led Protégé Programme, a 12-month structured attachment designed to enhance graduate employability. Protégé participants were deployed across functions

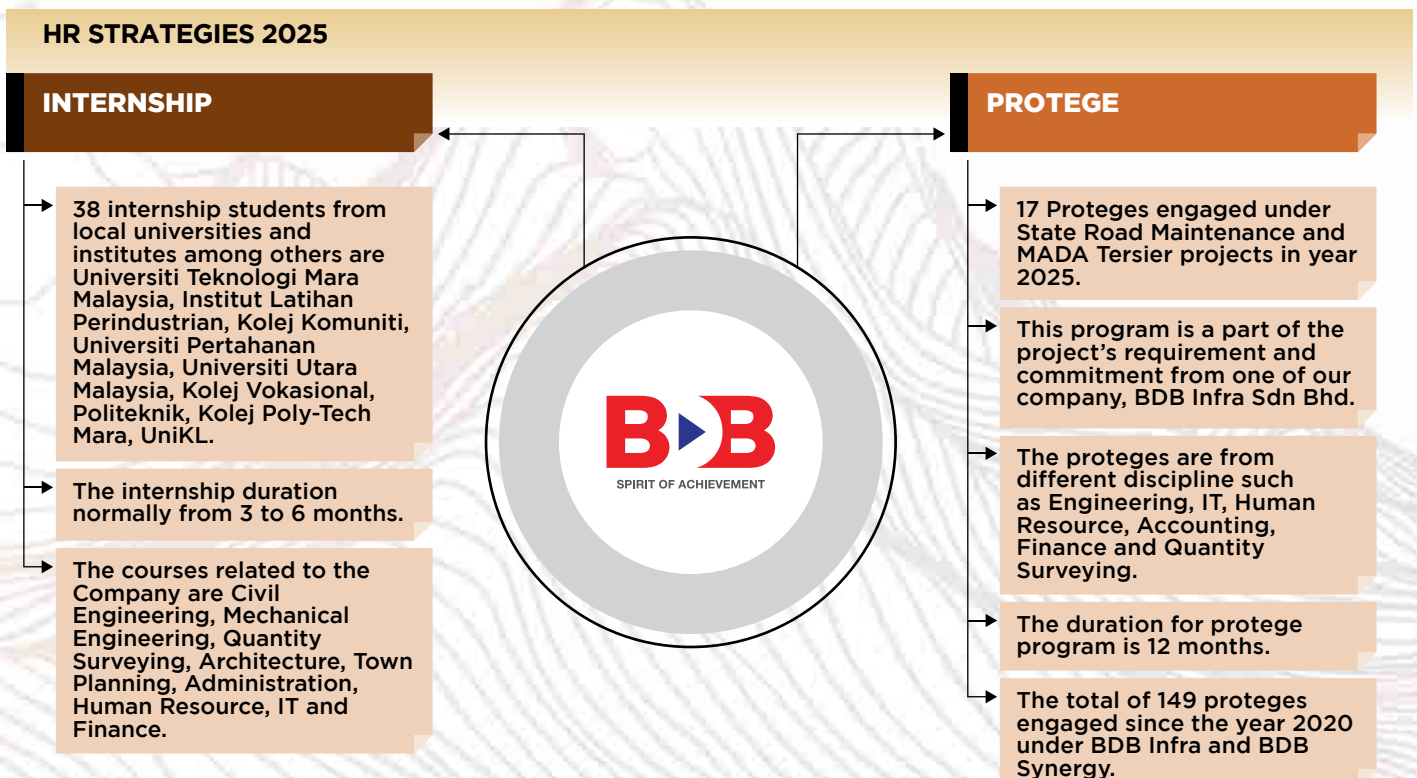
such as engineering, accounting and finance, human resources, procurement and quantity surveying, and were supported through structured training, mentorship and involvement in operational and site-based projects. This exposure strengthens technical proficiency, problem-solving capabilities and business acumen.

Collectively, these initiatives support our HR strategy by strengthening workforce capability, enhancing talent readiness and ensuring continuity of skills within the organisation. Through these programmes, we not only address immediate talent needs but also contribute to the development of future-ready professionals aligned with our long-term growth and sustainability objectives.

#### EMPLOYEE RETENTION, ENGAGEMENT AND COMMUNITY INTEGRATION

##### Retention and Benefits

Employee retention strategies in FY2025 focused primarily on improvements to employee benefits through revisions to the HR Policy and Employee Handbook. These revisions



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addressed the following: leave entitlements, medical coverage and insurance, allowances and benefits provisions, and work-life balance considerations.

Benefits in each of these areas were reviewed to remain competitive, relevant and aligned with employee needs and market expectations. Below is a closer look at several key focus areas, where benefits were assessed and supported through our activities in FY2025:

#### • Performance Management

A dedicated unit was established to focus on monitoring and strengthening the Performance Management System (PMS/KPI framework), supporting clearer performance expectations, accountability and career development pathways.

#### • Engagement and Communication

Employee engagement was supported through town halls, engagement sessions and internal communication platforms, including sessions conducted for BDB Infra and the Leisure division. Engagement outcomes included strengthened communication, improved alignment with organisational priorities and reinforcement of organisational unity.

#### • Well-being and Work-Life Balance

Wellbeing initiatives were supported through company-organised activities, promoting employee participation, wellness and social interaction.

In parallel, we updated relevant SOP to align with ESG expectations and Anti-Bribery and Anti-Money Laundering and Sanctions (“ABMS”) requirements. These revisions reinforced consistent, transparent and non-discriminatory practices in employment-related processes, decision-making and workplace conduct.

Collectively, the measures implemented support an inclusive workplace culture grounded in equal opportunity, respect and ethical behaviour, while also strengthening alignment with regulatory requirements and recognised governance standards.

#### Grievance Management and Employee Relations

In FY2025, we strengthened our employee relations and grievance management practices through revisions to human resources policies and procedures to promote fairness, transparency and consistency in the handling of employee concerns. These enhancements support timely resolution of grievances and reinforce trust, accountability and organisational integrity across the workforce.

Besides, we implemented exit interviews as part of our employee retention strategy, in order to better understand the underlying reasons for employee departures, particularly for high-impact or critical roles. Insights from these interviews are used to identify areas for improvement in employee engagement, workplace practices and talent retention.

Collectively, these measures strengthen employee relations, support constructive dialogue between employees and management, and contribute to a more engaged, responsive and resilient workplace.

#### Performance Outcomes and Continuous Improvement

During the year, measurable workforce improvements were observed through strengthened employee engagement, supported by regular town halls and divisional engagement sessions that facilitated open communication and alignment with organisational priorities. In addition, increased training hours, broader participation in leadership development programmes and enhancements to performance management system (“PMS”) governance contributed to the continued development of workforce capability, accountability and performance.

These outcomes support a culture of continuous improvement while reinforcing BDB’s focus on talent development and organisational effectiveness.



#### Diversity, Equity and Inclusion

In FY2025, we continued to strengthen our commitment to diversity, equity and inclusion (“DEI”) through targeted enhancements to our people policies and governance practices. DEI advancement was supported through revisions to employee benefits under our human resources policies, aimed at promoting equitable access, fair treatment and employee well-being across our workforce.

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#### OUR PERFORMANCE

At BDB, we believe that being a people-centric organisation drives sustainable business performance. In FY2025, we strengthened our human capital foundation through structured governance, inclusive workplace practices and continuous employee development.

Looking ahead to FY2026, our priorities include salary revisions, continued succession planning, leadership and technical upskilling, and ongoing enhancements to employee benefits. These initiatives reflect our commitment to maintaining a motivated, capable and future-ready workforce aligned with long-term organisational resilience and value creation.

The following tables provide an overview of BDB's key human capital performance indicators for FY2025.

#### Board/ Board Committee Gender Composition

Board / Board Committees	FY2025		FY2024		FY2023	
	Male(%) 	Female (%) 	Male(%) 	Female (%) 	Male(%) 	Female (%) 
Board of Directors	75	25	75	25	75	25
Audit Committee	75	25	67	33	67	33
Risk Committee	100	0	100	0	100	0
Sustainability Committee*	67	33	67	33	67	33
Investment Committee**	67	33	100	0	100	0
Nomination, Remuneration and ESOS Committee	33	67	33	67	33	67
Procurement Committee	100	0	50	50	50	50

Note: \* Discontinued effective 31 December 2025

\*\* Discontinued effective 31 December 2025 and merged with Risk Committee

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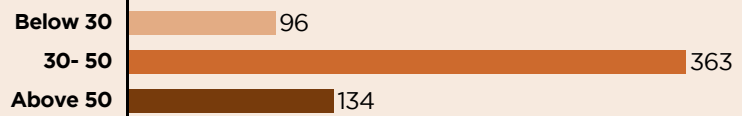
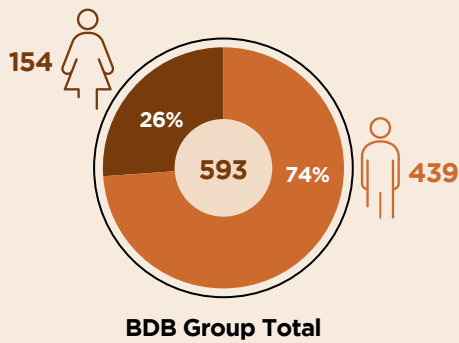
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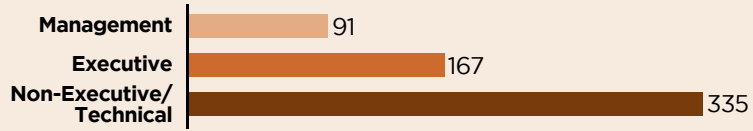
#### Employee Breakdown

Business Segment	Total Employees	Gender		Age Profile			Employee Category				
		Male (%) 	Female (%) 	Below 30	30 - 50	Above 50	Management	Executive	Non-Executive/Technical	Total employee that are contractors/temporary	% of employee that are contractors/temporary staff
Property	79	59	41	5	59	15	12	29	38	8	10.1
Engineering & Construction	38	84	16	1	21	16	8	13	17	6	15.8
Road Building & Quarry	282	88	12	48	177	57	18	41	223	109	38.7
Leisure	60	75	25	17	32	11	3	18	39	37	61.7
Holding Company	134	51	49	25	74	35	50	66	18	20	14.9
<b>TOTAL</b>	<b>593</b>	<b>74</b>	<b>26</b>	<b>96</b>	<b>363</b>	<b>134</b>	<b>91</b>	<b>167</b>	<b>335</b>	<b>180</b>	<b>30.4</b>

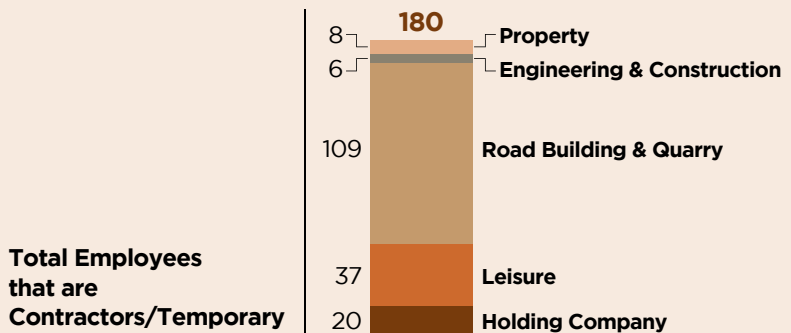
#### EMPLOYEE BREAKDOWN FY2025



#### BDB Group Age Profile Total



#### BDB Group Employee Category Total



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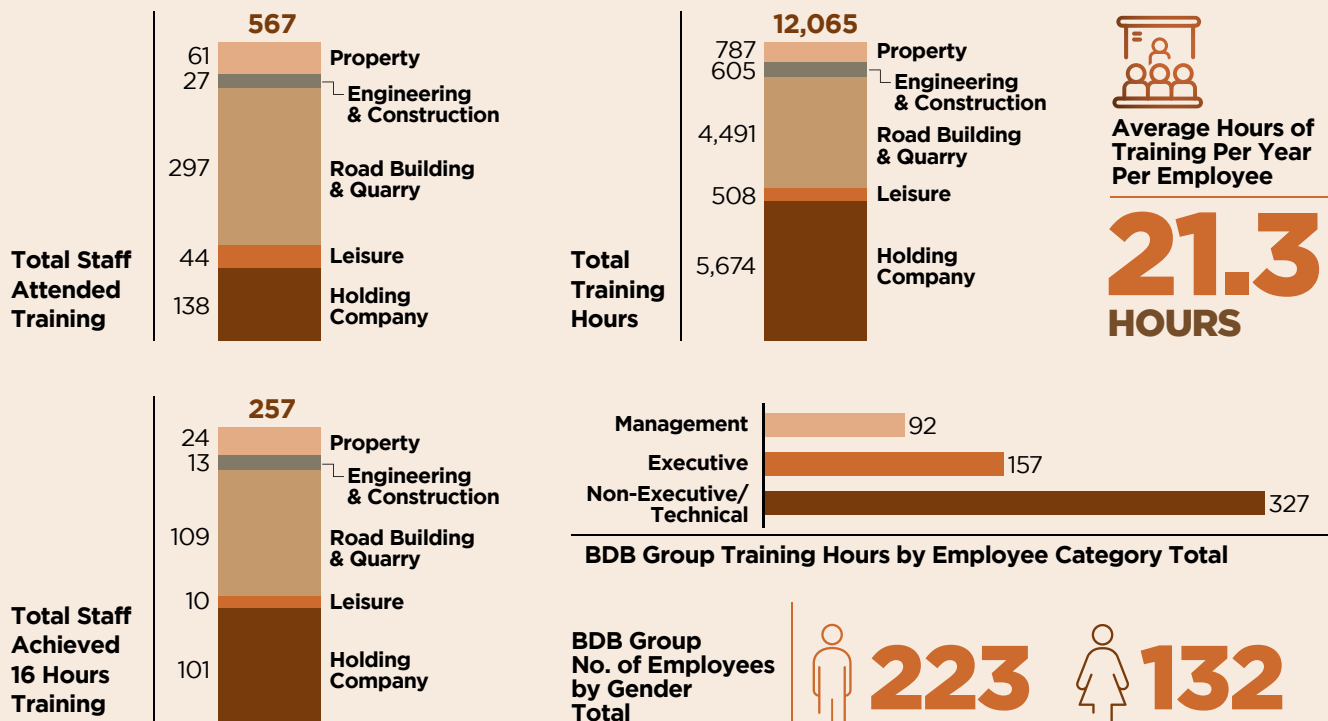
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#### Training and Development

Business Segment	Total staff attended training	Total training hour	Average hours of training per year per employee	Total staff achieved 16 hours training	Training hours by employee category			No. of employees by gender	
					Management	Executive	Non-Executive/Technical	Male	Female
Property	61	787	45.0	24	11	25	25	47	32
Engineering & Construction	27	605	22.4	13	8	8	11	32	6
Road Building & Quarry	297	4,491	65.5	109	19	41	246	27	17
Leisure	44	508	24.8	10	3	14	27	45	15
Holding Company	138	5,674	41.1	101	51	69	18	72	62
<b>TOTAL</b>	<b>567</b>	<b>12,065</b>	<b>21.3</b>	<b>257</b>	<b>92</b>	<b>157</b>	<b>327</b>	<b>223</b>	<b>132</b>

#### TRAINING AND DEVELOPMENT FY2025



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#### Employee Turnover (By Employee Category)

Business Segment	Employee Category		
	Management	Executive	Non-Executive/ Technical
Property	0	7	12
Engineering & Construction	0	2	3
Road Building & Quarry	2	3	58
Leisure	0	3	8
Holding Company	7	8	0
<b>TOTAL</b>	<b>9</b>	<b>23</b>	<b>81</b>



**BDB Group Employee Turnover (By Employee Category) Total**

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## OCCUPATIONAL HEALTH, SAFETY AND WELL-BEING

BDB is committed to providing a safe, healthy and supportive working environment for all employees, contractors and business partners. To this end, our occupational health and safety practices are governed by structured policies, risk controls and continuous improvement mechanisms designed to prevent injuries, protect well-being and maintain the highest possible standards of operational resilience.

Health and safety performance is monitored through formal reporting, committee oversight and management accountability, ensuring that risks are identified early and corrective actions effectively implemented.

### HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE) FRAMEWORK

BDB manages HSSE risks through a structured framework supported by policies, procedures and governance processes. Key components of this HSSE framework include:

- **Environmental, Occupational Safety and Health (EOSH) Management System**

Provides a structured, risk-based approach to managing workplace safety and environmental risks, including the identification, assessment and control of potential hazards.

- **Hazard and Environmental Aspect Management Procedures**

Enables the proactive identification, evaluation and mitigation of safety hazards and environmental aspects arising from operational activities.

- **Incident Investigation and Reporting Procedures**

Establishes clear processes for reporting incidents and near misses, conducting root-cause analyses, and implementing corrective and preventive actions to prevent recurrence.

- **Competency, Training and Awareness Programmes**

Supports employee capability development through relevant safety training, certifications and ongoing

awareness initiatives to ensure compliance with applicable HSSE requirements.

- **Communication, Consultation and Employee Participation**

Encourages active employee engagement in HSSE governance through communication channels, consultation mechanisms and participation in safety initiatives, reinforcing shared responsibility for HSSE performance.

### SAFETY PERFORMANCE AND INCIDENT TRENDS

In FY2025, we recorded an improvement in safety performance, with Lost Time Injuries (LTI) reduced to four days. Incident reporting, investigation and corrective action tracking remain key components of our safety management framework, supporting transparency and continuous learning across operations.

### SAFETY GOVERNANCE AND OVERSIGHT

The Safety and Health Committee (SHC) continues to play a central role in safety governance. During FY2025, the SHC convened in March 2025 to review safety performance, discuss incident trends and reinforce compliance with occupational safety requirements.

Throughout the year, committee discussions focused on strengthening preventive controls, enhancing employee awareness and ensuring alignment with regulatory and internal safety standards.

### TRAINING, AWARENESS AND COMPETENCY

In FY2025, we continued to strengthen safety awareness and competency through targeted training programmes, including:

- Ergonomic Risk Assessment Course (1 participant)
- Office Ergonomic Health Awareness Programme (83 participants)

These initiatives support early risk identification, injury prevention and improved employee awareness of ergonomic and health-related hazards.

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#### WORKPLACE HEALTH AND WELL-BEING

Employee well-being is a priority area within BDB’s evolving OHS framework. During FY2025, this emphasis on workplace health was reflected in a number of initiatives which focused on ergonomics, health awareness and preventive care. Programmes were designed to improve employee comfort, reduce musculoskeletal risks and promote long-term well-being.

These skills and training programmes were supported by investment in safety infrastructure and equipment, thereby strengthening operational safety readiness. During FY2025, the following actions were taken to upgrade and replenish our OHS infrastructure:

- First aid kit stock replenishment
- Fire system and equipment servicing
- Fire certificate renewal

These measures ensure continued compliance with safety regulations and reinforce emergency preparedness across facilities.

### OUR PERFORMANCE

Overall HSSE performance in FY2025 reflected positive improvement trends, particularly in the reduction of LTI. Performance data, internal audits and management reviews supported informed decision-making and the identification of targeted safety improvements.

These outcomes reflect BDB’s ongoing efforts to embed a strong safety culture through leadership commitment, employee participation and continuous learning. Based on continuous monitoring, needs assessments and performance evaluations, the following priorities and focus areas have been identified for FY2026:

1. Mental health support
2. Ergonomic risk management
3. First aid preparedness

These priorities reflect BDB’s broader commitment to strengthening both physical safety and employee well-being in an integrated manner, combining infrastructure, training and support to address physical and psychosocial well-being.



BDB Group  
Total HSSE  
Training

84



BDB Group  
Total Staff  
Attended Training

260



BDB Group  
Total Training Hour

1,313



BDB Group  
Average Hours of Training  
Per Year Per Employee

60

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## Sustainability Report 2025

### Sustainability Pillar 3: Enabling and Empowering Employees

The following tables and charts present key HSSE performance data for FY2025, forming the basis for continued monitoring and enhancement of our occupational health and safety framework.

#### HSSE Performance Indicators

Business Segment	Total LTI Cases	LTI Days	LTI Rate	Types of Injuries	Work-related Fatalities
Property	-	-	-	-	-
Engineering & Construction	-	-	-	-	-
Road Building & Quarry	-	-	-	-	-
Leisure	-	-	-	-	-
Holding Company	2	4	7.76	-	0
<b>TOTAL</b>	<b>2</b>	<b>4</b>	<b>0.83</b>	-	<b>0</b>

#### HSSE Trainings

Business Segment	Total HSSE Training	Total staff attended training	Total training hour	Average hours of training per year per employee
Property	1	2	2	1
Engineering & Construction	39	18	265	14.72
Road Building & Quarry	22	147	674	40.26
Leisure	-	-	-	-
Holding Company	22	93	372	4
<b>TOTAL</b>	<b>84</b>	<b>260</b>	<b>1,313</b>	<b>60</b>



Total HSSE Training Cost for FY2025

**RM23,179**

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## Sustainability Report 2025

# Sustainability Pillar 4: Engaging Effectively with Stakeholders



## CUSTOMER VALUE AND QUALITY MANAGEMENT

Customer satisfaction, product quality and service reliability sits at the centre of our business strategy. Across all operating segments, the Group is committed to delivering consistent value through customer-centric practices, structured quality assurance systems and continuous performance improvement.

Customer trust is reinforced through transparent engagement, systematic feedback management and adherence to recognised quality standards.

### CUSTOMER-CENTRIC SERVICES AND CONDUCT

BDB maintains multiple channels through which customers can provide feedback, lodge enquiries and submit complaints. These channels enable timely response, structured tracking and continuous service improvement.

To identify service gaps, operational weaknesses and improvement opportunities, customer feedback is actively reviewed and analysed. Corrective actions are subsequently implemented where necessary, ensuring that customer concerns are addressed in a timely and transparent manner.

For the Leisure segment, customer engagement in FY2025 was strengthened through the following actions:

- Continuous monitoring of customer feedback to support improvement initiatives;
- Use of feedback data to identify service gaps and implement corrective actions; and
- Enhanced communication channels, including digital platforms and on-site information dissemination.

Promotional activities and timely updates improved customer awareness of services, offerings and events, contributing to higher engagement and satisfaction levels.

## COMPLIANCE WITH RECOGNISED CERTIFICATIONS AND FRAMEWORKS

BDB continues to uphold recognised industry standards and certification frameworks to ensure quality assurance, regulatory compliance and customer confidence.

For the Property segment, regular audits, staff training and stricter inspections were conducted in FY2025 to maintain compliance with ISO and QLASSIC standards. These efforts contributed to the following developments:

- Improved construction quality;
- Reduced defect occurrence; and
- Strengthened customer confidence in project delivery.

Through these quality frameworks, we reinforce our commitment to consistency, transparency and professional accountability across project lifecycles.

## DEFECT MANAGEMENT PROCESS - PROPERTY SEGMENT CASE STUDY

BDB Land maintains a structured and responsive defect management framework to ensure customer complaints are handled efficiently while continuously improving the overall customer experience. Customers may lodge defects through designated email channels (defect\_bd@bdb.com.my or defect\_dp@bdb.com.my) or via the Borang Aduan Kecacatan form, with all submissions acknowledged within 24 hours. The company applies differentiated timelines for rectification, with routine defects typically addressed within 14 working days, while more complex issues are resolved within 60 days and subject to final verification by an architect.

Building on this framework, BDB Land continued to enhance its defect management processes during FY2025 to improve operational efficiency and service quality. Key improvements implemented during the year included the following:

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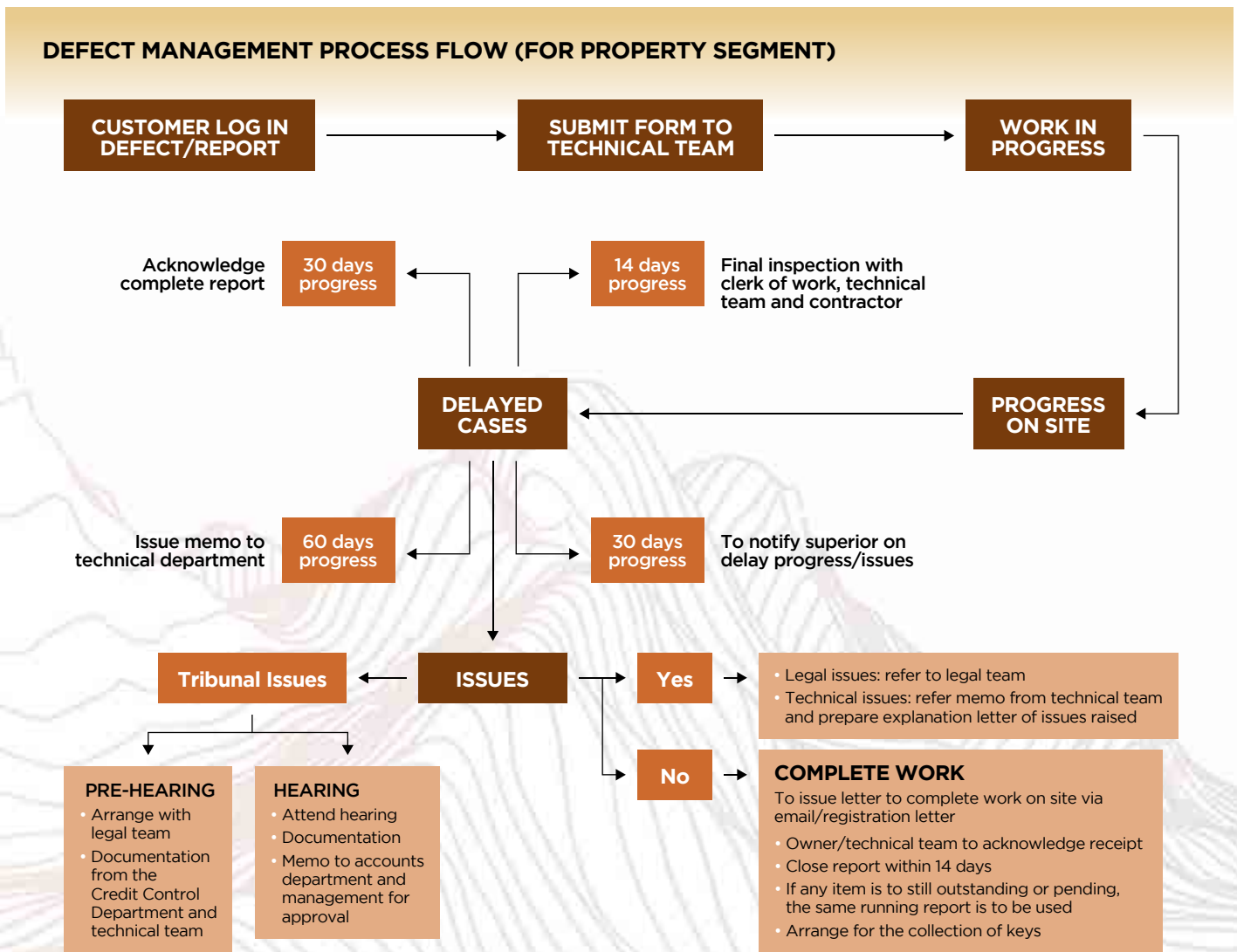
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## Sustainability Report 2025

### Sustainability Pillar 4: Engaging Effectively with Stakeholders

- Clearer timelines for defect rectification;
- A structured escalation process;
- Centralised tracking of defect cases; and
- Post-handover inspections to identify issues at an early stage.



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### Sustainability Pillar 4: Engaging Effectively with Stakeholders



#### Outcomes Achieved

These enhancements translated into measurable improvements across both service delivery and operational performance. Clearer timelines and a more structured escalation process enabled faster resolution of defects and reduced unnecessary delays, while centralised tracking improved coordination, monitoring and follow-up across cases.

Early identification of issues through post-handover inspections also helped minimise repeat complaints, contributing to a smoother and more positive homeowner experience. Collectively, the strengthened defect management process enhanced operational efficiency, reinforced service reliability and built greater customer confidence, while ensuring that commitments made to customers remained practical, transparent and achievable.

#### CUSTOMER VALUE AND QUALITY GOVERNANCE

At BDB, our approach to customer value and quality management is anchored in strong governance, consistency and accountability. By integrating customer feedback mechanisms, certification compliance and structured defect management processes into our operational systems, we manage quality proactively rather than reactively. This governance-driven approach supports higher customer satisfaction, strengthens brand trust, reduces operational risk and fosters long-term customer relationships.

We believe that sustainable customer value is built through reliable delivery, transparent engagement and continuous improvement. Through structured quality systems and customer-centric practices, we continue to enhance service quality, reinforce customer confidence and strengthen our reputation for professionalism, accountability and service excellence, while supporting sustainable business growth.

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### Sustainability Pillar 4: Engaging Effectively with Stakeholders

## SOCIAL RESPONSIBILITY AND COMMUNITY ENGAGEMENT

BDB remains committed to contributing positively to society through structured corporate social responsibility (CSR) initiatives that strengthen communities, promote wellbeing and foster inclusive stakeholder relationships. Our CSR activities are guided by four core pillars:

#### 1. Education Development

We support education development by enhancing access to learning opportunities, particularly for marginalised communities, to promote knowledge-building, social mobility and improved quality of life.

#### 2. Religious Programmes

Our community engagement includes support for religious programmes that respect diversity and align with ethical and social inclusion values, including voluntary Shariah-aligned initiatives where applicable.

#### 3. Sports and Recreation

We promote healthy lifestyles and positive community engagement through sports and recreational activities, with a focus on physical wellbeing and social interaction, particularly among vulnerable groups.

#### 4. Community and Stakeholder Relations

We strengthen community and stakeholder relations through donation drives, humanitarian assistance, environmental programmes and employee volunteerism, supporting long-term engagement and community resilience.

Each of these four pillars provide a consistent framework to ensure that social investments remain focused, measurable and aligned with community needs. Notable developments under each pillar during FY2025 are summarised below:

#### 1. Education Development

During FY2025, education-related initiatives continued to support knowledge sharing, awareness building and long-term community development. Educational engagements are designed to complement community

development objectives while strengthening stakeholder relationships and social impact outcomes.

#### 2. Religious Programmes

Religious programmes remain an important component of our ongoing CSR efforts, supporting cultural values, inclusivity and social cohesion. In FY2025, religious engagement activities were implemented through collaborative programmes with government agencies, media partners and community groups, reinforcing our commitment to respectful, inclusive community participation.

#### 3. Sports and Recreation

Sports and recreation initiatives in FY2025 focused on promoting healthy lifestyles, active participation and social interaction. Key programmes included:

- Collaboration with Jitra Runnaz to organise the Jitra Night Run at Darulaman Park, encouraging wellness, community participation and stakeholder engagement; and
- Collaboration with JKKN Kedah, Kedah Tourism, Laman Manis, Stallion Miles Club and Kanjo Event Tech to organise the Manisnya Tahun Baru event at Darulaman Park, featuring the “Kopi Lari” run, year-end celebrations and community activities.

These programmes maximised the use of recreational assets while strengthening our role as a facilitator of community wellbeing.

#### 4. Community and Stakeholder Relations

During FY2025, BDB Leisure actively engaged with local communities, government agencies, business partners and other stakeholders through outreach programmes, collaborative events and continuous communication. These initiatives were designed to enhance mutual understanding, address community needs and strengthen long-term relationships built on trust and cooperation.

Key engagements in FY2025 included:

- Collaboration with RTM and Kedah FM for Jelajah Ramadan RTM 2025, hosting a Majlis Berbuka Puasa with senior citizens and the public; and

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### Sustainability Pillar 4: Engaging Effectively with Stakeholders

- Ongoing partnerships with community organisations and event collaborators to deliver inclusive, socially meaningful programmes.

#### CSR GOVERNANCE, INVESTMENT AND SOCIAL IMPACT

In FY2025, CSR investment and utilisation reflected our commitment to disciplined financial stewardship and impact prioritisation. While the approved CSR budget in FY2025 was lower than in FY2024, utilisation efficiency improved significantly, demonstrating a more targeted and focused deployment of CSR resources.

BDB’s approach to CSR is guided by a governance-driven framework that emphasises alignment with community priorities, responsible use of financial resources, measurable participation and engagement, and long-term relationship building. By mapping CSR initiatives to four core pillars, we are able to ensure clarity of purpose, consistency in delivery and accountability in our social investments.

We believe that meaningful social responsibility extends beyond financial contributions. Through partnerships, active participation and sustained commitment, we seek to strengthen community resilience, wellbeing and social trust. In FY2025, our balanced focus across education, religion, recreation and stakeholder engagement reinforced our role as a responsible corporate citizen committed to inclusive and sustainable community development.



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# CSR & People Development



### Majlis Berbuka Puasa Kumpulan BDB / Iftar with BDB Staff

Darulaman Golf & Country Club (DGCC), Jitra



### Presentation of Sijil Anugerah Pelaksana Program Ready to Work (RTW) from Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP)

Universiti Utara Malaysia (UUM), Sintok



### Kenduri BDB 2025 Sempena Sambutan Hari Raya Aidiladha

Darulaman Golf & Country Club (DGCC), Jitra



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## Sustainability Report 2025

# Performance Data Table

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Energy Management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	35,647.24	38,491.69	39,485.54
<b>Bursa (Health and Safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	-	-	-
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.06	0.98	0.83
Bursa C5(c) Number of employees trained on health and safety standards	Number	185	280	260
<b>Bursa (Water)</b>				
Bursa C9 (a) Total volume of water used	Megalitres	116.700000	156.074000	166.515000
<b>Bursa (Waste Management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	82.08 *	155.33	147.16
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	-
Bursa C10 (a)(ii) Total waste directed to disposal	Metric tonnes	82.08 *	155.33	147.16
<b>Bursa (Emissions Management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	7,710.65 *	8,266.10	8,518.06
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	2,256.29 *	2,609.33	2,565.86
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	-
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employee who have received training on anti-corruption by employee category				
Management	Percentage	-	70.00	89.00
Executive	Percentage	-	70.00	74.00
Non-executive/ Technical Staff	Percentage	-	26.00	83.00
Bursa C(b) Percentage of operations assessed for corruption related risks	Percentage	-	44.00	50.00
Bursa C(c) Confirmed incidents of corruption and action taken	Number	-	-	-
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	396,001.00	279,550.25	50,950.00
Bursa C2(b) Total number of beneficiaries of the investment in	Number	51	45	19

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### Performance Data Table

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	-	-	0.17
Management Between 30-50	Percentage	9.00	8.00	8.77
Management Above 50	Percentage	5.00	5.60	6.41
Executive Under 30	Percentage	6.00	7.30	7.08
Executive Between 30-50	Percentage	17.00	16.50	17.20
Executive Above 50	Percentage	2.00	3.20	3.88
Non-executive/Technical Staff Under 30	Percentage	11.00	8.64	8.94
Non-executive/Technical Staff Between 30-50	Percentage	39.00	38.03	35.24
Non-executive/Technical Staff Above 50	Percentage	12.00	12.73	12.31
Gender Group by Employee Category				
Management Male	Percentage	4.00	8.90	10.12
Management Female	Percentage	3.00	4.70	5.23
Executive Male	Percentage	5.00	13.50	14.33
Executive Female	Percentage	5.00	13.50	13.83
Non-executive/Technical Staff Male	Percentage	68.00	53.00	49.58
Non-executive/Technical Staff Female	Percentage	15.00	6.40	6.91
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	75.00	75.00	75.00
Female	Percentage	25.00	25.00	25.00
Under 30	Percentage	-	-	-
Between 30-50	Percentage	12.50	12.50	-
Above 50	Percentage	87.50	87.50	100.00
Number of Board Directors	Number	8	8	8
Number of independent Directors on the board	Number	5	5	5
Number of women on the board	Number	2	2	2

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### Performance Data Table

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Labour Practices and Standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	3,014	4,187	4,647
Executive	Hours	4,261	7,300	3,608
Non-executive/Technical Staff	Hours	3,536	6,132	3,810
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	28	34	-
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	5	14	9
Executive	Number	11	37	23
Non-executive/Technical Staff	Number	22	33	81
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	-	-
<b>Bursa (Supply Chain Management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100	100	100
<b>Bursa (Data Privacy and Security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	-	-

\* Restated

# Prescribed Table

## BINA DARULAMAN BERHAD BMLR Transition Period

Date & Time: 2026-03-27 15:29:45  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Employees trained on anti-corruption – Management	Percentage	89	Target under development. To be established in FY2026	Internal
Anti-corruption	Employees trained on anti-corruption – Executive	Percentage	74	Target under development. To be established in FY2026	Internal
Anti-corruption	Employees trained on anti-corruption – Non-Executive / Technical	Percentage	83	Target under development. To be established in FY2026	Internal
Anti-corruption	Operations assessed for corruption-related risks	Percentage	50	Target under development. To be established in FY2026	Internal
Community / Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM (MYR)	50950	Target under development. To be established in FY2026	No assurance
Community / Society	Total number of beneficiaries of the investment in communities	Number	19	Target under development. To be established in FY2026	No assurance
Diversity	Employees by age group – Management <30	Percentage	0.17	Target under development. To be established in FY2026	Internal
Diversity	Employees by age group – Management 30–50	Percentage	8.77	Target under development. To be established in FY2026	Internal
Diversity	Employees by age group – Management >50	Percentage	6.41	Target under development. To be established in FY2026	Internal
Diversity	Employees by age group – Executive <30	Percentage	7.08	Target under development. To be established in FY2026	Internal
Diversity	Employees by age group – Executive 30–50	Percentage	17.20	Target under development. To be established in FY2026	Internal
Diversity	Employees by age group – Executive >50	Percentage	3.88	Target under development. To be established in FY2026	Internal
Diversity	Employees by age group – Non-Executive <30	Percentage	8.94	Target under development. To be established in FY2026	Internal

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Diversity	Employees by age group – Non-Executive 30-50	Percentage	35.24	Target under development. To be established in FY2026	Internal
Diversity	Employees by age group – Non-Executive >50	Percentage	12.31	Target under development. To be established in FY2026	Internal
Diversity	Gender – Management Male	Percentage	10.12	Target under development. To be established in FY2026	Internal
Diversity	Gender – Management Female	Percentage	5.23	Target under development. To be established in FY2026	Internal
Diversity	Gender – Executive Male	Percentage	14.33	Target under development. To be established in FY2026	Internal
Diversity	Gender – Executive Female	Percentage	13.83	Target under development. To be established in FY2026	Internal
Diversity	Gender – Non-Executive Male	Percentage	49.58	Target under development. To be established in FY2026	Internal
Diversity	Gender – Non-Executive Female	Percentage	6.91	Target under development. To be established in FY2026	Internal
Diversity	Directors by gender – Male	Percentage	75	Target under development. To be established in FY2026	Internal
Diversity	Directors by gender – Female	Percentage	25	Target under development. To be established in FY2026	Internal
Diversity	Directors above 50 years	Percentage	100	Target under development. To be established in FY2026	Internal
Diversity	Number of Board Directors	Number	8	Target under development. To be established in FY2026	Internal
Diversity	Number of Independent Directors on the board	Number	5	Target under development. To be established in FY2026	Internal
Diversity	Number of women on the board	Number	2	Target under development. To be established in FY2026	Internal



Prescribed Table

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy Management	Total energy consumption	Megawatt	39,485.54	Target under development. To be established in FY2026	Internal
Health & Safety	Lost Time Incident Rate	Rate	0.83	Target under development. To be established in FY2026	Internal
Health & Safety	Employees trained on health & safety standards	Number	260	Target under development. To be established in FY2026	Internal
Labour Practices & Standards	Training hours – Management	Hours	4,647.40	Target under development. To be established in FY2026	No assurance
Labour Practices & Standards	Training hours – Executive	Hours	3,607.80	Target under development. To be established in FY2026	No assurance
Labour Practices & Standards	Training hours – Non-Executive	Hours	3,810.00	Target under development. To be established in FY2026	No assurance
Labour Practices & Standards	Contractors / temporary staff	Percentage	0	Target under development. To be established in FY2026	No assurance
Labour Practices & Standards	Employee turnover – Management	Number	9	Target under development. To be established in FY2026	No assurance
Labour Practices & Standards	Employee turnover – Executive	Number	23	Target under development. To be established in FY2026	No assurance
Labour Practices & Standards	Employee turnover – Non-Executive	Number	81	Target under development. To be established in FY2026	No assurance
Supply Chain Management	Proportion of spending on local suppliers	Percentage	100	Target under development. To be established in FY2026	No assurance
Water Management	Total volume of water used	Megalitres	166,5150	Target under development. To be established in FY2026	Internal

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# GRI Content Index

This GRI Content Index provides a reference to where sustainability-related disclosures aligned with the Global GRI Standards are presented within BDB's Annual Report for FY2025. It is intended to support clarity, consistency and ease of reference in understanding the Group's disclosures on material economic, environmental and social matters during the reporting period.

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<b>GRI 2:</b> General Disclosures 2021	<b>2-1</b>	Organizational details	2 - 21	About Us
	<b>2-2</b>	Entities included in the organization's sustainability reporting	2 - 21 22	About Us Corporate Structure
	<b>2-3</b>	Reporting period, frequency and contact point	72	About this Report
	<b>2-4</b>	Restatements of information	72	About this Report
	<b>2-5</b>	External assurance	-	No external Assurance was obtained for the reported information. Selected disclosures were subject to review by the Company's Internal Audit function and oversight by the Audit Committee.
	<b>2-6</b>	Activities, value chain and other business relationships	2 - 21 23 42 - 61 62 - 70	About Us Corporate Information Management Discussion & Analysis Corporate Highlights
	<b>2-7</b>	Employees	104 - 110	Human Capital Management and Development
	<b>2-8</b>	Workers who are not employees	-	Not Applicable
	<b>2-9</b>	Governance structure and composition	80 - 81 134 - 157	Sustainability Governance & Policy Corporate Governance Overview Statement
	<b>2-10</b>	Nomination and selection of the highest governance body	23 134 - 157	Corporate Information Corporate Governance Overview Statement
	<b>2-11</b>	Chair of the highest governance body	23 80 - 81 134 - 157	Corporate Information Sustainability Governance & Policy Corporate Governance Overview Statement
	<b>2-12</b>	Role of the highest governance body in overseeing the management of impacts	80 - 81 134 - 157	Sustainability Governance & Policy Corporate Governance Overview Statement

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<b>2-15</b>	Conflicts of interest	134 - 157 161 - 166	Corporate Governance Overview Statement Statement on Risk Management and Internal Control
<b>2-16</b>	Communication of critical concerns	134 - 157	Corporate Governance Overview Statement
<b>2-17</b>	Collective knowledge of the highest governance body	26 - 32 134 - 157	Board of Directors' Profile Corporate Governance Overview Statement
<b>2-18</b>	Evaluation of the performance of the highest governance body	134 - 157	Corporate Governance Overview Statement
<b>2-19</b>	Remuneration policies	134 - 157	Corporate Governance Overview Statement
<b>2-20</b>	Process to determine remuneration	134 - 157 161 - 166	Corporate Governance Overview Statement Statement on Risk Management and Internal Control
<b>2-21</b>	Annual total compensation ratio		Compensation is guided by market benchmarks, internal equity and individual skills and experience, with effort to maintain comparable structures across the workforce and compliance with applicable minimum standards.
<b>2-22</b>	Statement on sustainable development strategy	42 - 61 76 - 79	Management Discussion & Analysis Our Sustainability Approach
<b>2-23</b>	Policy commitments	82	Sustainability Policy Other relevant policies are publicly available at <a href="https://bdb.com.my/corporate-governance/">https://bdb.com.my/corporate-governance/</a>

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	<b>2-24</b> Embedding policy commitments	82	Sustainability Policy Other relevant policies are publicly available at <a href="https://bdb.com.my/corporate-governance/">https://bdb.com.my/corporate-governance/</a>
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	<b>2-28</b> Membership associations	72	About this Report
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<b>GRI 3:</b> Material Topics 2021	<b>3-1</b> Process to determine material topics	85 - 86	Our Sustainability Material Matters
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<b>GRI 304:</b> Biodiversity 2016	<b>304-1</b> Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	95 - 103	Sustainable Resource Stewardship
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<b>GRI 305:</b> Emissions 2016	<b>305-1</b> Direct (Scope 1) GHG emissions	101 - 103	Waste and Pollution Management
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# Statement of Assurance

### To the Shareholders and Stakeholders of Bina Darulaman Berhad,

I, **Mohamad Ibrahim bin Ghazali**, in my capacity as the Audit Committee Chairman of Bina Darulaman Berhad, hereby provide this Statement of Assurance to confirm that the selected aspects of this Sustainability Report have been subjected to an internal review by the internal audit function of our company.

Our commitment to transparency and accountability is central to our corporate values, and we recognise the significance of accurate and reliable sustainability reporting. As part of our efforts to ensure the integrity of our 2025 Annual Report, we have conducted an internal review of the Sustainability Report included therein.

The internal review process of the Sustainability Report comprised the following key steps:

#### 1. Scope Definition

We acknowledge the 11 sustainability indicators by Bursa Malaysia. However, our review is limited to the following areas only:

- Anti-corruption
- Diversity
- Energy Management
- Health and Safety
- Water
- Waste Management
- Emissions Management

#### 2. Data Collection and Verification

We collected data relevant to our sustainability performance, which was subsequently subjected to thorough validation and verification processes to ensure accuracy and reliability.

The corresponding data for each indicator will be classified as 'Internal Assurance' and disclosed to Bursa Malaysia, as well as in the Performance Data Table of the Annual Report 2025.

#### 3. Alignment with Reporting Standards

The selected aspects under review in the Sustainability Report align with recognised sustainability reporting frameworks and standards, such as the Bursa Malaysia Main Market Listing Requirements (MMLR), Bursa Malaysia Sustainability Reporting Guidelines (3rd Edition), FTSE4Good Bursa Malaysia Index (F4GBM) criteria, the Global Reporting Initiative (GRI) Standards and United Nations Sustainability Development Goals (UNSDG).

#### 4. Review and Verification

Our Internal Audit team, consisting of experienced professionals, conducted a comprehensive review and verification of the Sustainability Report to confirm its adherence to our sustainability objectives and the accuracy of the reported data.

#### 5. The Management's Responsibility

The Management of the Company was responsible for:

- The preparation of the information in accordance with the criteria detailed in the standards and guidelines; and
- Designing, implementing and maintaining internal control over information relevant to the preparation of the information that is free from material misstatement, whether due to fraud or error.

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### 6. Publication and Accessibility

The final version of the Sustainability Report, after internal review and confirmation, was included in our 2025 Annual Report and made accessible to all stakeholders, including shareholders, investors, customers and the public, through various communication channels.

I hereby certify that the Sustainability Report published within our 2025 Annual Report has been reviewed by our Internal Audit Department, ensuring adherence to the standards of transparency, accuracy and compliance with reporting regulations.

Sincerely,

**Mohamad Ibrahim bin Ghazali**  
Audit Committee Chairman  
Bina Darulaman Berhad

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# Corporate Governance

## Overview Statement

**T**HE BOARD OF DIRECTORS (“the Board”) of Bina Darulaman Berhad is committed to upholding high standards of corporate governance in line with Paragraph 15.25(1) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”) and the Malaysian Code on Corporate Governance (“MCCG”). This statement outlines our governance practices based on the MCCG’s three (3) principles:

### 1. Principle A – Board Leadership and Effectiveness

The Bina Darulaman Berhad (BDB) Board of Directors consists of experts from various fields with substantial experience. They are committed to upholding the highest standards of corporate governance in line with the Malaysian Code on Corporate Governance 2021 (MCCG 2021). Despite encountering challenges in the financial year ending 31 December 2025, BDB and its subsidiaries have maintained best governance practices and regularly review their procedures. The Group’s governance structure is essential for protecting long-term shareholder value and considering the interests of all stakeholders.

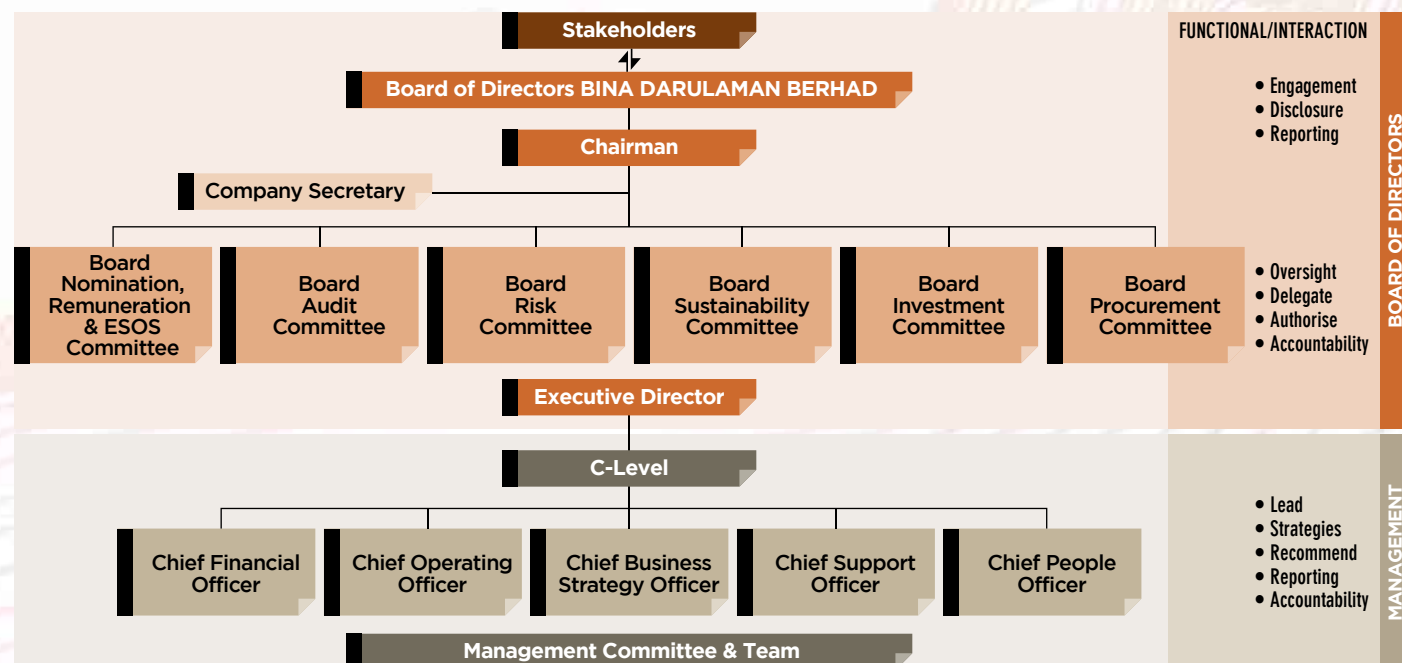
The Board has issued its Corporate Governance Overview Statement, as required by Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (MMLR). This statement confirms the Group’s adherence to MCCG 2021 principles for the year ending 31 December 2025. Additional details are available in the Corporate Governance Report 2025 on the Company’s website at <https://www.bdb.com.my/investor-centre/>. The Board is dedicated to maintaining robust corporate governance practices.

Currently, the Group is classified as a “Non-Large Company” under MCCG 2021 guidelines. Nevertheless, the Board and management are actively working to adopt some recommended MCCG 2021 practices, including implementing certain Step-Up Practices.

## CORPORATE GOVERNANCE FRAMEWORK

The Board periodically reviews BDB’s corporate governance framework and implements modifications as required to enhance communication among the Board, the Chairman, Board Committees, and C-Level Management.

### BDB’s CG Structure



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As guided by the MCCG 2021, BDB embraces, amongst others, the following 3 Key Principles:

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### 1.0 BOARD'S ROLES AND RESPONSIBILITIES

The primary responsibility of the Board is to promote the best interests of the Company and enhance the values of the shareholders and stakeholders. To achieve this goal, the Board oversees and evaluates the Group's strategies, policies, and performance to ensure delivery of these values.

The Board has several principal responsibilities, including but not limited to the following:

- Reviewing and adopting strategic plans and goals of the Company, and ensuring that they support long-term value creation and include economic, environmental and social factors that underpin sustainability;
- Establishing policies to strengthen the performance of the Company and ensuring that Management is proactively seeking to build the Business through innovation, initiative, technology, new products, and the development of its business capital;
- Identifying principal risks and setting the risk appetite within which the Board expects the Management to operate and ensuring the implementation of appropriate systems to manage the significant financial and non-financial risks and ensuring there is a sound framework for internal controls and risk management;
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Ensuring the Company's financial stability and ability to fulfil its debts and other obligations as they become due by taking necessary step to protect its financial position;
- Ensuring that the Company's financial statements are true and fair and conform with any applicable laws and/or regulations;
- Ensuring that the Company adheres to high standards of ethics and corporate behaviours; and
- Ensuring that the company adheres to high standards of ethics and corporate behavior, including transparency in the conduct of business. Board members are required to comply. This includes declaring any personal, professional, or business interests, direct or indirect, that may conflict with their responsibilities as a board member and refraining from voting on such transactions with the Company.

In addition to the existing roles and responsibilities, on 28 May 2025, the Board, through Internal Audit, initiated the Board Policy Manual to further enhance governance practices.

The Board, representing the Shareholders, is empowered to ensure the proper management of the entity, including optimizing long-term financial returns. The Board is responsible for ensuring that the Company is managed to achieve this result.

In addition to fulfilling its obligations for increased shareholder value, the Board has a responsibility to the Company's customers, employees, and suppliers, and to communities where it operates, all of whom are fundamental to a successful business. All these responsibilities are founded upon the successful continuation of business.

The duties, powers, and functions of the Board are governed by the Constitution of the Company, regulatory guidelines, and requirements that are in force. Having regard to the responsibilities and obligations, the Board will direct and supervise the management of the business and affairs of the Company, including:

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1. Ensuring the Company's goals are clearly established and that a strategic plan is in place to achieve them, as well as setting the expectations at the beginning of each financial year by which the Board's evaluation of its success would be benchmarked against.
2. Ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology, new products, and the development of its business capital.
3. Adopting performance measures to monitor implementation and performance of the strategy, policies, plans, legal, and fiduciary obligations that affect the business.
4. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Company and the ability of the Company to meet its contractual obligations and to safeguard its assets.
5. Appointing/Replacing the Executive Director/Group Chief Executive Officer, based on recommendation by the Board Nomination, Remuneration & ESOS Committee, including setting the terms, objectives, and goals of his/her employment conduct, and where necessary, terminating his/her employment with the Company.
6. Ensuring that the Company has appropriate business risk management processes, including adequate control environment, be it internal control systems or management information systems, systems compliance with applicable laws, regulations, rules, directives, guidelines, and controls in the area of significant financial and business risks.
7. Appointing Board committees to address specific issues, considering recommendations of the various Board committees, and discussing problems and reservations arising from these committees' deliberations and reports.
8. Ensuring that the financial statements of the Company are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements.
9. Ensuring that the Company adheres to high standards of ethics and corporate behaviour, including transparency in the conduct of business. Board members are required to comply with amongst others, includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with his/her responsibilities as a Board member and to refrain from voting on such transaction with the Company.
10. Ensuring that an appropriate investor relations and communications programme is in place.
11. Ensuring there is a Schedule of Matters/Agenda reserved for collective decision of the Board.

To ensure effective functioning and accountability, the Board established Committees with delegated powers. The ED/CEO offers guidance and support to these Committees.

The Board delegated responsibility for specified matters to individual members or committees of the Board. All such committees must be provided with written terms of reference which state clearly the extent and limits of their responsibilities and authority, and whether they act on behalf of the Board or report back to the Board.

To assist the Board in discharging its responsibilities, specific duties and responsibilities have been delegated to six (6) Board Committees. The Committees have clearly defined terms of reference (TOR).

- i) Board Audit Committee (BAC).
- ii) Board Nomination, Remuneration & ESOS Committee (BNREC).
- iii) Board Risk Committee (BRC). (Renamed as Board Risk/Investment Committee effective 1 January 2026).
- iv) Board Sustainability Committee (BSC) (Discontinued effective 31 December 2025, the update and proposal will be presented to the Board).
- v) Board Investment Committee (BIC) (Discontinued effective 31 December 2025 and to be merged with BRC).
- vi) Board Procurement Committee (BPC).

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The revised Terms of Reference (TOR) for each Committee were reviewed and approved by the Board, in conjunction with the Board Policy Manual.

C-Level Management, Heads of Business Units, and Heads of Divisions will update the Directors during Board Committee and Board Meetings as needed. This ensures the Board stays informed about the Group's operations and challenges, promoting discussions on both short- and long-term strategies. Resource allocation will be managed efficiently, with decisions aligned with the Company's values and principles.

### Board Audit Committee (BAC)

The members of the BAC are as follows:

No	Name	Directorial Status
1	<b>Tuan Mohamad Ibrahim Bin Ghazali</b>	Chairman / Independent Non-Executive Director
2	<b>Dato' Zakiah Binti Kassim</b>	Member / Senior Independent Director
3	<b>YB Ir. Ts. Khairil Nizam Bin Khirudin</b>	Member / Independent Non-Executive Director

Notes: Dato' Wira Haji Isahak Bin Murat resigned with effect from 3 February 2026.

The BAC duties are as follows:

1. Review the following and report the same to the Board of Directors of the listed issuer;
  - a) With the external auditor, the audit plan;
  - b) With the external auditor, his evaluation of the system of internal controls;
  - c) With the external auditor, his audit report;
  - d) The assistance given by the employees of the listed issuer to the external auditor;
  - e) The adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - f) The internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
  - g) The quarterly results and year-end financial statements, before the approval by the board of directors, focusing particularly on-
    - i) Changes in or implementation of major accounting policy changes;
    - ii) Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions and how these matters are addressed; and
    - iii) Compliance with accounting standards and other legal requirements;
  - h) Any related party transaction and conflict of interests situation that may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - i) Any letter of resignation from the external auditors of the listed issuer; and

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- j) Whether there is reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment;
  - k) Recommend the nomination of a firm as external auditors;
  - l) To discuss problems and reservations arising from the interim and final audits, and any matters the external and internal auditor may wish to discuss (in the absence of management where necessary);
  - m) To discuss the impact of any proposed changes in accounting principles on future financial statements;
  - n) To review the assistance given by the employees of the company and the Group to the External Auditors; and
  - o) To review with the External Auditors, their evaluation of system of internal controls, their management letter and management responses.
2. To do the following, in relation to the internal audit function:
    - Review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its duties;
    - To consider the major findings or internal investigations and managements' responses;
    - Review the internal audit plan, program and results of the internal audit process and ensure appropriate actions are taken on the recommendations of the internal audit function;
    - Review and monitor Management's responsiveness to the internal audit findings and recommendations;
    - Approve any appointment, replacement or termination of senior staff members of the internal audit function; and
    - Take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
  3. To do the following, in relation to the Integrity & Governance function:
    - The BAC shall be informed of the appointment, resignation, and termination of the Head of IGU and its senior personnel.
    - Approve the IGU Charter, IGU Organisation Structure and Annual Integrity Plan.
    - Guide, advise, and recommend implementation of integrity strategies, plans, and activities.
    - Review, deliberate and approve changes to the integrity related policies and procedures, if necessary.
    - Ensure the reporting channel for whistleblowing is available for Employees to report on possible corruption, abuse of power, malpractice, and non-compliance with the Code of Conduct & Business Ethics.
    - Deliberate report on corruption, abuse of power, and malpractice investigated by IGU and action taken or to be taken to ensure fair and transparent investigations are conducted with protection, confidentiality, and anonymity of submission.
    - Approve the engagement of an independent advisory expert to ensure the IGU functions effectively.
    - Meet privately with the Head of IGU at regular meetings or on an as-needed basis.

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- To monitor any related party transactions and situation where a conflict of interest may arise within the company or Group, including any transaction procedure or course of conduct that raises questions of management integrity and ensure that the Directors report such transaction annually to the shareholders in the Annual Report.
- To review all prospective financial information provided to the regulators and/or the public.
- To report promptly to Bursa Malaysia on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in a breach of listing requirement.
- To consider other topics defined by the Board of Directors from time to time.

Other detailed activities are described in the Audit Committee Report, as mentioned on page 150.

The BAC duties are as follows, and the TOR is available on the Company's website at <https://www.bdb.com.my/bdbpolicies/>.

### Board Nomination, Remuneration & ESOS Committee (BNREC)

The BNREC members are as follows:

No	Name	Directorial Status
1	<b>Dato' Zakiah Binti Kassim</b>	Chairman/Senior Independent Director
2	<b>Puan Nawal Binti Hanafiah</b>	Member/Independent Non-Executive Director

Notes: Dato' Wira Haji Isahak Bin Murat resigned with effect from 3 February 2026.

The role of the BNREC with regard to nomination role as follows:

- The Committee is authorised by the Board:
  - To seek assistance from the Company Secretary on matters related to the responsibilities of the Committee under the rules and regulations to which it is subject to and how those responsibilities should be discharged;
  - Full and unrestricted access to the Company's records, properties and personnel; and
  - To seek independent professional advice and expertise deemed necessary for the performance of its duties.
- The functions and responsibilities are as follows:-
  - Nomination Function:
    - The Board
      - To identify and nominate to the Board suitable candidates for appointment as Directors in BDB whilst ensuring that they possess the necessary experience and skills, however decision as to who shall be appointed shall be the responsibility of the Board.
      - To recommend the removal of the Director if the Director concerned is ineffective, errant and negligent in discharging their duties.

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- To review annually the structure, size and composition of the Board to ensure that the Board comprises of:
    - a) Majority of Non-Executive Directors with the appropriate mix of skills, experience and other qualities for the Board to function effectively and efficiently; and
    - b) One third of the Board are Independent Directors in compliance with paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Berhad.
  - To recommend Directors who are retiring (by rotation) for re-election and termination of membership of individual Directors in accordance with policy, for cause or other appropriate reasons.
  - To recommend to the Board on the appointment and continuation (or otherwise) in service of any Director who has reached the age of 70.
  - To ensure that all Directors undergo Mandatory Accreditation Programme (MAP) and on continuous basis ensures the training needs of the Directors as prescribed by Bursa Malaysia in compliance with paragraph 15.08 of the Main Market Listing Requirements of Bursa Malaysia Berhad.
  - To provide adequate training and orientation for new Directors with respect to the business, structure and management of the Company as well as the expectations of the Board with regards to their contribution to BDB.
  - To establish and implement processes for assessing the effectiveness of the Board and the Board Committees as a whole.
  - To review annually the status of independence of all the Independent Non-Executive Directors; and
  - To consider and recommend solutions on issues of conflict of interest affecting Directors.
- b) Remuneration Function
- i) The Board
    - To make recommendations to the Board on the remuneration package of Non-Executive Directors.
  - ii) Executive Director and C-Suite Management
    - To determine remuneration and terms of employment of the Executive Director.
    - To determine performance contracts and targets and the structure of the rewards for the Executive Director and to assess the Executive Director's performance against these targets (Key Performance Indicators).
    - To recommend to the Board the remuneration framework of the Executive Director and the Senior Management. The Committee may obtain independent professional advice and any other information necessary in determining the framework.
    - To recommend to the Board any proposals of the Executive Director and C-Suite Management's remuneration and benefit including share option, service contracts and compensation payment for approval.
    - To establish a formal and transparent procedure for developing policy on the Executive Director and C-Suite Management's remuneration and for fixing their individual remuneration packages.

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- To review all benefits and entitlements of the Executive Director and C-Suite Management of BDB.
  - To consider compensation commitments/severance payments for Executive Director in the event of early termination of the employment/service contracts.
  - To consider any other matter referred by the Board to the Committee.
  - In discharging its duties, the Committee shall always be mindful of the provisions of all applicable laws, regulations and guidelines.
- c) The Committee shall assist the Board in making certain disclosures concerning the activities of the Committee such as in the Corporate Governance Statement to be issued in the Annual Report.
- d) The Board requires all Directors to submit a Disclosure of Interest to avoid any conflict between their personal interests and the interests of the Company. In the event of a conflict, either perceived or actual, this Disclosure of Interest shall be submitted to the Chairman of the Committee as and when required with a copy to the Company Secretary.

Other activities during the financial year are as follows:

- Review the succession planning framework and implementation at BDB Group
- Implement Minimum Wages Order 2024
- Executive Director's assessment and proposed extension of time
- Renewal of Chairman's contract
- Appointment of new directors
- Reassignment of Board Committees and its composition
- Retirement by rotation
- Corporate Scorecard for Executive Director of BDB
- Rightsizing exercise for subsidiary company
- Staff Optimization strategy
- Revision of Group Human Resource Policy
- Revision of Employee Handbook
- Board composition and Board Committees composition

The BNREC duties are as follows, and the TOR is available on the Company's website at <https://www.bdb.com.my/bdbpolicies/>.

### Board Risk Committee (BRC) (Renamed as Board Risk/Investment Committee effective 1 January 2026)

The primary responsibility of the BRIC is to establish the risk management context and structure, implement the risk management process, create monitoring and reporting mechanisms, and ensure the execution of Business Proposals and Investment Review (Assessment). This is done to guarantee that all approved business proposals, investments, and divestments have been reviewed and validated within the risk parameters, covers compliance, business structure, and investment from a risk perspective.

The risk parameters have been defined, and the BRIC will oversee its quarterly reporting. Special meetings will communicate any urgent risks or issues to the BRIC.

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The current members of BRIC are as follows:

No	Name	Directorial Status
1	<b>YB Ir. Ts. Khairil Nizam Bin Khirudin</b>	Chairman / Independent Non-Executive Director
2	<b>Tuan Mohamad Ibrahim Bin Ghazali</b> (Appointed as Member on 05.04.2021)	Member / Independent Non-Executive Director
3	<b>Tuan Haji Junaidi Bin Abidin</b> (Appointed as Member on 20.03.2025)	Member / Non-Independent Non-Executive Director
4	<b>Dato' Zakiah Binti Kassim</b> (Re-assigned as member BRIC on 01.01.2026)	Member / Senior Independent Director

The BRIC duties are as follows:

- i) Risk
  - a) Whilst the Board still retains ultimate responsibility for risk management and for determining the appropriate level of risk appetite, BRC is established to assist the Board in providing assurance concerning the Group's risk profile to the Board.
  - b) The Board has delegated authority to BRC with a remit that encompasses risk management activities within the Group including compliance with the risk management strategy. The BRC reports to the Board.
  - c) Establishing risk management context/structure:
    - i) Formalise BDB Group's Enterprise Risk Management Policy ("ERM Policy") including clearly setting out the objectives, strategy and scope of risk management activities for the Group.
    - ii) Ensure that the Group's risk management strategy, framework and methodology have been implemented and consistently applied.
  - d) Establishing risk management process:
    - i) Conduct a complete assessment of the Group's risk profiles and ensures there are appropriate mitigation/ action plans are in place for key risks by oversee risk assessments in critical areas such as financial liquidity, legal compliance risk and cybersecurity.
    - ii) Ensure that a well-structured & systematic process exists to ensure comprehensive identification, assessment & management of risks facing BDB.
    - iii) Ensuring that the risk management strategy is clearly communicated to relevant personnel of the Group.
    - iv) Ensuring that appropriate training in risk awareness & risk management is conducted at key levels.
  - e) Establishing monitoring and reporting mechanism:
    - i) On quarterly basis, ensure that appropriate reporting and feedback is received from management with regards to risk management activity carried out.
    - ii) Responsible for annual reporting on the Group Risk Profile (risks, controls and mitigating action plans) to the Board.
    - iii) Responsible for immediate reporting to the Board on any major changes to the risk profile requiring immediate attention/ notification but not limited to financial stability, including liquidity risks, credit risks and market risks.

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- f) Establishing the implementation of Business Proposals/Investment Review (Assessment):
- To ensure that all approved business proposals/investments/divestments have been reviewed and validated within risk parameter which covers the compliance, business structure and investment from risk perspective.
  - Track the development and progress of the business proposal/investment approved by the Board.
  - Provides strategic counsel to the Board by recommending the appropriate risk appetite and tolerance for the project, including an assessment of the potential impact of emerging risks such as technological disruptions and regulatory changes on the company.
- ii) Investment
- The BIC derives its authority from the Board and has the mandate to review, evaluate, and recommend investment policies, guidelines, and proposals affecting BDB Group and its subsidiaries, including joint ventures and associated companies.
  - To oversee current and future capital requirements and financial resource allocations for various investment projects, advise the Board on the most efficient resources allocation to support the Group's financial objectives, provide adequate returns, and protect shareholder value.
  - Provide recommendations to the Board on large-scale investment opportunities or new market, up to a prescribed amount as determined by the Board, also ensuring that the Board is aware of potential risks and returns before approval.
  - In alignment with best practices, the BIC also observes The Malaysian Code on Corporate Governance 2021.
  - Any proposal which is not recommended by Business Evaluation Management Committee (BEMC) will not be tabled in BIC Meeting. Any proposal which is not recommended by BIC will not be tabled in Board of Director's Meeting for approval.
  - Evaluation and assessment of investment proposals:
    - Evaluate and endorse capital projects, new investments and divestments, joint ventures, acquisitions, and disposals, ensuring they align with the Group's cash flow capabilities and do not exceed the pre-defined risk appetite.
    - Evaluate commercial proposals, including purchase prices, equity, capital expenditure, and other relevant terms.
    - Assess each transaction to ensure it aligns with the Group's strategic and financial goals, strengthens performance, and adds shareholder value.
    - Any initiatives proposed by the State Government must also be assessed.
  - Establish monitoring and reporting mechanisms:
    - To conduct the annual performance evaluation of the Group's investment activities and advise on the divestitures or exits from non-performing investment.
  - Risk management and due diligence:
    - Assist the Board in assessing the risk and issues associated with each investment including setting risk tolerance levels, risk mitigation strategies and ensuring that a risk management section is included in each proposal.
    - Review and recommend limits, thresholds, and specific terms or conditions for transactions to ensure financial and strategic viability. Any transaction above a certain threshold (to be determined by the Board) should undergo due diligence, considering legal, financial, and operational risks.

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- iii) Review the emerging risks and opportunities, market outlook, economic indicators, currency market, industry/regulatory developments as well as key business developments, which may affect the investment portfolio, the Group's investment strategy and the Group's financial health subject to recommendation from Board Risk Committee during the execution/monitoring phase.
- iv) May seek advice or obtain independent professional assistance from any person or firms who has the relevant experience and required expertise if BIC so requires assisting with its deliberation.
- v) Ensure that due diligence expenses remain within the limits specified in the Delegated Authority Limit (DAL).
- i) Approve the use of funds for investments, mergers & acquisitions and other related matters.
- j) The Committee shall uphold integrity and ethical in discharging its duties. The Committee shall maintain confidentiality of all matters discussed in BIC meetings or matters concerning the investment at all times.
- k) To implement other necessary duties as mutually agreed by BIC and the Board or any other authorities which is empowered by law or regulated by any Government Authority.

### Board Procurement Committee (BPC)

The main responsibility of the BPC is to assess and designate sub-contractors who fall under the Delegated Authority Limit (DAL). Additionally, the Committee reviews and approve procurement policies. The BPC operates within a clearly defined scope of responsibility and has been authorised by the Board to handle and deliberate on matters that fall within their scope.

The members of the BPC are as follows:

No	Name	Directorial Status
1	<b>YB Ts. Dr. Mohd Suffian Bin Yusoff</b>	Chairman / Independent Non-Executive Director
2	<b>Tuan Haji Junaidi Bin Abidin</b> (Appointed as Member on 20.03.2025)	Member / Non-Independent Non-Executive Director
3	<b>Dato' Zakiah Binti Kassim</b> (Reassigned as Member on 28.03.2025)	Senior Independent Director

There is one (1) meeting held during the financial year to review the Group Procurement Policy.

The Chairman of each Board Committee shall provide the Board with a report outlining the key issues discussed and outcomes of each Committee meeting.

In line with the strategic priorities presented to the Board's 26 November 2025 and Budget FY2026 on 21 December 2025, strategic priorities, rescaling Board Committees is encouraged to improve accountability and decision-making. These committees are reviewed annually to boost effectiveness, coordination, and time efficiency, with meetings aligned to agendas.

The number of Board and Committee meetings will be adjusted to about 18 annually starting in 2026 to improve efficiency and reduce costs without compromising compliance and governance.

### Board Sustainability Committee (BSC)

The primary responsibility of the BSC is to provide oversight, guidance, and direction for BDB's sustainability functions and processes, as well as to review and endorse the sustainability framework and strategy. Additionally, the Committee ensures the integration of relevant sustainability practices into BDB's business strategies.

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The members of the BSC are as follows:

No	Name	Directorial Status
1	<b>Puan Nawal Binti Hanafiah</b> (Appointed as Chairman on 01.01.2023)	Chairman / Independent Non-Executive Director
2	<b>Tuan Mohamad Ibrahim Bin Ghazali</b> (Appointed as Member on 01.01.2023) (Re-assigned as Member on 20.03.2025)	Member / Independent Non-Executive Director
3	<b>TB Ts. Dr. Mohd Suffian Bin Yusoff</b> (Appointed as Member on 01.01.2023)	Member / Independent Non-Executive Director
4	<b>Tuan Haji Junaidi Bin Abidin</b> (Appointed as Member on 20.03.2025)	Member / Non-Independent Non-Executive Director

### 1.1 KEY RESPONSIBILITIES OF THE BOARD CHAIRMAN

The Board of Directors appoints a Chairman whose responsibility is to ensure good corporate governance practices, leadership, and efficiency within the Board. Tuan PMgr. Sr. Haji Che Had Bin Dhali is the Chairman of the Board until 31 January 2026. In the absence of the Chairman, the Directors may from time to time elect a Chairman, who shall preside at meeting of the Directors. The Directors present shall choose someone of their number to be Chairman of such meeting.

The Chairman leads the Board and plays a key role in ensuring its effectiveness and integrity. The Chairman is responsible for fostering a culture of openness, challenge, and constructive debate in the boardroom.

The key responsibilities of the Chairman include, but are not limited to, the following:

#### a) Board Leadership

- Set the tone for a high-performing, ethical, and well-governed Board.
- Lead the Board in the effective discharge of its duties and responsibilities.
- Ensure individual directors contribute actively and that no one dominates discussions.

#### b) Meeting management

- Schedule and preside over Board and general meetings, ensuring timely and balanced agendas.
- Ensure adequate information is provided to Directors in advance to support informed decision-making.
- Summarize key points of consensus and clearly articulate Board resolutions.

#### c) Relationship with Group Chief Executive Officer and Management

- Act as the main liaison between the Board and the Group Chief Executive Officer.
- Provide guidance and mentorship to the Group Chief Executive Officer without encroaching on Management's authority.

#### d) Board development

- Facilitate onboarding, training, and continuous development of Directors.
- Lead the Board evaluation process and performance improvement initiatives.

#### e) Shareholder engagement

- Represent the Board in shareholder meetings and ensure effective shareholder communication and transparency.

#### f) Board Independence and Effectiveness

- Ensure appropriate delegation to Board Committees and proper functioning of those Committees.
- Encourage a culture independence, where Directors feel comfortable expressing diverse views and dissenting opinions when necessary.

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### 1.2 SENIOR INDEPENDENT DIRECTOR (SID)

Dato' Zakiah Binti Kassim has been appointed as the Senior Independent Director to:

- Facilitates confidentiality discussions with Non-Executive Directors (NEDs) regarding any concerns that may not have been addressed by the Board as a whole.
- Offers an alternative channel for shareholders and stakeholders to express their concerns and issues.
- Promote high standards of Corporate Governance and ensure that the Company's obligations to shareholders are understood and complied with.

### 1.3 THE SEPARATION OF THE POSITIONS OF THE BOARD CHAIRMAN, THE BOARD COMMITTEE CHAIRMAN AND EXECUTIVE DIRECTOR/ GROUP CHIEF EXECUTIVE OFFICER

The Board of BDB follows a unitary structure with clearly defined roles for the Chairman, Board Committee Chairman, and Executive Director / Group Chief Executive Officer. The Chairman leads Board oversight of Management but does not participate in daily operations.

The Executive Director / Group Chief Executive Officer's responsibilities are outlined in fixed-term contracts and the Board Charter, which specify the roles of both the Chairman and Chief Executive Director / Group Chief Executive Officer, within BDB's organization.

The leadership transition occurred on 1 November 2025, coinciding with the expiration of the Executive Director / Group Chief Executive Officer fixed-term contract, subsequent to which the appointment of the Company's new Group Chief Executive Officer took effect on the same date.

### 1.4 COMPANY SECRETARY

The Company has an in-house Company Secretarial department led by Khairulmuna Binti Abd Ghani, a qualified Company Secretary registered with the Companies Commission of Malaysia and an affiliate member of MAICSA. She is supported by a team of three (3) members.

All Directors have unrestricted access to advice and reports from the Company Secretary regarding Board policies, compliance with regulations, and corporate governance practices.

### 1.5 BOARD MEETINGS

The Company's Board holds meetings at least once every quarter, as well as whenever necessary, to review and approve important matters. These include quarterly financial results, statutory financial statements, the annual report, and business ventures, as well as providing updates to the Board. They also review the performance of the Company and its operating subsidiaries, governance matters, and business development matters.

The Company Secretary provides the Annual Meeting Planner to all Directors and Management, outlining all scheduled meetings for the financial year in advance. This aims to help Directors schedule and manage their time commitments, while also enabling Senior Management to provide the Board Papers within the established timeline in accordance with the Board Policy Manual.

The Directors must inform the Board prior to accepting directorships in other listed companies or non listed companies.

It is expected that all Directors make themselves available to attend to any matters arising that require their attention individually or collectively.

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The attendance record of the Directors at Board and Committee meetings in respect of FY2025 is set out below.

Name of Directors	BOD	BAC	BNREC	BRC	BPC	BIC	BSC
<b>PMgr. Sr. Haji Che Had Bin Dhali</b> (Non-Independent Non-Executive Chairman) (Ceased as Chairman with effect from 1 February 2026) due to expiration of his contract.	8/9	n/a	n/a	n/a	n/a	n/a	n/a
<b>Dato' Zakiah Binti Kassim</b> (Senior Independent Non-Executive Director)	7/9	5/6	6/7	n/a	n/a	1/1	n/a
<b>Dato' Wira Haji Isahak Bin Murat</b> (Non-Independent Non-Executive Director) (Resigned with effect from 3 February 2026)	7/9	2/4	6/7	n/a	n/a	2/2	n/a
<b>YM Raja Shahreen Bin Raja Othman</b> (Executive Director) (Ceased as ED/GCEO with effect from 1 November 2025) due to expiration of his contract.	7/7	n/a	n/a	n/a	n/a	1/1	n/a
<b>Tuan Mohamad Ibrahim Bin Ghazali</b> (Independent Non-Executive Director)	9/9	6/6	n/a	4/4	n/a	n/a	1/1
<b>YB Ir. Ts. Khairil Nizam Bin Khirudin</b> (Independent Non-Executive Director)	7/9	6/6	n/a	4/4	n/a	1/1*	n/a
<b>YB Ts. Dr. Mohd Suffian Bin Yusoff</b> (Independent Non-Executive Director)	9/9	n/a	n/a	n/a	1/1	n/a	3/3
<b>Puan Nawal Binti Hanafiah</b> (Independent Non-Executive Director)	9/9	n/a	7/7	n/a	n/a	n/a	3/3
<b>Tuan Haji Junaidi Bin Abidin</b> (Non-Independent Non-Executive Director)	6/6	n/a	n/a	3/3	1/1	n/a	2/2

\*by invitation

### 1.6 TIME COMMITMENT

The Directors appointed should be able to devote the required time to serve the Board effectively. The Company has established the Directors Fit and Proper Policy (DFP) with specific reference about "Time and Commitment" as mentioned in Item 2.1.3.

In FY2025, all the Directors attended more than 50% of the Board Meetings held, which is the minimum requirement stipulated under Paragraph 15.05 of the MMLR.

The Board members are encouraged to participate in the meeting throughout its duration, as the Company Secretary has prepared the proposed agenda timing in advance.

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### 1.7 COMMITMENT TO TIMELY CIRCULATION OF MEETING MATERIALS

The Board and Management are aware of the significance of providing comprehensive and timely information to the Directors. This will enable them to make informed decisions and fulfill their duties and responsibilities. The Board Meeting notices and agendas are shared with the Board members and Board Committee at least seven (7) days prior to the meetings. This allows the Directors to plan ahead and maximize their participation, except for urgent Special Board Meetings that may be called at short notice.

The overall calendar of meetings of the Board and Board Committees held in FY2025 is provided below:

No.	Months	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
		Full	Special	Full	Special	Full	Special	Full	Special	Full	Special	Full	Special	Full	Special	Full	Special	Full	Special	Full	Special	Full	Special	Full	Special
1	BOARD	-	-	✓	✓	-	-	✓	✓	-	-	-	-	-	-	-	✓	-	-	-	-	-	-	-	✓
2	BAC	-	-	✓	-	-	✓	-	✓	-	-	-	-	-	-	-	✓	-	-	-	-	-	-	-	-
3	BNREC	-	-	-	✓	-	-	✓	-	-	-	-	-	-	-	-	✓	-	-	✓	-	-	-	-	-
4	BRC	-	-	-	-	-	✓	-	-	-	-	-	✓	-	-	-	-	-	-	-	-	-	-	-	-
5	BPC	-	-	-	-	-	-	-	-	✓	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	BSC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	✓	-	-	-	-	-	-	-	✓
7	BIC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	✓

#### Abbreviations

- BOARD : Board of Directors' Meeting
- BAC : Board Audit Committee Meeting
- BNREC : Board Nomination, Remuneration & ESOS Committee Meeting
- BRC : Board Risk Committee Meeting
- BPC : Board Procurement Committee Meeting
- BSC : Board Sustainability Committee Meeting
- BIC : Board Investment Committee Meeting

#### Symbol

- ✓ : Meeting
- : No Meeting

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Total number of Meetings FY2025:

No.	Type of Meetings	2025 Total Number of Meetings	Terms of Reference ("TOR") for each Meeting	Complied with TOR
1	BOARD	9 times	4 times in each Financial Year	✓
2	BAC	6 times	4 times a Year	✓
3	BNREC	7 times	At least Twice a Year	✓
4	BRC	4 times	At least Quarterly	✓
5	BPC	1 time	When the need arises	✓
6	BSC	3 times	2 times a year	✓
7	BIC	2 times	When the need arises	✓

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### 1.8 REMUNERATION OF DIRECTORS OF THE COMPANY FOR FY2025 IS AS FOLLOWS:

The details of the disclosure of remuneration of Directors on a named basis are disclosed in the Corporate Governance Report (CG Report), which is available on the Company's website at <https://www.bdb.com.my/corporate-governance/>.

Name of Directors	Salary (RM)	Fees (RM)	Meeting Allowances (RM)	Allowance (RM)	Benefit in Kind (RM)	Other Emoluments (RM)	Total cash & Benefits (RM)
<b>PMgr. Sr. Haji Che Had Bin Dhali</b> (Non-Independent Non-Executive Chairman) (Ceased as Chairman with effect from 1 February 2026) due to expiration of his contract.	-	72,000	35,000	120,000	6,000	16,000	249,000
<b>Dato' Zakiah Binti Kassim</b> (Senior Independent Director)	-	72,000	60,500	-	-	-	132,500
<b>Dato' Wira Haji Isahak Bin Murat</b> (Non-Independent Non-Executive Director) (Resigned with effect from 3 February 2026)	-	72,000	53,500	-	-	-	125,500
<b>YM Raja Shahreen Bin Raja Othman</b> (Executive Director) (Ceased as ED/GCEO with effect from 1 November 2025) due to expiration of his contract.	624,268	60,000	26,000	40,000	4,340	-	754,608
<b>Tuan Mohamad Ibrahim Bin Ghazali</b> (Independent Non-Executive Director)	-	72,000	64,500	-	1,750	-	138,250
<b>YB Ir. Ts. Khairil Nizam Bin Khirudin</b> (Independent Non-Executive Director)	-	72,000	60,500	-	8,000	12,602	153,102
<b>YB Ts. Dr. Mohd Suffian Bin Yusoff</b> (Independent Non-Executive Director)	-	72,000	44,500	-	5,000	-	121,500
<b>Puan Nawal Binti Hanafiah</b> (Independent Non-Executive Director)	-	72,000	60,500	-	-	16,000	148,500
<b>Tuan Haji Junaidi Bin Abidin</b> (Non-Independent Non-Executive Director)	-	56,323	38,500	-	-	-	94,823
<b>GRAND TOTAL (RM)</b>	<b>624,268</b>	<b>620,323</b>	<b>443,500</b>	<b>160,000</b>	<b>25,090</b>	<b>44,602</b>	<b>1,917,783</b>

#### Key Senior Management's Remuneration

The Board understands the significance of being transparent in revealing the salaries of its top-level Management. The details disclosure of compensation for Key Senior Management on a named basis are disclosed in the Corporate Governance Report (CG Report), which is available on the Company's website at <https://www.bdb.com.my/corporate-governance/>.

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Range of Remuneration (RM)	Key Senior Management		
	Group Chief Executive Officer (GCEO)	Chief Financial Officer (CFO)	Chief Business Strategy Officer (CBSO)
150,000 & below	✓	-	-
150,001 - 200,000	-	-	-
200,001 - 250,000	-	✓	✓
250,001 - 300,000	-	-	-
400,001 - 450,000	-	-	-
500,000 - 550,000	-	-	-
700,000 - 750,000	-	-	-
1,500,000 - 1,600,000	-	-	-

### Notes:

GCEO : Encik Che Abdul Khalid Bin Md Din (Appointed with effect from 1 November 2025)

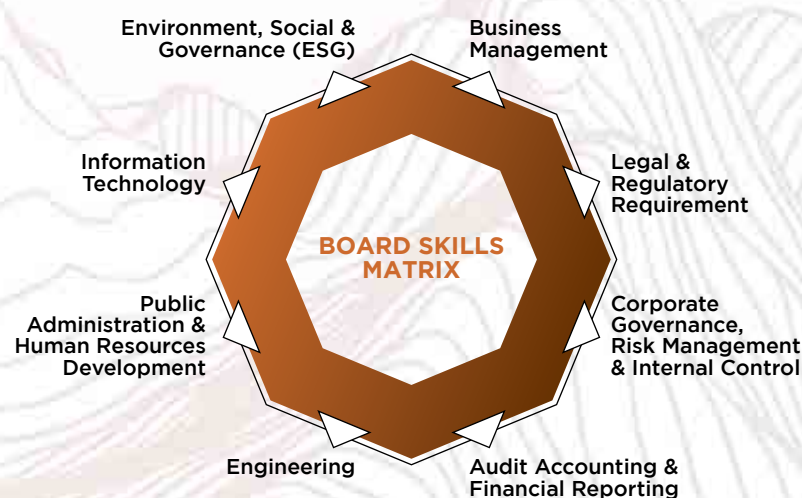
CFO : Encik Mohd Nasir Bin Ismail

CBSO : Encik Mohd Hudzaifah Mohamad Sam

## 1.9 BOARD SKILLS AND EXPERTISE

The BNREC supports the Board in evaluating and ensuring that the Directors have the appropriate blend of skills, expertise, experience, and other qualities needed to manage the Company's business in line with its Strategic Business direction approved by the Board.

The following are the Board skills matrix of the Company for Financial Year 2025::



- Tuan PMgr. Sr. Haji Che Had Bin Dhali**  
Property Surveyor / Property Development  
(Ceased as Chairman with effect from 1 February 2026) due to expiration on his contract)
- Dato' Zakiah Binti Kassim**  
Judiciary & Legal
- Dato' Wira Haji Isahak Bin Murat**  
Financial / Public Administration  
(Resigned on 3 February 2026)
- YM Raja Shahreen Bin Raja Othman**  
Chartered Accountant & Others  
(Ceased as ED/GCEO with effect from 1 November 2025) due to expiration on his contract)
- Tuan Mohamad Ibrahim Bin Ghazali**  
Chartered Accountant & External Auditors
- YB Ir. Ts. Khairil Nizam Bin Khirudin**  
Engineering / Technologies
- YB Ts. Dr. Mohd Suffian Bin Yusoff**  
Environmental Engineering / Technologies
- Puan Nawal Binti Hanafiah**  
Human Resource Development & Sustainability
- Tuan Haji Junaidi Bin Abidin**  
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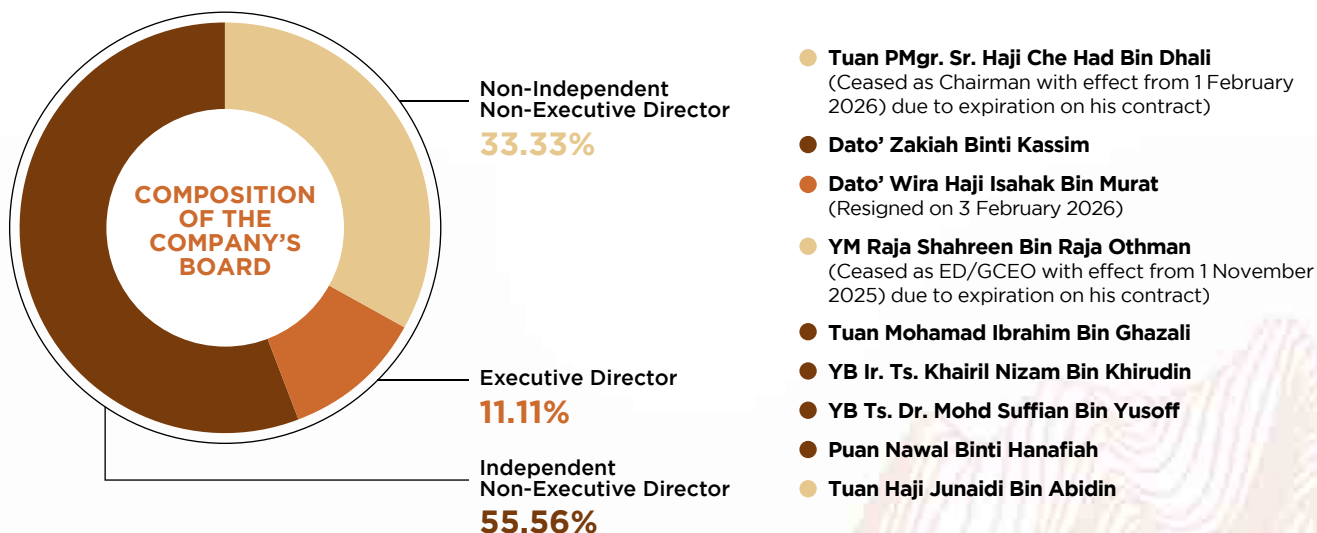
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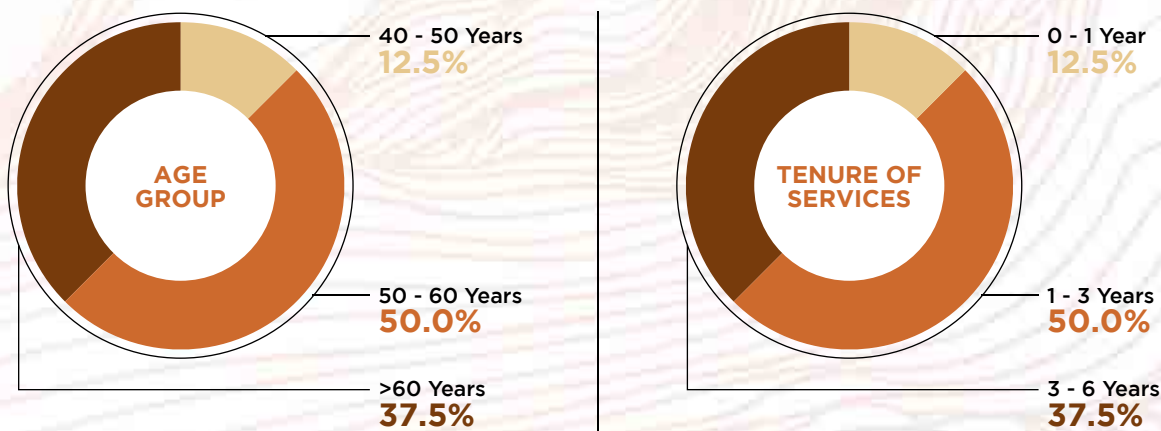
Expert Knowledge	Industry Knowledge
Academic qualifications in Law, Business Management, Finance and Economics, or professional experience as an Accountant or Lawyer.	Industry involvement through previous held positions such as: <ul style="list-style-type: none"> <li>• Property Expertise</li> <li>• Digital Technology</li> <li>• Professional Services</li> <li>• Financial Services/Banking</li> </ul>

The following table illustrates the composition of the Company's Board.



Based on the composition of the Board mentioned above, the gender diversity represents 75% male and 25% female.

The age gap analysis and tenure of services for the Board Members are as follows:



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### 1.10 DIRECTOR'S TRAINING

The directors of the Company have successfully attended the Mandatory Accreditation Programme (MAP) as required by the MMLR. Although there was no formal assessment of their training needs, they were encouraged to participate in relevant training programs, seminars, workshops, and briefings to enhance their skills and knowledge of the latest statutory and regulatory requirements. This will enable them to stay up-to-date with current business developments and perform their duties as directors more effectively.

Below are summaries of the attendance of the directors at training programs, seminars, workshops, and briefings:

No.	Training Details	Date & Method	Participants
1	<b>Mandatory Accreditation Programme Part I (MAP I)</b>	13 - 14 May 2025 (Virtual)	Tuan Haji Junaidi Bin Abidin
2	<b>Mandatory Accreditation Programme Part II (MAP II): LIP</b>	23 - 24 June 2025 (Virtual)	YM Raja Shahreen Bin Raja Othman
3	<b>Mandatory Accreditation Programme Part II (MAP II): LIP</b>	16 - 17 July 2025 (Virtual)	Puan Nawal Binti Hanafiah
4	<b>Mandatory Accreditation Programme Part II (MAP II): LIP - Day 1</b>	30 - 31 July 2025 (Virtual)	PMgr. Sr. Tuan Haji Che Had Bin Dhali
5	<b>Mandatory Accreditation Programme Part II (MAP II) : LIP</b>	6 - 7 August 2025 (Virtual)	<ul style="list-style-type: none"> <li>• Tuan Mohamad Ibrahim Bin Ghazali</li> <li>• YB Ts. Dr. Mohd Suffian Bin Yusoff</li> </ul>
6	<b>Program Ikrar Bebas Rasuah</b>	28 August 2025 (Dewan Gemilang, DGCC, Jitra, Kedah)	<ul style="list-style-type: none"> <li>• PMgr. Tuan Haji Che Had Bin Dhali</li> <li>• Dato' Zakiah Binti Kassim</li> <li>• Dato' Wira Haji Isahak Bin Murat</li> <li>• YM Raja Shahreen Bin Raja Othman</li> <li>• Tuan Mohamad Ibrahim Bin Ghazali</li> <li>• YB Ir. Ts. Khairil Nizam Bin Khirudin</li> <li>• YB Ts. Dr. Mohd Suffian Bin Yusoff</li> <li>• Puan Nawal Binti Hanafiah</li> <li>• Tuan Haji Junaidi Bin Abidin</li> </ul>
7	<b>Mandatory Accreditation Programme Part II (MAP II): LIP</b>	7 - 8 October 2025 (Virtual)	Tuan Haji Junaidi Bin Abidin
8	<b>Audit Oversight Board's Conversation with Audit Committees</b>	25 November 2025 (Virtual)	Tuan Mohamad Ibrahim Bin Ghazali
9	<b>Mandatory Accreditation Programme Part II (MAP II): LIP - Day 2</b>	23 September 2025 (Virtual)	PMgr. Sr. Tuan Haji Che Had Bin Dhali
10	<b>Kursus Lembaga Pengarah 2025 - How Boards Shape Corporate Success</b>	8 December 2025 (Dewan Utama Ukir Mall, Kompleks Ukir Mall, Alor Setar, Kedah)	<ul style="list-style-type: none"> <li>• Dato' Zakiah Binti Kassim</li> <li>• Tuan Mohamad Ibrahim Bin Ghazali</li> <li>• YB Ts. Dr Mohd Suffian Bin Yusoff</li> <li>• Puan Nawal Binti Hanafiah</li> <li>• Tuan Haji Junaidi Bin Abidin</li> </ul>

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### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 2.0 BOARD AUDIT COMMITTEE (BAC)

The Chairman of the BAC is not the Chairman of the Board. The BAC supports the Board in its responsibility to oversee the financial reporting and the effectiveness of the internal controls of the Group.

#### 2.1 MEMBERS OF THE BOARD AUDIT COMMITTEE

Bina Darulaman Berhad adheres to Paragraph 15.09 of MMLR of Bursa Malaysia Securities Berhad. This requires all members of the BAC to be Non-Executive Directors, with the majority of them being Independent Directors.

The following individuals are the members of the BAC:

No	Name	Directorial Status
1	<b>Tuan Mohamad Ibrahim Bin Ghazali</b>	Chairman/Independent Non-Executive Director
2	<b>Dato' Zakiah Binti Kassim</b>	Member/Senior Independent Director
3	<b>YB Ir. Ts. Khairil Nizam Bin Khirudin</b>	Member/Independent Non-Executive Director
4	<b>Dato' Wira Haji Isahak Bin Murat</b> (Appointed as Member on 20.03.2025)	Member/Non-Independent Non-Executive Director

Notes: Dato' Wira Haji Isahak Bin Murat resigned with effect from 3 February 2026.

The profiles of the BAC members are disclosed on pages 27 to 29 of this Annual Report.

The duties and functions of the BAC are to:

- Monitor the financial risks along with its accounting and financial reporting practices.
- Review the Company's business processes and endeavor to ensure the efficiency of the Company's system of internal control.
- Deliberate on matters arising from internal audit and investigations.
- Investigate any matters within the scope of the BAC's duties and its TOR.
- Obtain external independent legal or other professional advice as necessary.
- Secure full, free, and unrestricted access to any information, records, properties, and personnel of the company and other companies within the Group.
- Communicate directly with the External Auditors, the Internal Auditors or both, excluding the attendance of other Board of Directors, Senior Management and employees, where necessary.

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- Report to Bursa Malaysia matters duly reported by it to the Board which have not been satisfactorily resolved resulting in a breach of any regulatory requirements; and
- Notwithstanding anything to the contrary, the BAC does not have the executive powers and shall report to the Board on matters considered and recommendation thereon, pertaining to the Group.

### 2.2 TERMS OF REFERENCE

The terms of reference for the BAC are available on the Company's website at <https://www.bdb.com.my/bdbpolicies/>. The latest update was effective on 27 May 2025.

### 2.3 FINANCIAL REPORTING

The Board and the BAC are to ensure that:

- BDB's financial statements are prepared in accordance with applicable approved accounting standards;
- The disclosure timeline, format, and contents are compiled according to rules and regulations, including the provisions of the Bursa Malaysia MMLR;
- The Board, with the assistance of the BAC, shall oversee and manage the financial reporting and internal control policies and will maintain an appropriate relationship with the Company's Auditors; and
- The Board, through the BAC, shall also assess the suitability, objectivity, and independence of the Company's Auditors.

The Company's Auditors for the upcoming year will only be appointed with the approval of the shareholders. As per the recommendation of MCCG 2021, the BAC has implemented a policy which requires a cooling-off period of at least two (2) years for a former key audit partner before they can be appointed as a member of the BAC. BDB has been complying with this policy.

The role of the BAC is to assist the Board in maintaining a robust system of internal control across the Group. To ensure that the financial statements use appropriate accounting policies, the BAC meets with the External Auditors without the presence of Management. During these meetings, the External Auditors can raise any concerns they may have pertaining to the compliance of the financial statements.

### 2.4 RISK AND INTERNAL CONTROL

The Board is responsible for maintaining a robust system of internal control that covers various areas like risk management, financial, organizational, operational, and compliance controls. The purpose of this system is to help the Group achieve its objectives within an acceptable risk profile. However, it is important to note that these controls can only provide reasonable, but not absolute, assurance against material misstatements, errors of judgment, loss, or fraud.

More information on the Group's internal control in the Group Statement of Risk Management & Internal Control (SORMIC) in this Annual Report and also in the CG Report.

### 2.5 RELATIONSHIP WITH EXTERNAL AUDITORS

The BAC is responsible for overseeing the relationship with the External Auditors. Annually, the BAC reviews and evaluates the re-appointment, remuneration, and terms of engagement of the auditors. More information on the role of the BAC in relation to the External Auditors can be found in the Report of the Audit Committee, as outlined in this Annual Report.

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The External Auditors are requested to be present in the BAC meetings where the Group's yearly financial results are reviewed. They are also invited to participate in discussions regarding the Group's audit findings, internal controls, and accounting policies whenever necessary.

Representatives of the External Auditors are present at each AGM.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### 3.0 INTEGRITY IN CORPORATE REPORTING

The responsibility of preparing and approving the financial statements lies with the Board. The Directors are obliged to prepare financial statements for every financial year. These statements must accurately present the state of affairs of BDB Group in accordance with the Malaysian Financial Reporting Standards and the Companies Act 2016. It is important that they present a true and fair picture of the company's financial position.

The Board of Directors has thoroughly examined BDB's business plans, capital expenditure commitments, and expected cash flows to ensure that the company has sufficient resources to continue its operations in the near future. In light of this, the Board has decided to adopt the going concern basis while preparing the Financial Statements. The Directors are satisfied with the accuracy of BDB's accounting records, which have been maintained effectively and allow for the proper preparation of financial statements.

Given the current financial position of the Company for financial year 2025, the Board Audit Committee (BAC) has requested the Management to provide the Board with a monthly update on the financial status, along with detailed information in specific segments.

#### 3.1 CORPORATE DISCLOSURE POLICIES AND PROCEDURES

The Board is responsible for reviewing and approving all important announcements, including quarterly reports and full-year results. These reports are made public via Bursa Link within the mandatory period to disseminate information about BDB in a timely, factual, accurate, and complete manner. The financial statements and other presentation materials presented at the company's general meetings are also disseminated in the same way. BDB Group has established a Disclosure Policy that applies to all Directors and those authorized to speak on behalf of BDB to ensure that communications to the public are done in accordance with established processes and procedures.

#### 3.2 COMMUNICATION WITH SHAREHOLDERS

The Board believes that building a relationship with shareholders and dissemination of information should be through interaction during AGM, systematic engagement through briefings, media releases, public announcements, responses to shareholders' queries, and updates on our Company's website.

#### 3.3 CONDUCT OF GENERAL MEETINGS

The Board ensures that all general meetings are conducted following the best practices, and shareholders are informed about the meeting details. On 30 April 2025, the Annual Report 2025 and notice of the AGM were sent to the shareholders.

The Board ensures that shareholders receive ample notice and time to review the resolutions presented at the AGM. The Notice of AGM includes explanatory notes that provide further information on the proposed resolutions.

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All resolutions were voted on by poll and verified by an independent scrutineer appointed by BDB.

All Board members will attend the general meetings to interact with shareholders.

### 4.0 CODE OF BUSINESS CONDUCT AND ETHICS

The Code of Business Conduct and Ethics lays out the moral principles and values that are expected of the Directors and employees. It serves as a guide to their responsibilities and is available on the Company's website. The Board has implemented proper systems and processes to support, promote and ensure adherence to these standards. The BAC reviews the Code on 23 November 2024 and approved by the Board on 24 November 2024.

Moreover, the Board has adopted a Whistle Blowing Policy (WBP) that outlines the procedures for reporting any suspected misconduct or malpractice. The policy ensures protection to whistle-blowers who report such incidents, ensures that the Group's ethical obligations are met. Employees and stakeholders are encouraged to raise any serious concerns in a responsible manner without fear of victimisation, avoiding or overlooking them. The BAC had on 28 May 2024 reviewed and recommended to the Board for approval on 29 May 2024.

The Company's Code of Business Conduct and Ethics and WBP are aligned with the Board's Anti-Bribery and Corruption Policy. The WBP is available on the Company's website at <https://www.bdb.com.my/bdbpolicies/>.

### 5.0 SUSTAINABILITY

The Group has made sustainability its primary focus for FY2025 and onwards. The Board, in collaboration with Management, is fully committed to prioritizing the ESG sustainability agenda at both the group and operational levels, as well as within the communities it serves.

The Sustainability Report 2025 on pages of 71 to 130 of the Annual Report 2025.

### 6.0 GOVERNANCE INITIATIVE AND FUTURE PRIORITIES

The Company's future priorities involve enhancing governance, compliance, and shareholder engagement to establish itself as a reputable public listed entity.

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# Audit Committee Report

**T**he Board Audit Committee (“BAC”) assists the Board in fulfilling its fiduciary responsibilities relating to governance, internal controls, accounting, and reporting practices of the Group. The BAC promotes the practices of good corporate governance by ensuring that adequate internal control systems are in place and that appropriate standards of responsibility, integrity and accountability are maintained across the Group.

## MEMBERS OF THE AUDIT COMMITTEE

Bina Darulaman Berhad complies with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires all BAC members to be Non-Executive Directors, with a majority of them being Independent Directors.

The members of the BAC are as follows:

No.	Name	Directorial Status
1	<b>Tuan Mohamad Ibrahim bin Ghazali*</b>	Chairman / Independent Non-Executive Director
2	<b>Dato’ Zakiah binti Kassim</b>	Member / Senior Independent Non-Executive Director
3	<b>YB Ir. Ts. Khairil Nizam bin Khirudin</b>	Member / Independent Non-Executive Director
4	<b>Dato’ Wira Haji Isahak Bin Murat</b> (Appointed as BAC Member on 20.03.2025)	Member/Non-Independent Non-Executive Director

\* A member of the Malaysian Institute of Accountants

Notes: Dato’ Wira Haji Isahak Bin Murat resigned with effect from 3 February 2026.

The profiles of the BAC members are disclosed on pages 27 to 29 of this Annual Report.

## TERMS OF REFERENCE

The terms of reference for the BAC are available on the Company’s website at [www.bdb.com.my](http://www.bdb.com.my) under the Company Policies section. The latest update of the information therein was 27 May 2025.

## SUMMARY OF THE ACTIVITIES OF THE AUDIT COMMITTEE

### Meetings and Minutes

During the year ended 31 December 2025, the Committee met six (6) times whereby four (4) times by way of ordinary meetings on 23 February 2025, 27 May 2025, 24 August 2025 and 23 November 2025 and two (2) times by way of Special Meeting held on 17 March 2025 and 29 April 2025.

No.	Name	Number of Meetings	
		Held	Attendance
1	Tuan Mohamad Ibrahim bin Ghazali	6	6/6
2	Dato’ Zakiah binti Kassim	6	5/6
3	YB Ir. Ts. Khairil Nizam bin Khirudin	6	6/6
4	Dato’ Wira Haji Isahak Bin Murat	4	2/4

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Permanent invitees to the BAC are the Executive Director / Group Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit Department (IAD). Other invitees from the management team are present to report on specific issues as per the meeting agenda. The Chairman of the BAC reports all key issues discussed to the Board.

The BAC continued to provide oversight to the external and internal audit functions together with the integrity and governance functions and performed the following based on the meeting agenda:

### External Audit

- Reviewed the External Auditors' audit plan prior to the commencement of the interim and annual audit;
- Reviewed the audited year-end financial results of the Group prior to submission to the Board for consideration and approval;
- Reviewed the audit reports of the External Auditors in relation to audit and accounting issues arising from the audit;
- Discussed matters arising from the audit of the Group in a closed session meeting without the presence of Management;
- Reviewed the performance of the External Auditors and proposed their re-appointment and remuneration to the Board;
- Reviewed the findings of the External Auditors and followed up on their recommendations;
- Met privately with external auditors without management being present in order to encourage open and transparent feedback from both parties on 17 March 2025.

### Internal Audit

- Reviewed and approved the 2025 Annual Internal Audit Plan and resources for the execution of audit activities across the Group;
- Deliberated on major issues brought to the attention of the BAC and considered the appropriateness of Management action plans in relation to the audit recommendations;
- Ensured that Management resolved all audit issues within the agreed timeline and approved the extension of said timeline wherever necessary;

- Reviewed the Sustainability Assurance Statement on Sustainability Report for Annual Report publication;
- Raised concerns on certain operational issues for future audit reviews;
- Met privately with the internal auditors without Management being present on 23 November 2025.

### Integrity and Governance

- Was informed of the appointment, resignation, and termination of the Head of IGU and its senior personnel;
- Approved the IGU Charter, IGU Organisation Structure and Annual Integrity Plan for the year 2025;
- Guided, advised, and recommended the implementation of integrity strategies, plans, and activities during the year;
- Reviewed, deliberated, and approved changes to the integrity related policies and procedures;
- Ensured the reporting channel for whistleblowing is available for Employees to report on possible corruption, abuse of power, malpractice, and non-compliance with the Code of Conduct & Business Ethics;
- Deliberated report on corruption, abuse of power, and malpractice investigated by IGU and action taken or to be taken to ensure fair and transparent investigations are conducted with protection, confidentiality, and anonymity of submission;
- Approved the engagement of an independent advisory expert to ensure the IGU functions effectively;
- Met with the Head of IGU privately at regular meetings or on an as-needed basis.

### Other significant oversight activities were as follows:

- Reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report and recommended to the Board their inclusion in the Annual Report;
- Reviewed the unaudited quarterly financial results and the announcements thereof and made recommendations to the Board for consideration and approval for release from Bursa Securities. The CFO gives the assurance to the BAC on the accuracy of the financial statements according to the accounting policies;

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- iii) Reviewed related party transactions as required under Bursa Malaysia Listing Requirements to ascertain that transactions were conducted at arm's length prior to submission for the Board's consideration and where appropriate, shareholders' approval;
  - iv) Reviewed the renewal of the Shareholders' mandate for recurrent trading revenue related party transactions based on an established framework for the Board to recommend to shareholders for approval, and authorised the submission of the draft circular to Bursa Malaysia Securities Berhad;
  - v) Reviewed the revised Term of Reference of BAC for approval by the Board of Directors. The Term of Reference was revised on 27 May 2025 to include the additional responsibilities on the oversight for integrity and governance activities.
  - iii) Revised the Terms of Reference for the Board Audit Committee;
  - iv) Reviewed policies and procedures.
- The total cost incurred for the Internal Audit Function for the financial year was approximately RM740,785.15.

## INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is to provide independent, objective assurance and consulting services designed to add value to and improve BDB's operations. The Internal Audit activities help BDB accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and the adequacy of internal controls.

The Group Internal Audit operated independently, with no direct operational responsibilities or authority over the activities audited. The BAC is assured that all the internal audit staff are free from any relationships or conflicts of interest which could impair their objectivity and independence. The declaration form has been signed annually. The IAD team also possesses the competencies in their field, supported by continuous training programs.

For 2025, the IAD conducted an audit review based on the approved Annual Audit Plan using the risk-based approach, Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, and guided by Global Internal Audit Standards. Apart from conducting routine audit reviews of the approved audit scopes, members of the IAD also performed the following activities:

- i) Followed up and validated the completion of remedial action plans to close outstanding audit issues on a quarterly basis;
- ii) Conducted year-end stock take exercises at subsidiaries together with external auditors;

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## Statement on Risk Management and Internal Control

**T**his Statement on Risk Management and Internal Control is made in accordance with the Malaysian Code on Corporate Governance 2021 (MCCG) and Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia). The Statement has been prepared in accordance with the ‘Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers’ and takes into account the enhanced disclosure expectations set out in the Statement on Risk Management and Internal Control (SORMIC) Guide 2025.

### BOARD RESPONSIBILITY

The Board of Directors (“the Board”) acknowledges its responsibility for maintaining an adequate and sound framework for risk management and internal control to safeguard shareholders’ investments and the Group’s assets.

The Board affirms that risk management and internal control are embedded within the Group’s governance framework and form an integral part of strategic planning, capital allocation, investment evaluation and operational decision-making processes. In fulfilling its oversight responsibilities, the Board receives and deliberates periodic report on risk management and internal control matters, including reports escalated by the Board Risk Committee (“BRC”) and Board Audit Committee (“BAC”).

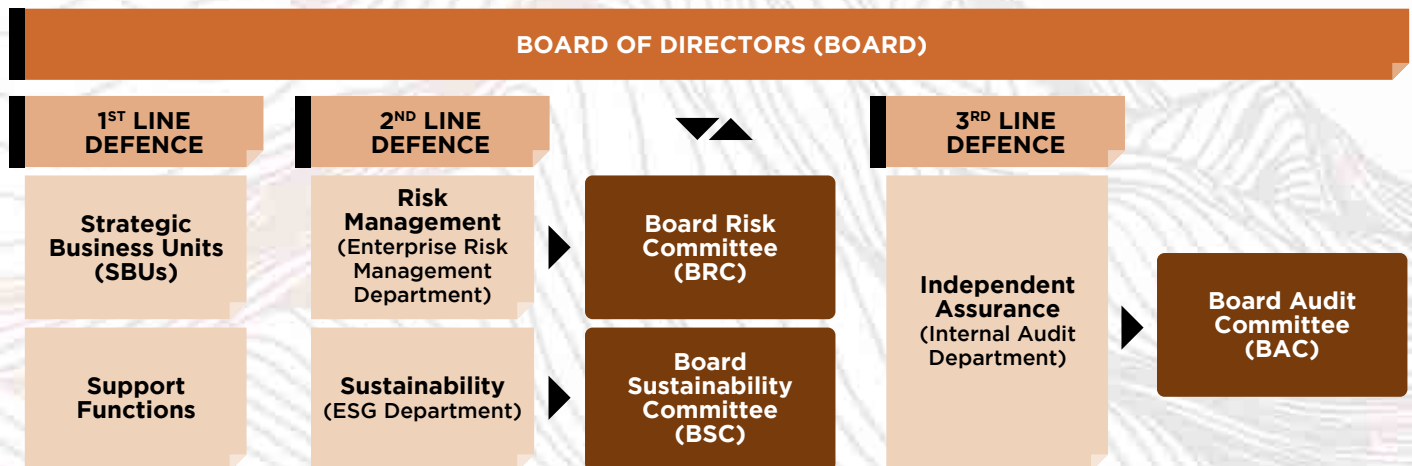
Through its Committees, the Board oversees the adequacy, effectiveness and integrity of the Group’s risk management and internal control systems and reviews their continued relevance against the Group’s strategic objectives, operating environment and regulatory expectations.

The management is responsible for implementing the risk management framework, policies and internal control processes across the Group, and for ensuring that material risks are appropriately identified, assessed, managed and monitored within the Board-approved risk appetite.

### GOVERNANCE STRUCTURE AND OVERSIGHT

The Group’s risk management and internal control governance structure is supported by clearly defined roles and responsibilities as set out in the Board Policy Manual, the respective Board Committees’ Terms of Reference (“TOR”) and the Enterprise Risk Management (“ERM”) Policy.

The Group adopts a structured governance and assurance model aligned with the Three Lines of Defence framework:



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## Statement on Risk Management and Internal Control

### 1st Line of Defence – Management and Operations

Risk Owners within Strategic Business Units (“SBU”) and Support Functions are accountable for identifying, assessing and managing risks within their respective areas and for implementing appropriate controls and mitigation measures.

### 2nd Line of Defence – Risk Management and Sustainability

The Enterprise Risk Management Department (“ERMD”) facilitates the ERM framework, monitors risk exposures, consolidates risk reporting and promotes consistency in risk assessment and treatment across the Group.

The ESG department (“ESGD”) facilitates the sustainability frameworks, monitors the roadmaps and the process and consolidates the sustainability-related reporting.

### 3rd Line of Defence – Independent Assurance

Internal Auditor provides independent and objective assurance to the Board and the Audit Committee on the adequacy and effectiveness of the Group’s governance, risk management and internal control systems.

## BOARD AND MANAGEMENT COMMITTEES

The Board has established various Board Committees with clearly defined TORs to support the Board in discharging its governance and oversight responsibilities.

### Board Audit Committee (“BAC”)

- Reviews the adequacy and effectiveness of internal controls, including financial controls, compliance, and risk management systems.
- Oversees the Internal Audit, Integrity and Governance Department and ensures independence in audit processes.
- Ensures financial reporting integrity and compliance with Bursa Malaysia’s Main Market Listing Requirements (MMLR) and Malaysian Financial Reporting Standards (MFRS).

### Board Risk Committee (“BRC”)

- Provides oversight of enterprise-wide risk management, including risk appetite and key risk exposures.
- Monitors the implementation and effectiveness of ERM practices across the Group.
- Reviews and recommends the Group’s risk appetite and tolerance levels as and when required.
- Monitors post-investment performance and related risk exposures.

### Board Nomination, Remuneration and ESOS Committee (“BNREC”)

- Reviews and recommends Board and senior management appointments, reappointments and succession planning.
- Ensures remuneration structures support sound risk management, ethical conduct and accountability.

### Board Sustainability Committee (“BSC”)

- Oversees sustainability matters and the integration of Environmental, Social and Governance (“ESG”) risks into the Group’s strategy and operations.
- Monitors compliance with Bursa Malaysia Sustainability Reporting requirements and relevant global frameworks.
- Reviews climate-related risks and sustainability initiatives.
- Board Sustainability Committee (BSC) was discontinued with effect from 31 December 2025. Sustainability matters will instead be channelled directly through the Executive Committee (EXCO) to the Board, ensuring integration with broader strategic discussions.

### Board Investment Committee (“BIC”)

- Evaluates investment and divestment proposals against strategic, financial and risk criteria.
- Assesses investment risks, financial viability and market impact prior to Board consideration.
- Board Investment Committee (BIC) was discontinued with effect from 31 December 2025 and its functions were merged with Board Risk Committee.

### Board Procurement Committee (“BPC”)

- Oversees procurement governance and supply chain-related risks.
- Reviews major procurement contracts to mitigate vendor risks and promote transparency.

### Executive Committee (“EXCO”)

On 5 November 2025, the Group activated the Executive Committee (“EXCO”), comprising members of senior management, as the primary management platform for deliberation, coordination and decision-making within the Delegated Authority Limits (“DAL”) approved by the Board, on matters significant to the Group’s strategy, operations, financial performance, risk management and governance.

- Deliberates on Group-wide strategic initiatives and ensures alignment with approved business plans and objectives.
- Reviews key projects and operational performance across subsidiaries and divisions.

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- Monitors the Group's financial performance, budgets and major expenditures within management's authority.
- Reviews and monitor legal and regulatory matters and ensures compliance with applicable laws and internal policies.
- Identifies and monitors key risks and reviews the adequacy of internal controls.
- Evaluates management and project proposals prior to submission to the Board or relevant Board Committees.
- Monitors implementation of decisions and promotes accountability among senior management.

### INTERNAL AUDIT FUNCTION

The Internal Audit Department (IAD) oversees internal auditing activities across the Group and provides independent and objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control systems. The IAD adopts a risk-based audit approach, prioritizing audit engagements based on the Group's key risks, risk appetite, strategic objectives and sustainability considerations.

The IAD reports functionally to the Board Audit Committee (BAC) and administratively to the Group Chief Executive Officer, thereby ensuring its independence and objectivity. IAD also performs assurance review on sustainability reporting which included Performance Data Table to Bursa Malaysia. Audit activities, key findings, and follow-up status are presented to the BAC on a quarterly basis or as required. Significant internal control weaknesses, non-compliance issues and opportunities for process improvements are highlighted to Management, with agreed action plans monitored and tracked. Unresolved or overdue issues are escalated to the BAC and the Board for timely resolution.

The BAC reviews the independence, objectivity, resource adequacy, competency and scope of work of the IAD. The annual risk-based audit plan and any revisions are submitted to the BAC for approval. The IAD's scope covers all material business processes, critical risk areas and key control activities aligned with the Group's strategic priorities and overall risk profile. The details of the oversight activities undertaken by the BAC are highlighted in the Audit Committee Report.

The IAD carries out its responsibilities in accordance with the Global Internal Audit Standards (GIAS), the COSO Framework - which comprises the five components of Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities, and other relevant regulatory requirements. Internal Audit personnel possess the required skills and experience and continuously update their competencies to perform their roles.

### INTERNAL CONTROL SYSTEM AND STRUCTURE

The key features of the Group's internal control system comprise the following components to ensure the achievement of the Group's objective and its operational effectiveness:

- The Board has adopted a Code of Conduct and Ethics (the Code) with the objective of upholding the highest standards of business conduct and ethical behavior that are fundamental to the preservation of the reputation and success of the Group. All employees are required to adhere to the Code whilst performing their duties and responsibilities. The Code covers areas such as conflict of interest, business conduct in the workplace, confidentiality, gifts, entertainment, and anti-bribery issues.
- The internal control system of the Group is supported by a formal organizational structure with lines of responsibility and accountability delegated to the Group's C-Level Management.
- The Delegated Authority Limit ("DAL") is approved by the Board and is updated to reflect changing business conditions. The DAL provides a framework that defines and specifies the authority levels for personnel to fulfill their assigned responsibilities, and it also covers the basic decision-making policy throughout the Group of Companies. Effective 01 June 2025 the Board approved a revision to the DAL to meet the current needs of the Company and designations.
- Relevant policies and procedures are recommended by Management and approved by the Board to ensure the Group's values and internal control mechanism are embedded in business operations. These policies and procedures are made available to guide Management and staff in their day-to-day operations in compliance with relevant laws and regulations. Updates are made on a need basis to reflect any change in operational requirements and/or statutory requirements.
- The Group conducts structure Strategic Planning sessions before tabling plans to the Board for approval. The Board has reviewed and approved the BDB Strategic Plan for the year 2024 - 2026 period that clearly articulates the Group's business objectives, strategies and targets thereby providing clear direction for C-Level Management to focus on areas of concern. Key business risks were identified, assessed and mitigated during the strategic planning process and reviewed during the year to ensure continued relevance and effectiveness.
- Group Human Resources develop internal and external training programs and sessions to facilitate the daily operations and enhance staff competencies.

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- The Whistle Blowing Policy (“WBP”) provides an avenue for employees to communicate any instance of breach or suspected breach of any law or regulation, illegal and/or immoral conduct in a safe and confidential manner. It also provides for proper investigation to be initiated into all allegations or reports within and about the Group.
- The Group maintains a zero-tolerance stance against all forms of bribery and corruption, reinforcing its commitment to conducting business with integrity and transparency. The Anti-Bribery and Anti-Corruption (“ABAC”) and Gifts Policy outlines the Group’s comprehensive approach to preventing and addressing bribery and corruption risks. This policy aligns with the Adequate Procedures Principles under Section 17A (5) of the Malaysian Anti-Corruption Commission Act (“MACC”) 2009 (Amendment 2018), provide clear guidelines and frameworks to safeguard the Group’s operations from corrupt practices. The ABAC Policy was proposed for revision on 01 March 2025, incorporating enhancements such as stricter controls on gifts policies, strengthened reporting mechanisms, and mandatory training for all employees. These revisions aim to ensure continuous improvement in the Group’s anti-corruption framework.
- The Integrity and Governance Unit, established in July 2024, continued to operate during the year in compliance with the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act).
- The Group has established a Business Continuity Plan that is designed to provide direction and pre-determined Management decisions and action plans in managing disasters.
- The preparation of quarterly and full-year financial results, as announced or otherwise published to shareholders. Analysis of actual financial performance versus business plans is conducted on a quarterly basis.
- Annual review and improvement and continuous management and controls of the quality products and services in accordance with ISO 9001:2015 Quality Management System.
- The Board has initiated an ongoing performance monitoring process to ensure the Group’s business objectives are achieved. This includes the establishment of approved budgets, key business indicators and operational performance metrics to monitor results across the Group. The system enables the Group Chief Executive Officer and C-Level Management to review the performance of business units against budgets and other key performance indicators on weekly / monthly basis. Significant variances are analyzed and addressed by C-Level Management, with key issues and outcomes reported to the Board on a quarterly basis.
- The Group Chief Executive Officer actively communicates the Board’s expectations to management teams during management meetings. In these meetings, risks relating to strategy, operational, financial, and external environment matters are discussed, and mitigating action plans are deliberated.
- The Board has taken the necessary measures and reviewed the effectiveness of the system of internal control during the fiscal year through the review and monitoring processes set out above.

### ENTERPRISE RISK MANAGEMENT FUNCTION

The ERMD is responsible for facilitating and coordinating the risk management processes across the Group. Risks are documented in a Risk Register, assessed based on likelihood and impact, and monitored by respective risk owners.

The roles and responsibilities of ERMD as follows:

- Facilitates risk assessments and mitigation planning;
- Provides independent risk insights and trend analysis;
- Monitors risk mitigation progress and escalates material matters;
- Coordinates Business Continuity Management;
- Reports regularly to the BRC; and
- Conducts ERM awareness and training programmes.

Four (4) BRC meetings were held during the financial year, with relevant risk matters escalated to the BRC and Board. During these meetings, key risks were systematically identified, reviewed, assessed and prioritized with corresponding mitigation actions evaluated and monitored to ensure effective risk management and oversight.

The Group continues to promote a risk-aware culture through ongoing communication, training and engagement to ensure that employees at all levels understand their risk management responsibilities.

### ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group adopted a structured ERM framework aligned with ISO 31000:2018 Risk Management – Guidelines as set out in the ERM Policy (Revision 3, effective 17 June 2025).

Consistent with ISO 31000:2018, the ERM framework is integrated into key business and decision-making processes and covers the following core elements of ERM process comprises of:

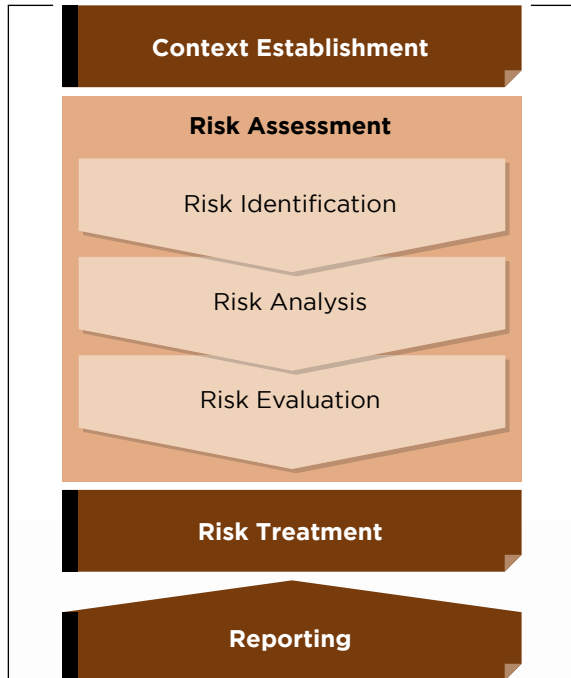
- Context establishment – Identifies the key internal and external factors affecting the Group and defines the risk criteria to ensure risk management remains aligned with the Group’s strategic, operational, and project objectives.

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- To ensure that all approved business proposals, investments, or divestments have been reviewed and validated within the risk parameters which cover the compliance, business structure, and investment from the risk perspective.
- To implement a robust and sustainable ERM framework that is aligned with the Group's vision, mission, corporate objectives, and in accordance with best practices.

The above policies will be adhered to through:

- Quarterly reporting to the Board on ERM activities and keeping the Board updated on all ERM aspects including significant risks and risk trends;
- The provision of adequate and suitable resources, including tools and manpower, to ensure the ERM framework and system are operating effectively;
- The provision of adequate education and communication channels to ensure staff understand the requirements and are cognizant of their roles and responsibilities associated with ERM; and
- Maintaining documented risk information (i.e. Risk Registers, Risk Report) for continuous monitoring of ERM activities.

- Risk assessment – Risks are identified and shall be assessed against predefined risk matrix levels (likelihood of occurrence and severity of impact), and categorized as strategic, operational or project risks as per Risk Profiling criteria.
- Risk treatment – Development of mitigation measures and action plans to manage or reduce the risks exposures.
- Consultation and monitoring – Two-way engagement between ERMD and risk owners to review, monitor, and manage risks on an ongoing basis.
- Reporting – Risk exposures are reviewed quarterly by management and reported to the BRC and the Board.

These elements are applied iteratively to ensure risk management remains relevant, responsive to change and aligned with the Group's objectives.

The Board provides guidance to ensure all risks are managed in an organized and consistent manner. The policies of the Board for ERM are as follows:

- To integrate and cultivate risk management into the work culture, business activities, and decision-making processes;
- To anticipate and proactively respond to the changing operational, social, environmental, and regulatory requirements;
- To manage risks pragmatically, to an acceptable level given the circumstances of each situation;

### RISK APPETITE AND RISK TOLERANCE

The Board approved the Group's Risk Appetite and Risk Tolerance framework in ERM Policy on 17 June 2025, that defines the level and type of risk the Group is willing to accept in pursuit of its strategic objectives, taking into consideration the Group's financial capacity, operating environment and stakeholder expectations.

Clear escalation protocols are in place for the risk exposures exceeding approved tolerance levels or breach defined thresholds, the management is required to immediately notify the ERMD and implement interim risk mitigation or corrective measures.

Risk exposures are monitored by quarterly basis against approved tolerance levels, and any significant breaches, including those that may impact the Group's financial position, regulatory standing or reputation are escalated to the management, the BRC and the Board in accordance with the escalation protocols depending on materiality and severity.

The Group's risk appetite is assessed using a combination of quantitative and qualitative indicators, which may include, but are not limited to:

- Financial Risk: gearing levels, liquidity headroom, cash runway, debt service coverage;
- Operational & Project Risk: project delivery timelines, cost overruns, delays against approved milestones;

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- Health, Safety & Environment (HSE): incident frequency, severity of workplace accidents, environmental non-compliance;
- Legal & Regulatory Compliance: number and severity of regulatory breaches, litigation exposure, permit and approval compliance;
- Reputational & Stakeholder Risk: material complaints, adverse media coverage, stakeholder disputes.

These indicators are reviewed annually to ensure continued relevance and alignment with the Group's strategy and operating environment.

### SUSTAINABILITY, CLIMATE AND EMERGING RISKS

Sustainability, climate-related and other emerging risks are identified by the ESGD, with the support from the ERMD, as part of the Group's sustainability governance initiatives. These risks are identified, assessed and mitigation plans are developed for management consideration. Sustainability and climate-related risks are progressively being aligned with the Group's ERM framework. Currently the Group is in the process of strengthening its risk management framework, with emphasis on risk appetite, risk identification and mitigation planning. The implementation of related controls and the assessment of their effectiveness are being carried out on progressive basis. Material sustainability and climate-related risks are reported to Management and relevant Board Committees, and escalated to the Board where appropriate.

### Assurance Received from the Group Chief Executive Officer and Chief Financial Officer

In accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed issuers, the Board has received assurance from the Group Chief Executive Officer and Chief Financial Officer that to the best of their knowledge, the risk management and internal control of the Group are operating effectively and adequately in all material aspects, based on the risk management and internal control framework adopted by the Group.

### Review of Statements by the External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in The Audit and Assurance Practice Guide (AAPG) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the annual report of the Group for the financial year ended 31 December 2025, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SORMIC Guide 2025"), or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problem disclosed in the annual report will, in fact, remedy the problems.

### Conclusion

For the fiscal year under review, the Board is of the view that the Group's existing system of internal controls is sound and adequate to safeguard the shareholders' investments, the interest of customers, regulators, employees, and the Group's assets.

The Board continues to derive its comfort of the state of risk management and internal control of the Group from the following oversight mechanisms and information compiled for these oversight processes:

- Review of financial information covering financial performance and financial results on quarterly basis;
- Board Risk Management Committees' oversight of risk management framework, changes in risk magnitudes and status of management implementation of risk mitigation plan;
- Board Audit Committee's review and consultation with Management on the integrity of the financial results and audited financial statements, audit findings and reports on the review of systems of internal control provided by the internal auditors and status of Management's implementation of the audit recommendations; and
- Management's assurance that the Group's risk management and internal control systems have been operated adequately and effectively, in all material respects.

The internal control framework provides reasonable assurance against material misstatement, loss or uncertainties that would require disclosure in the Annual Report. The Board recognizes that the system of risk management and internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement, loss or fraud. The Board concludes that the Group's risk management and internal control systems remained effective throughout the financial year.

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# Additional Compliance Information

## 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

## 2. AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services incurred by Bina Darulaman Berhad and on a group basis for the financial year ended 31 December 2025 is set out on page 176 of the Financial Statements.

## 3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year.

## 4. RELATED PARTY TRANSACTIONS (RPTS)

An internal compliance framework exists to ensure that Bina Darulaman Berhad meets its obligations under Bursa Malaysia Securities Berhad MAIN Market Listing Requirements and other applicable guidelines/standards in connection with related party transactions.

Details of RPTs entered into by Bina Darulaman Berhad Group are as set out in Note 28 on pages 237 to 239 of the Financial Statements.

## 5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

### a) Group Total Income and Total Assets

	Group	
	2025 (RM'000)	2024 (RM'000)
<b>Total Income</b>		
Revenue	330,708	294,743
Other Income	5,157	6,876
Interest/Finance income	3,898	7,120
<b>Total</b>	<b>339,763</b>	<b>308,739</b>
<b>Total Assets</b>	<b>803,106</b>	<b>809,208</b>

The company has no business activities that is non shariah compliance that derive the group total income and total assets.

## Additional Compliance Information

### b) Component of Financial Position

#### i) Cash Component

Remarks	Group	
	2025 (RM'000)	2024 (RM'000)
<b>Islamic Account/Instrument</b>		
Cash and bank balances	70,566	60,532
Deposits with licensed bank	841	2,079
<b>Total Cash</b>	<b>71,407</b>	<b>62,611</b>

#### ii) Debt Component

	Group	
	2025 (RM'000)	2024 (RM'000)
<b>Islamic Financing</b>		
Current	94,739	91,135
Non-Current	26,905	29,655
<b>Total Financing</b>	<b>121,644</b>	<b>120,790</b>