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**SUSTAINABILITY**

# SUSTAINABILITY STATEMENT

## ABOUT THIS SUSTAINABILITY STATEMENT

This Sustainability Statement contains information about the Group's sustainability goals, strategies, and initiatives aimed at achieving those goals. It also outlines the value created from our sustainability journey at SCIB Group. These efforts aligned with our corporate vision "to be a Company founded on excellence".

## SUSTAINABILITY MISSION

Our Sustainability Vision is to improve the quality of life of the broader community by operating responsibly and recognizing the central role business plays in society. Together with the Company's vision "to be a Company founded on excellence", our Special Mission is to operate the Company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community.

## REPORT PERIOD AND CYCLE

This Sustainability statement encompasses our ESG performance for the financial year ended 30 June 2024. The Sustainability Statement discloses some historical data deemed relevant to show the trends for the readers to comprehend the sustainability achievement of the Group better.



## GOVERNANCE STRUCTURE

The Board of Directors is dedicated to our sustainability journey and is primarily responsible for implementing and executing the Group's sustainability practices and performance, providing oversight for the Group's sustainability practices. The Board is regularly informed about the progress of sustainability-related matters, delegating to the Board Risk Management Committee and Risk Management Working Group ("RMWG") to set direction and focus on formulating strategies for meeting sustainability goals. The RMWG also monitors and assesses the sustainability plans and targets and reports to the Board on a half-yearly basis, or whenever necessary, on the status of sustainability-related matters.

Recognizing that risk management is correlated to overall sustainability performance, our sustainability agenda is driven within our governance structure through the Board Risk Management Committee and RMWG, which identify sustainability issues or sustainability-related risks. The RMWG is led by the Chief Executive Officer and includes a management team from all of the Group's business units. The RMWG manages the identified sustainability issues and reports to the Risk Management Committee at the Board level.

We will constantly review our approach to addressing the primary sustainability challenges affecting SCIB, including its employees, customers, the environment, and society.

# SUSTAINABILITY STATEMENT

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SCIB's sustainability governance structure is shown below:



	Roles and Responsibilities	
	Members	Function
<b>Board of Directors</b>	Directors of SCIB	<ul style="list-style-type: none"> <li>Oversight of the Sustainability goals set and implementation and execution of the sustainability efforts and practices;</li> <li>Approve Sustainability-related policies; and</li> <li>Approve Sustainability framework and structure.</li> </ul>
<b>Board Risk Management Committee</b>	Risk Management Committee Members	<ul style="list-style-type: none"> <li>Assist the Board in overseeing the development of SCIB's sustainability strategy, implementation and performance;</li> <li>Review the effectiveness of the risk management and internal control policies for sustainability;</li> <li>Set direction and focus on facilitating the formulation of strategies for meeting sustainability missions; and</li> <li>Report to the Board on the status of sustainability-related matters.</li> </ul>
<b>Risk Management Working Group</b>	<ul style="list-style-type: none"> <li>Group Managing Director/ Chief Executive Officer</li> <li>Group Executive Director/ Chief Financial Officer</li> <li>Chief Operating Officer</li> <li>Head of Corporate Services</li> <li>General Manager, Business Development</li> <li>General Manager, Project Management</li> <li>Human Resource &amp; Administrative Manager</li> <li>Quality, Health, Safety &amp; Environment officer</li> </ul>	<ul style="list-style-type: none"> <li>Establish sustainability plans and targets;</li> <li>Assess and monitor sustainability efforts progress against targets set; and</li> <li>Review and recommend the Sustainability Report to the Board Risk Management Committee and the Board for approval.</li> </ul>
<b>Business units</b>	All the heads of departments for the following segments; <ul style="list-style-type: none"> <li>Manufacturing Segment</li> <li>EPCC Segment</li> </ul>	<ul style="list-style-type: none"> <li>Identify possible Sustainability initiatives, opportunities and risks and propose improvement plans to support sustainability goals;</li> <li>Manage day-to-day operations to ensure align with the Sustainability goals set; and</li> <li>Prepare, collect and submit sustainability-related data for the Risk Management Working Group on a quarterly basis and/or when requested.</li> </ul>

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## SCIB SUSTAINABILITY FRAMEWORK



# SUSTAINABILITY STATEMENT

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## REPORT SCOPE AND BOUNDARY

This report covers the operations, activities, and sustainability performance of Sarawak Consolidated Industries Berhad (“SCIB”) and its active subsidiaries in Malaysia unless otherwise stated. Our reporting scope includes the manufacturing segment and the construction/EPCC segment in Malaysia, which are the key drivers and contributors to the Group’s revenue. This report excludes all outsourced activities and operation, associate company and unless otherwise mentioned. It highlights some of our challenges and the corresponding action plans to address the sustainability-related issues and opportunities. SCIB has identified its initial sustainability approach and will continue to explore and pursue ways to improve its sustainability practices and performances across our business operations.

SCIB is conscious of the ESG impacts from its value chain and is committed to promoting its Sustainability agenda and practices to its stakeholders, including its external business partners, vendors, and subcontractors. This would include future plans to assess the ESG performance of our vendors and subcontractors. However, SCIB acknowledges the challenges, it would face in data collection and would need to enhance its data tracking and collection system moving forward.

For more information about the group’s outlook and future ESG prospects, readers may read the Sustainability report together with the Group Management Discussion and Analysis report of this Annual Report 2024.

## FORWARD-LOOKING STATEMENTS

The SCIB Sustainability report may contain forward-looking statements about the group’s future plans, goals, forecasts, and targets based on reasonable assumptions about current operational situations. Forward-looking information is subject to risks and uncertainties that may cause the actual results to differ materially, and thus, we advise readers not to rely solely on it.

## GUIDANCE

The Sustainability Report was approved by the Board of Directors (“Board”) on 14 October 2024. The information reported for the financial year 2024 was guided by the Bursa Malaysia Sustainability Reporting Guidelines and Toolkits, and it also made references to the Sustainable Development Goals (“SDGs”), United Nations Global Compact (“UNGC”), and Global Reporting Initiatives (“GRI”) standards 2021.

## ASSURANCE

Salihin Consulting Group has reviewed this Sustainability Statement under the scope set out in the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”) with respect to the Enhanced Sustainability Disclosures for inclusion in the annual report of the Company for the financial year ended 30 June 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Company, in all material aspects, has not been prepared in accordance with the disclosures required under the updated Sustainability Reporting Guide issued by BMSB or is factually inaccurate.

## REPORT DISTRIBUTION

Our Sustainability Report is accessible and downloadable from our corporate website at <http://www.scib.com.my/>



# SUSTAINABILITY STATEMENT

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## FINANCIAL YEAR 2024 SUSTAINABILITY HIGHLIGHTS

### ECONOMIC



**RM166,624,173**  
Revenue



**RM4,825,607**  
of Profit After Tax



**RM21,307,586**  
Cash and Cash Equivalents



All our products are certified with Quality Management System ISO9001:2015 by SIRIM QAS and NIOSH.

Our subsidiary companies were awarded ISO 45001:2018 Occupational Health & Safety Management System ("OHSMS") certification and ISO 14001:2015 Environmental Management System ("EMS") certification by NIOSH Certification.

### ENVIRONMENTAL



Scope 1 emissions: 717.40 tCO<sub>2</sub>e;  
Scope 2 emissions: 1,064.05 tCO<sub>2</sub>e

(reference: DEFRA 2023 and Peninsular Malaysia Energy Commission 2021 Grid EF by the Malaysia Green Technology Corporation.)



**Zero**  
Environmental contamination

### SOCIAL



**327**  
Total employees



**1620**  
hours of employee training



**Zero (0)**  
workplace fatalities



**Two (2)**  
Lost Time Injury

All Injury Frequency Rate (**AIFR**)

<b>FY2024</b>	<b>VS</b>	<b>FY2023</b>
0.67		1.22

Dust Load - Achieved

<b>FY2024</b>	<b>VS</b>	<b>FY2023</b>
0.048 g/Nm <sup>3</sup>		0.038 g/Nm <sup>3</sup>

# SUSTAINABILITY STATEMENT

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## SCIB's Board Approved Sustainability Framework

SCIB is a civil engineering specialist focused on Engineering, Manufacturing, Construction, and Commissioning ("EMCC") jobs. We continue to have a strong presence in the manufacturing of building materials and operate three factories in Kuching, Sarawak—one in Pending Industrial Estate and two (2) in the Demak Laut Industrial Park. SCIB offers its clients a one-stop solutions provider with a wide range of products coupled with in-depth expertise. We have an in-house design team that provides professional technical consultation and customized solutions.

At SCIB, we value global and national efforts to promote sustainable development. We are committed to aligning our business strategy and sustainability initiatives towards achieving our sustainable development goals, which reflects our dedication to conducting a safe, healthy, and environmentally friendly business for our workforce and workplace, at home or abroad, including the sites where we operate, with emphasis on the environmental, social and governance aspects.

These initiatives are our way of demonstrating the Group's responsibility to operate in a way that recognizes the central role that businesses play in improving the quality of life for a community.

Environmental	Application	Page reference
<b>Sustainable Development Goals</b>	<b>SDG 9:</b> Industry, Innovation And Infrastructure	Page 99 - 103, 105
	<b>SDG 12:</b> Responsible Consumption and Production	Page 95 - 99, 100 - 103
	<b>SDG 13:</b> Climate Action	Page 95 - 105
	<b>SDG 6:</b> Clean Water and Sanitation	Page 99, 102 - 105
<b>UN Global Compact</b>	<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges	Page 95 - 105
	<b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility	Page 95 - 105
	<b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies	Page 100 - 105
<b>GRI</b>	<b>GRI 302:</b> Energy 2016	Page 100, 102 - 103, 105
	<b>GRI 305:</b> Emissions 2016	Page 96 - 98, 103 - 104
	<b>GRI 306:</b> Effluents and Waste 2016; Waste 2020	Page 102 - 103
Social	Application	Page reference
<b>Sustainable Development Goals</b>	<b>SDG 8:</b> Decent Work and Economic Growth	Page 110 - 115
	<b>SDG 11:</b> Sustainable Cities & Communities	Page 95, 98, 100, 102 - 103
	<b>SDG 5:</b> Gender equality	Page 106, 118, 120 - 122, 129
	<b>SDG 10:</b> Reduced Inequalities	Page 106, 121 - 122, 129
<b>UN Global Compact</b>	<b>Principle 1:</b> Human Rights- Businesses should support and respect the protection of internationally proclaimed human rights	Page 106, 122
	<b>Principle 2:</b> Human Rights: Make sure that they are not complicit in human rights abuse	Page 106, 122
	<b>Principle 6:</b> the elimination of discrimination in respect of employment and occupation	Page 106, 122
<b>GRI</b>	<b>GRI 401:</b> Employment 2016	Page 106, 110, 115 - 122
	<b>GRI 402:</b> Labour/ Management Relations 2016	Page 106, 115 - 122
	<b>GRI 403:</b> Occupational Health & Safety 2018	Page 110 - 115
	<b>GRI 404:</b> Training and Education 2016	Page 103, 107, 109, 114 - 115, 122, 124
	<b>GRI 405:</b> Diversity and Equal Opportunity	Page 106, 120, 122, 129
	<b>GRI 406:</b> Non-Discrimination	Page 106, 116 - 117, 122, 129
	<b>GRI 410:</b> Security Practices	Page 122, 126, 133
<b>GRI 413:</b> Local Communities 2016	Page 106 - 107, 110, 121 - 124, 132	

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Economic & Governance	Application	Page reference
<b>Sustainable Development Goals</b>	<b>SDG 16:</b> Peace, Justice and Strong Institution	Page 125, 129 - 130
<b>UN Global Compact</b>	<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery	Page 122, 125, 129 - 130, 132
<b>GRI</b>	<b>GRI 201:</b> Anti-Corruption	Page 130, 132
	<b>GRI 204:</b> Procurement Practices	Page 132
	<b>GRI 416:</b> Customer Health & Safety	Page 127 - 129
	<b>GRI 418:</b> Customer Privacy	Page 133

## KEY STAKEHOLDERS' ENGAGEMENT

We recognize the importance of engaging with stakeholders, given their importance to the Group's performance. We continue to strengthen engagement with them to not only ensure good corporate governance but also enable us to understand their needs, interests, and motivations more effectively and help us build positive and mutually beneficial long-term relationships that can improve the Group's brand image, reputation and business outcomes. Our priority is to create value for all stakeholders by understanding and managing their expectations. In this regard, we welcome all suggestions and comments from stakeholders. Any queries and feedback can be sent to [scib@scib.com.my](mailto:scib@scib.com.my).

Our existing list of engagement activities is as follows:

Key Stakeholders	Nature of Engagement	Key Stakeholders	Nature of Engagement
<b>Customers</b> 	Customer surveys and customer complaints	<b>Bankers/Financiers</b> 	Periodic meetings
<b>Employees</b> 	Monthly assembly, in-house briefing, staff recreational programmes, employee satisfaction surveys	<b>Government Agencies and Regulatory Authorities</b> 	Correspondences, trainings and social activities
<b>Suppliers</b> 	Periodic meetings and visits	<b>Community</b> 	Corporate Social Responsibility activities
<b>Shareholders and Investors</b> 	Company website, Quarterly reporting, Annual General Meeting, Regular Analyst briefing, Analyst reports		




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## MATERIALITY ASSESSMENT


We have identified a list of 14 key sustainability matters which were selected through discussions with the Risk Management Working Group committee, by taking into consideration the risks, opportunities and expectations from our stakeholders, industry, regulators and national ESG efforts and requirements. The selected material matters were aligned to Bursa Malaysia’s Enhanced Sustainability Disclosure requirement on common sustainability matters. Further, we also conduct a materiality assessment to determine and prioritize areas for focus from both the Company and stakeholder perspectives. We have broadly categorised the following key sustainability matters on the matrix along the two axes: Importance to SCIB Group in terms of the significance of SCIB’s sustainability impacts and importance to our stakeholders based on influence on their assessments and decisions.

Key Material Sustainability Matters	Anticipated Impacts on the Group’s Business	Potential Risk	Potential Opportunity
 <b>Environmental</b>			
Investment in Technology and Research and Development	Investment in off-site precast manufacturing and prefabricated industrialised building systems (IBS) reduces debris, waste and air pollution at the site. Investment in research and development helps us to continuously source for environmentally friendly manufacturing solutions.	Not keeping up with new technologies in manufacturing can leave a company vulnerable to being overtaken by competitors.	Technology expedites the production process, increases efficiency, and creates long-term cost savings and competitive advantage over competitors.
Waste, Energy and Water Management	Efficient waste management, recycling, and energy-saving programmes help to protect the environment from further harm.	Irresponsible production can lead to environmental harm and potential legal non-compliance.	Efficient use and management of resources can reduce operating costs.
Climate Change and Carbon Emissions	Effective management of carbon emissions helps reduce the impact of greenhouse gas emissions into the atmosphere, avoiding the long-term effects of global warming and disastrous climate change. This improves human health and prevents economic losses from higher energy costs associated with carbon emissions.	Delayed transition to low-carbon operations can result in missed opportunities in the low-carbon economy.	Contribute to the Global climate agenda.



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Key Material Sustainability Matters	Anticipated Impacts on the Group's Business	Potential Risk	Potential Opportunity
 <b>Social</b>			
Employee Health, Safety and Welfare	Safe workplaces and practices reduce the risk of accidents and injuries, claim costs, and business interruptions. They also help improve corporate reputation and increase employee motivation. Healthy lifestyles and staff welfare are conducive to enhancing work commitments, increasing productivity, and reducing costs.	Poor health and an unsafe environment can lead to legal non-compliance costs, loss of staff morale, operational inefficiency, and reputational damage.	Improve productivity, employee retention, and regulatory compliance.
Human Resource Development	Continuous staff training and development are crucial to improving staff competency and work efficiency, retaining talent, and attracting new talent, which will improve productivity and enhance overall financial performance.	Lack of training can negatively impact work performance and productivity, affecting financial performance.	Improve staff performance and work efficiency and help with staff retention.
Labour Practices and Standards – Human Rights and Diversity	People are crucial for business sustainability and the most valuable assets of the Group. Respecting and protecting human and labour rights helps to promote a harmonious working environment and enhances corporate image for corporate success and economic growth.	Breach of labour practices, human rights violations, and a lack of diversity can result in discrimination issues, legal non-compliance costs, and reputational damage.	Foster an inclusive culture to improve corporate image.
Community Support	As responsible corporate citizens, social contributions to the community are crucial for a better future for the generations that come after and build bridges that enhance ties between the business and the community.	Deprived local community needs support, which can affect the overall economic development.	Strong community connections improve business prospects by creating a corporate image of responsible citizenship.



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Key Material Sustainability Matters	Anticipated Impacts on the Group's Business	Potential Risk	Potential Opportunity
 <b>Economic &amp; Governance</b>			
Product and Service Quality	Stringent quality control of our finished products and value-added services is essential to maintaining customer satisfaction and brand image, which in turn attracts new sales.	Poor product and service quality can result in loss of customers and loss of brand reputation.	Gaining customer confidence and improving financial performance will contribute positively to the development of the economy.
Corporate Governance and Risk Management	Strong corporate governance and an effective risk management system help to improve the Group's financial stability and minimise risk of loss and gain shareholders' confidence.	Weak corporate governance can lead to legal non-compliance issues and reputational damage.	Build trust and gain support from the stakeholders with robust corporate governance.
Anti-Bribery and Anti-Corruption	Bribery and corruption harm businesses by undermining good governance, damaging reputations, and resulting in financial loss. Adequate prevention procedures will promote and drive long-term sustainable growth while considering the interests of investors and all other stakeholders.	The occurrence of corruption, bribery, money laundering and fraud can lead to reputational damage.	Build trust and gain support from stakeholders by conducting business with integrity and transparency.
Stakeholder Engagement	Strong Stakeholder relationships help a company build a good reputation, trust, and brand recognition. A good reputation improves recognition and represents people's perception of the Group's customer service and reputation, which creates stakeholder trust, supports advertising, inspires employees, generates new customers, and thus increases financial value. Effective shareholder engagement is also essential for investor relations, understanding investors' expectations, building trust, loyalty, and financial viability.	Poor stakeholder' relationships can lead to misaligned goals and dissatisfaction.	Build trust and gain support from stakeholders by conducting business with integrity and transparency.



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Key Material Sustainability Matters	Anticipated Impacts on the Group's Business	Potential Risk	Potential Opportunity
 <b>Economic &amp; Governance</b>			
Business Ethics	Applying ethical values in business enables the Group's leadership to make socially acceptable strategic decisions. Business ethics increase employee retention, attract investors, promote customer loyalty, reduce business risks, and lead to long-term gains.	Lack of ethics in business can disrupt stakeholders' relationships.	Build stakeholder's trust and gain confidence and support from stakeholders.
Supply Chain and Procurement	Fair and unbiased business policies and ethical procurement procedures and practices are crucial to promote trust and transparency within the supply chain. Good relationships with key stakeholders across the supply chain will ensure lower cost, more competitive pricing and better margin.	Disruption in supply chain can lead to raw material issues and operational loss.	Well-managed supply chains ensure uninterrupted production, leading to consistent economic growth and business sustainability.
Data Privacy and Security	Preventing data and security breaches is crucial and must not be compromised, as the ramifications can be severe. The primary purpose of data privacy and security is to protect organisational data, which contains trade and customer information, from unauthorised access, destruction, corruption, modification, theft and disclosure.	Leaking of private and confidential data can result in data breaches, reputational damage, business continuity issues, loss of customers, legal and compliance problems, and financial implications.	Build stakeholder's trust and gain confidence and support from stakeholders.

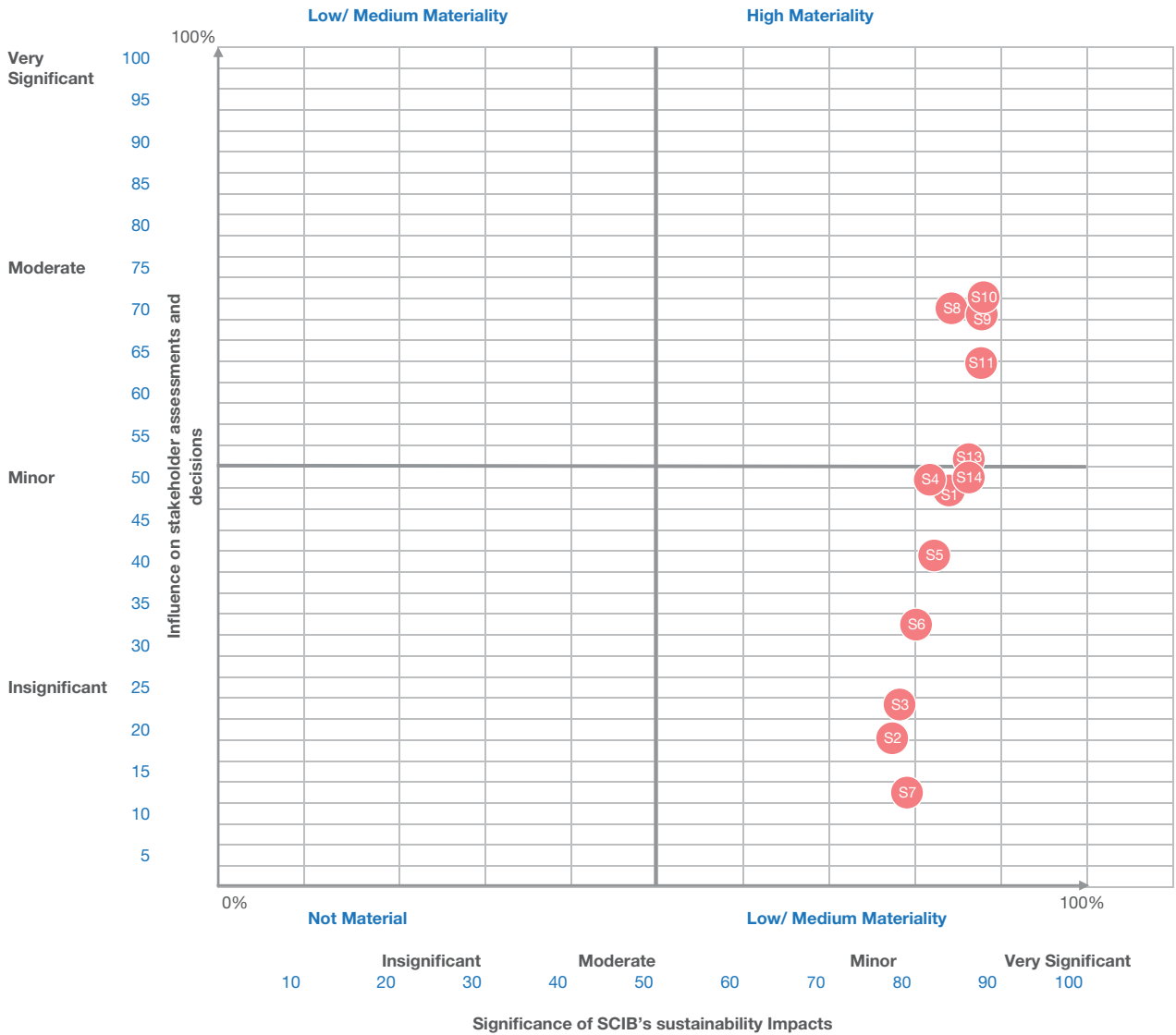


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## Materiality Matrix

Sustainability Materiality Matrix for SCIB



Legend	Category
Red	High Materiality
Yellow	Medium
Green	Low
Blue	Not material

Score
76%-100%
51%-75%
26%-50%
0-25%

Significance of SCIB's sustainability Impacts	
S1	Investment in Technology and Research and Development
S2	Waste, Energy and Water Management
S3	Climate Change and Carbon Emissions
S4	Employee Health, Safety and Welfare
S5	Human Resource Development
S6	Labour Practices and Standards – Human Rights and Diversity
S7	Community Support
S8	Product and Service Quality
S9	Corporate Governance and Risk Management
S10	Anti-Bribery and Anti-Corruption
S11	Stakeholder Engagement
S12	Business Ethics
S13	Supply Chain Management
S14	Data Privacy and Security

The top right quadrant highlights the sustainability topics that are most important to our stakeholders and the Group. The materiality assessment aims to gain insights of the stakeholders' interests and concerns in order to prioritize our Environmental, Social and Governance ("ESG") efforts and initiatives to address the stakeholders' needs effectively.



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## ENVIRONMENTAL



In response to the global initiative for achieving net-zero carbon emissions by 2050, SCIB has taken actions in the fight against climate change. SCIB begins to monitor and track the operational emissions and energy and resource consumption acknowledging that everyone plays a role to mitigate the potential and actual impacts of climate change. As a responsible corporate citizen, it is important to cooperate with industry peers and the government to minimize this impact on our operations, supply chain, and stakeholders. Our goal is to ensure that we do not compromise the needs of future generations.

We are compelled to integrate sustainable principles into project delivery, given the extent to how construction of buildings affects the environment. As a result, we are always striving to embrace sustainable approaches in our planning, building design, construction, operations and maintenance processes and practices. Our main focus is on energy reduction, conservation of natural resources, reduction of solid waste and improvement of ecosystems wherever feasible. In the face of climate change, we take precautionary and preventive action when necessary to prevent environmental harm.

We implemented the Environmental Quality Monitoring Program which sets out the standard operating procedures (“SOP”) for our factories and construction sites. All project sites must comply with regulations as stipulated by the Department of Environment (“DOE”), local municipal, councils and other authorities for air, water, noise as well as sewage.





# SUSTAINABILITY STATEMENT

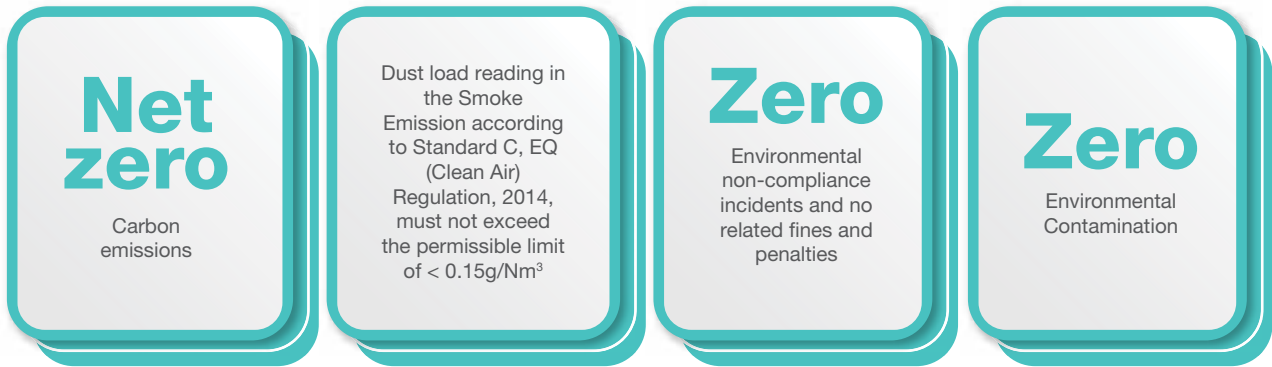
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We have also adopted measures to manage our emissions in compliance with the ISO 14001:2015 standard such as reducing the use of diesel-powered vehicles/ machineries, introducing the use of energy-efficient light bulbs such as the LED which requires less power to produce a desirable level of brightness.

SCIB ensure compliance with relevant environmental laws, rules and regulations and appropriate standards by the regulatory authorities such as the Department of Environment (“DOE”) in Malaysia. At SCIB, we actively address current or potential environmental issues/ negative impacts on the environment. This include monitoring, devising and implementing mitigation action plans. In doing so, we ensure our employees undergo training to equip them with the necessary skills and knowledge to understand the environmental aspects of protecting the environment from harm.

## Our Key Targets and Achievements

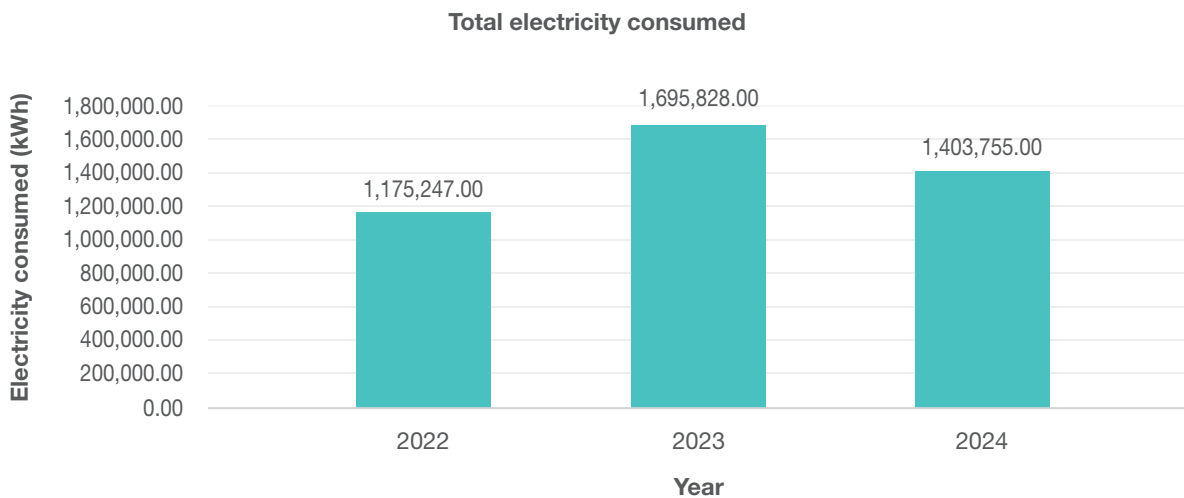
### Our Key Targets



### Our Progress and Achievements

Remarks: For the purposes of this report, ‘Year 2022’ is defined as the period from 1 July 2021 to 30 June 2022. Similarly, ‘Year 2023’ refers to the period from 1 July 2022 to 30 June 2023, and ‘Year 2024’ encompasses 1 July 2023 to 30 June 2024

#### 1. Total Electricity Consumed



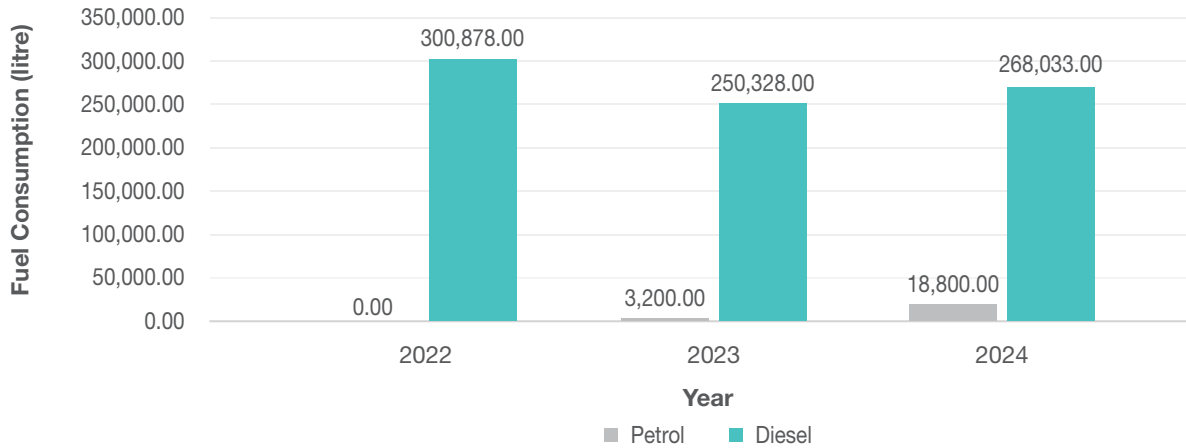
In FY2024, despite the increase in production level, our total electricity consumption decreased by 17.2% to 1,403,755 kWh, compared to 1,695,828 kWh in FY2023. This reduction reflects our ongoing commitment to improving energy efficiency across our operations. Through targeted energy-saving initiatives, we successfully reduced electricity usage in the past year. Energy consumption accounted for direct operations only. This reduction contributes to lowering our Scope 2 emissions, aligning with our sustainability goals of minimizing environmental impact and enhancing operational efficiency.

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## 2. Carbon Emissions

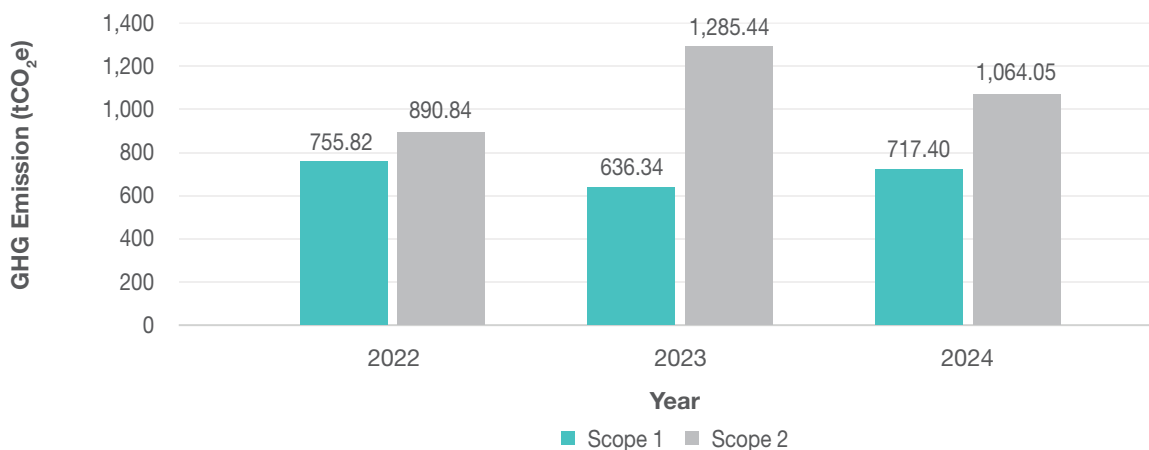
Total non-renewable energy consumed



In FY2024, petrol consumption rose to 18,800 litres, while diesel usage also slightly increased to 268,033 litres. These increase in fuel consumption may reflect changes in operational demands, driven by higher revenue and increased business activity.

## 3. Comparison of Scope 1 and 2 GHG Emissions for FY2022 to FY2024

Scope 1 and 2 GHG Emissions



The chart above illustrates the Total Greenhouse Gas (“GHG”) Emissions by Scope, expressed in tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). In FY2024, Scope 1 emissions increased slightly to 717.40 tCO<sub>2</sub>e, while Scope 2 emissions decreased to 1,064.05 tCO<sub>2</sub>e. These trends indicate ongoing efforts to manage emissions, showing progress in reducing energy-related emissions, while direct emissions saw a modest increase due to high production.

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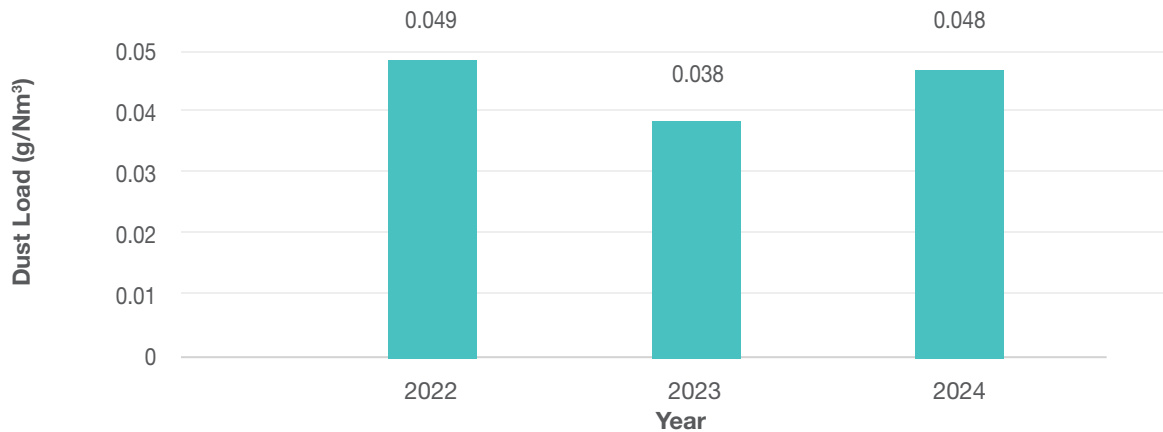
Notes

- Emissions from carbon fuel sources, including petrol and diesel, have been calculated using emission factors from DEFRA 2023: Petrol @ 2.34502 kgCO<sub>2</sub>e/litre and Diesel @ 2.51206 kgCO<sub>2</sub>e/litre.
- Emissions from electricity have been calculated using the emission factor from Peninsular Malaysia Energy Commission 2021 Grid EF @ 0.758 kgCO<sub>2</sub>e/kWh by the Malaysia Green Technology Corporation.
- The emissions from company vehicles are calculated based on employee petrol card consumption.

We have been quantifying scope 1 and 2 emissions since fiscal year 2022. Scope 1 emissions include the fuel and diesel consumption at our factories in Kuching, Sarawak. Scope 2 relates to purchase of energy consumed by our headquarters office and factories. We have not included the emissions under scope 1 and 2 related to fuel consumption and energy consumption at our project sites. We also have yet to gather data on employee commuting, employee business travel data and waste generated in operations as an additional disclosure category for scope 3 emissions and other indirect emissions due to complexity and time consuming. Our aim is to gradually disclose this data as we enhance our internal capacity and refine data accuracy and completeness.

During the year under review, the group reported a decreasing trend in energy consumption, which is in line with our effective approaches. These include adopting more efficient processes, such as installing energy-efficient LED lighting in the factories and reducing carbon fuels in our manufacturing process.

**4. Dust Load collected from the Stack Monitoring of Boiler Room Chimney according to Standard C, EQ (Clean Air) Regulation, 2014**

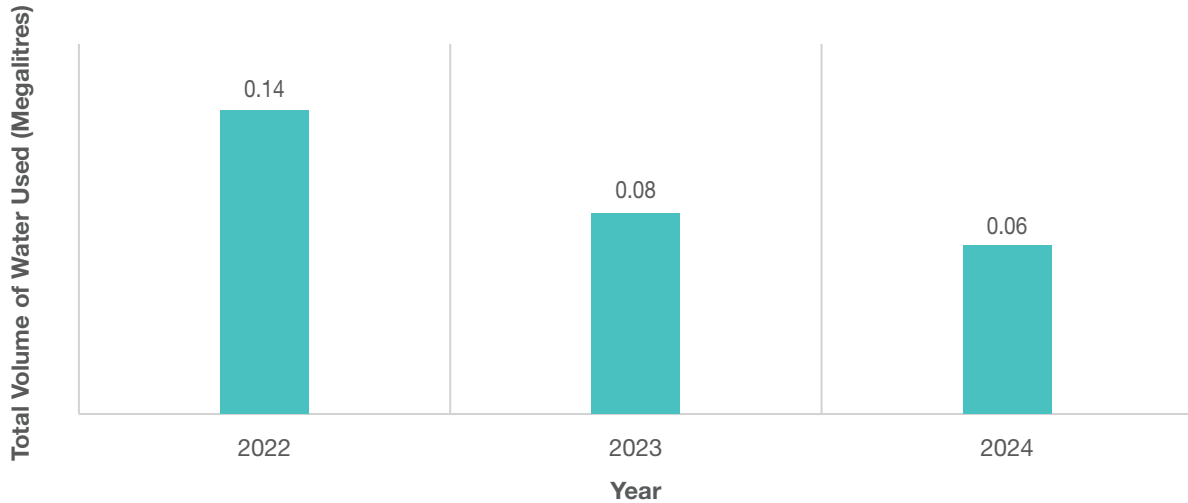


The chart shows the dust load (g/Nm<sup>3</sup>) measured from stack monitoring of the boiler room chimney over a three-year period. In FY2022, the dust load was recorded at 0.049 g/Nm<sup>3</sup>, followed by a decrease to 0.038 g/Nm<sup>3</sup> in FY2023. However, a slight increase occurred in FY2024, with the dust load rising to 0.048 g/Nm<sup>3</sup>. Despite these fluctuations, the dust load consistently remains well below the permissible limit of 0.15 g/Nm<sup>3</sup>, as stipulated by the Environmental Quality (Clean Air) Regulations, 2014.

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## 5. Water management



The slight decrease in operational water consumption intensity can be linked to the implementation of water management initiatives, such as rainwater harvesting in selected factories, serving as part of our cost-saving measures. These efforts reflect our commitment to sustainable resource management and reducing our environmental footprint.



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## Investment in Technology and Research and Development



*Factory-made products under stringent ISO accredited quality management system*

Our precast concrete and industrialised building system (“IBS”) products are manufactured in a factory-controlled environment, employing quality plants and machinery such as batching plant technology and reusable pre-stressed concrete moulds. Precast concrete structures are made under stringent ISO-accredited quality systems and procedures, are therefore quality assured, strong and durable with less wastage compared to the conventional cast-in situ method. Additionally, precast concrete products are reinforced with steel bars and undergo a curing process to ensure the concrete sets correctly under controlled conditions, optimizing its strength. Importantly, concrete does not burn or emit toxic fumes when exposed to heat, and it is less susceptible to damage caused by wear and tear over time. Off-site manufacturing also brings the advantage of safer and faster delivery, reduces cluttering, construction wastes and debris at the site, and mitigates noise, dust, air pollution and disruption to the neighbourhood of the construction sites. Besides, our prefabricated IBS components contribute to neat and safe layout and stockpiles at the construction sites when managed adequately. IBS has been shown to enable shorter project completion timelines and enhanced quality of work, leading to a more cost-efficient construction sector.

IBS adoption not only improved construction quality and lowered cost but has also reduced reliance on foreign labour and accelerated construction timelines, simplified on-site management and safety and reduced the construction industry’s environmental impact.

We are committed to increasing the use of alternative materials and methods in construction to minimize the environmental impact of our projects. We collaborate with clients and consultants to incorporate sustainable design solutions, focusing on materials, construction methods, and carbon emissions reduction whenever possible.



*Pictures of the Residential Phase 6 project in Bachok, Kelantan*



# SUSTAINABILITY STATEMENT

(CONT'D)



3D printing  
technology

As part of the IR 4.0, SCIB has been exploring digital technologies, such as 3D printing, to modernize our supply chain into a digital value network system. The use of integrated 3D-printing technology is a new and innovative approach in the construction industry. This technology allows for the construction of entire physical structures by integrating design, construction, equipment, new materials, and application to the architecture within a short period of time compared to traditional methods. 3D printing also helps reduce wastage by eliminating the use of timber foam.

We recently acquired a 3D modular construction printer from COBOD, Denmark, commissioned and completed the building of a 3D printed sample house at CIDB Sarawak Complex, Kuching, in collaboration with Akademi Binaan Malaysia (Sarawak) Sdn. Bhd. ("ABM"). SCIB and CIDB Malaysia had jointly organised an event to launch and introduce the 3D printed technology for the construction industry to relevant authorities and government agencies on 4 October 2022. We are proud to have the technical support from COBOD, a world leader in 3D construction printing solutions. Besides, with our capable inhouse technical team, we are confident in delivering quality 3D printed structures.

We are exploring the certification and potential application of this new 3D construction system with our IBS in the domestic landscape and how this can assist in the overall operational efficiency of the construction industry.



Lightweight  
system

Additionally, we have implemented a lightweight system for construction to enhance our IBS offerings. Generally, lightweight materials like light steel frame systems and lightweight block systems have a lower embodied energy rating compared to heavyweight materials. This results in lower overall life cycle energy consumption. Furthermore, lightweight construction materials need fewer resources than concrete, leading to the creation of energy-efficient structures with a minimal carbon footprint over time.



# SUSTAINABILITY STATEMENT

(CONT'D)



Research & development

We also conduct research and development to find alternative materials in manufacturing of precast concrete to reduce cement consumption such as the use of admixtures as hardening accelerators and use of recyclable materials in our production.

Our factory managers have taken initiatives to reduce the usage of diesel and sludge oil for machinery, progressively replacing formulated mould oil that is less harmful to human health and the environment.



## Waste, Energy and Water Management



Pursuing ISO Certification

We are also committed to addressing society's increasing demand for greater corporate responsibility in managing the environmental impact of our operations, particularly at our factory sites. We regularly evaluate our waste management practices against all applicable environmental regulations and requirements to ensure we are aligned with best practices and standards. As our factories are situated near major bodies of water like rivers, we are taking measures to ensure that the water discharged from our facilities complies with the permissible limits set by relevant regulations, including the Environmental Quality Act 1974. To achieve this, we will collect water samples from various discharge points and have them tested at local laboratories.

Our investment in off-site precast manufacturing and prefabricated IBS contributes positively towards sustainability as it reduces debris, waste and air pollution at site. Furthermore, our operations do not discharge excessive or harmful dust or smoke into the air.



Recycle of wastes

We also encourage efficient resource use to prevent and reduce production wastage. Any waste materials that are reusable are recycled back into production, while those that are unusable are sold as scrap. Additionally, we are improving the drainage system to dispose of production slurry more effectively. We have also implemented a program for the proper disposal of solidified slurry waste as a community service at no cost, where transporters self-collect the slurry wastes for use in land filling and similar purposes.

Our project sites are also equipped with adequate bins for temporary collection and disposal to be disposed of by authorised contractors registered with the local authorities. We also prepare recycle bins to collect recyclable materials at the construction sites, where recycled items are gathered for resale at the buy-back centre, which will reprocess the materials to make new things.

We have also participated in the recycle waste programme known as the Coral Reef Propagation Project in collaboration with the Jabatan Perikanan Malaysia in which our obsolete or defect pipes and U-culverts are laid out in the coasts of Sarawak. We have plans for future participation in this project as we accumulate more obsolete / defect products.

We are currently focused on increasing awareness regarding the importance of monitoring non-scheduled waste. This effort has resulted in a more thorough and detailed report on recycled waste for the relevant period under review.

# SUSTAINABILITY STATEMENT

(CONT'D)



## Water Quality Control at Factories and Construction Sites

We monitor the water discharge from all factories to look for contaminants and have installed proper drainage, filters or oil traps as recommended by the local authorities.

We are also actively investigating the design and construction of more effective slurry pits in our factories as additional engineering control against the transmission of harmful pollutants to the environment. At the same time, we will conduct scheduled checks to ensure that the water discharged is close to pH neutral and less harmful to the environment.

We regularly test the water discharged or accumulated at construction sites for pollutants in the water and take the necessary steps to treat or implement an appropriate dewatering process.

Reducing the environmental impact of our construction sites requires a collaborative effort, so site supervisors and all workers, including the sub-contractors, must understand and take responsibility.



## Water ponding Control at Factory Premises and Construction Sites

Controlled earthworks and water ponding mitigation controls are vital in construction projects to prevent flooding of surrounding low-lying areas near the project sites. Therefore, we have implemented effective Flood Mitigation Controls, including adequate earth drainage and detention ponds, to control the flow of rainwater. As a result of these measures, we did not record any cases of severe flooding at our construction sites in 2024.

Our factory premises, located near a river mouth that experiences seasonal King Tide phenomenon, were mostly unaffected this year, despite the significant rise in water levels caused by the combination of rising sea levels and heavy rainfall towards the end of the year. We have been constantly improving the drainage system within our factory premises to ensure smooth flow of rainwater during heavy downpours, which will help reduce the risk of flash floods.



## Water and electricity saving initiatives

We practice turning off computers, lights, air conditioners, and all office electrical appliances when they are not in use to conserve energy and save on electricity, expenses, and money. Lights are turned off during non-office hours and in vacant sections. This practice may help extend the useful life of electrical appliances. Our digitalization efforts are ongoing, and we embark on converting hardcopies into an electronic versions, such as our successful implementation of our digital boardroom for meeting papers and electronic submission of staff claims and leave applications. We believe every little bit counts.

Further, one of the key initiatives undertaken by the company is the implementation of the rainwater harvesting system. This system collects rainwater from rooftops and other surfaces, which is then used for cleaning heavy machinery and vehicles, as well as for general factory cleaning and watering plants. By using rainwater for these purposes, the company reduces the dependence on the usage of water, cuts operational costs, and conserves natural resources. This initiative not only reflects our dedication to environmental responsibility but also showcases our leadership in adopting innovative, eco-friendly practices for a sustainable future.



## Training and awareness program

We have conducted training to enhance awareness and put in place adequate controls over handling of scheduled waste within our premises in line with Environmental Quality ("Scheduled Waste") Regulation, 2005 ie. Training on Environmental Sustainability - Low Carbon with CO<sub>2</sub> Mineralization, Scheduled Waste Management, Safety, Handling and Storing scheduled waste were carried out in the financial year 2024.

# SUSTAINABILITY STATEMENT

(CONT'D)



## Climate Change and Carbon Emissions



*Control of  
Emission  
for Carbon  
Footprint  
and Ozone  
Depleting  
Substances*

In line with SCIB's commitment to sustainability and environmental responsibility, this year marked a significant milestone as we began formally recording our carbon emissions. This initiative reflects our proactive approach to monitoring and managing our environmental impact, particularly in reducing our carbon footprint. Emissions from carbon fuel sources, including petrol and diesel, are calculated using emission factors from DEFRA 2023: Petrol at 2.34502 kgCO<sub>2</sub>e/litre and Diesel at 2.51206 kgCO<sub>2</sub>e/litre. Additionally, emissions from electricity consumption are calculated using the emission factor provided by the Peninsular Malaysia Energy Commission 2021 Grid EF at 0.758 kgCO<sub>2</sub>e/kWh, as established by the Malaysia Green Technology Corporation. By tracking these emissions, SCIB aims to establish a baseline for future reduction efforts and contribute towards a more sustainable future.

As for Ozone Depleting Substances ("ODS") which are chemicals that destroy the earth's protective ozone layer such as chlorofluorocarbon ("CFC"), hydrochlorofluorocarbon ("HCFC") and hydrofluorocarbons ("HFCs"), these are neither used in any of our products nor used in any production processes. Aerosol insecticide for pest control and air-conditioning refrigerant are mostly chlorine-free. Additionally, our use of Clorox for disinfection and sanitization is known to be non-hazardous to the ozone layer.

To the extent where it is possible, the use of environmentally friendly machinery is preferred at our factory premises and work sites. We are continuously working on replacing old machinery with the latest technologies that emit less carbon into the environment. This includes reducing the use of diesel-powered vehicles and machinery since diesel engines contribute to environmental pollution and can be hazardous to health. In the future, we plan to adopt green transportation practices, using clean energy as a fuel. This may involve electric or hybrid vehicles or hydrogen, subject to further studies.

For a start, we are reviewing our rental policy and have begun to engage with suppliers on the importance of sustainability-related matters and will move towards suppliers who provide environmentally-friendly combustion engines to power machineries and reducing the carbon footprint of their operation, such the rental of forklift, transportation vehicles and mixer trucks.

We also prefer using energy-efficient light bulbs in our factory premises, such as the LED. LEDs require less power to produce a desired brightness level, and they are efficient, low maintenance, and long-lasting. They have a lower replacement and disposal rate, making them ideal for sustainable lighting. Additionally, the greenhouse gas emissions associated with LED lights are considerably lower than those of conventional incandescent or compact fluorescent lamps for the same luminosity. We are encouraging our employees to practice energy-saving behaviour by turning off lights, computers and optimizing the cooling systems from the air conditional.

We are exploring green designs involving the creation of energy-efficient products and systems with a light footprint on the environment from building design, production, installation to construction and commissioning and considering environmental effects and energy efficiency in building design and material purchasing criteria. We have established an open communication with our suppliers about reducing the environmental impact and improving social conditions throughout the supply chain. We would consider incorporating the "green building index" concept into our design of IBS products use in projects.

# SUSTAINABILITY STATEMENT

(CONT'D)

In our business premises, the primary components of our generated waste are office paper and general waste. To address this, we have raised employee awareness about waste segregation and have promoted the use of paperless documents through digitalization. This involves encouraging electronic document sharing and advocating for printing only when necessary, while emphasizing the use of double-sided printing practices.

During the financial year, SCIB acquired five (5) plots of land measuring 8.8544 hectares ("ha") at Demak Laut Industrial Park for the construction of factory building to expand its production capacity. Barring any unforeseen circumstances, the management of the Company anticipates that the new factory will be completed by the end of 2025. The company is also exploring the costs and benefits of installing solar panel systems in the new factory. This initiative aims to utilise solar panel energy to support the new factory compound lighting system. The goal is to reduce energy costs and increase the share of clean and renewable energy. Generating electricity from solar panels produces no greenhouse gases, helping mitigate the impact of climate change.

Reducing emissions relies on gradual transitioning to energy-efficient machinery and vehicles. We are also committed to pursue ESG-conscious best practices and business processes, adopting tools and utilising technology and investing in plant and machinery in our new factory to achieve lower carbon emissions.

The new factory building construction should prioritize efficient lighting during the design phase to allow for more natural daylight to illuminate the buildings and maximize natural cooling effects. Some general energy management practices to consider include implementing an auto-adjusted air conditioning system, using a timer and motion sensor-controlled lighting system, gradually replacing existing conventional lighting with energy-saving LED lighting, and utilizing solar energy.



## Environmental Quality Monitoring Program

We established an Environmental Quality Monitoring Programme ("EQMP") at all factories and local project sites to systematically monitor the environmental quality. The programme is a self-assessment system to measure the air, water quality of the surrounding environment in which the business operates. This programme was established to voluntarily measure and monitor the environmental effect of the projects but are not subject to Environmental Impact Assessment ("EIA") Approval Conditions. Several key areas are covered in the programme such as air quality, noise quality and discharged water quality. We measure and monitor based on the average dust load parameters at the factories.



## Air Quality Control at Factories and Construction Sites

Open burning is strictly prohibited at our factory premises and construction sites to prevent smoke pollution, which can lead to haze and increase carbon dioxide emissions. This policy helps maintain the atmospheric air quality in surrounding areas and serves as a precaution against potential fire hazards.

Controlling dust pollution at factory premises and work sites can help reduce air pollution. Workers routinely sprinkle water on the ground on dry days to control airborne particles, which can affect visibility and reduce air quality for breathing. Our cement silo is equipped with a filter system that is regularly maintained to prevent accidental discharge of cement into the atmosphere. Undertaking offsite manufacturing of precast concrete products and adopting a 3D printing system brings the advantage of reducing clutter, construction waste, as well as minimizing dust and debris at the construction site.

# SUSTAINABILITY STATEMENT

(CONT'D)

## SOCIAL



We understand that our workforce is the key factor driving sustainable success for the company. At SCIB, we strive to create a positive work environment based on trust, respect, and teamwork. We believe that respect is the foundation for a productive workforce, leading to the company's success. We focus on fostering a positive work culture that prioritises employee well-being, encourages open communication, sets clear expectations and goals, and recognizes and rewards good work.

New employees will undergo an orientation program to help them familiarise themselves with the Company's background, current undertakings, and future plans. They will also gain an understanding of the relevant policies, safety procedures, and work culture and see how their role fits within the Company.

SCIB prioritises health and safety. We strive to provide a safe, healthy, and quality working environment for our employees by reducing accidents and injuries and improving workflow and efficiency. We recognize that a good health and safety environment is crucial to boosting staff morale, retaining and attracting skilled employees, increasing productivity, and reducing costs.

In SCIB, we support gender equality and respect human rights and will not tolerate any forms of discrimination, bullying, harassment and forced labour. We encourage equal employment opportunities and participation of women, men, and people of diverse genders, races, cultures and backgrounds. We also implement adequate welfare facilities, programs and staff benefits to motivate employees to overcome work-related stress and increase staff morale and job satisfaction for staff retention.

We believe in the crucial need to cultivate the spirit of giving back to the community, where we bring people together and work towards achieving the common and ultimate goals for a better society. Besides, community work enhances the Company's reputation and promotes a harmonious atmosphere and employee camaraderie. Further, a community-oriented environment inspires employees to find purpose and value in their work.

# SUSTAINABILITY STATEMENT

(CONT'D)

## Our Key Targets and Achievements

### Our Key Targets

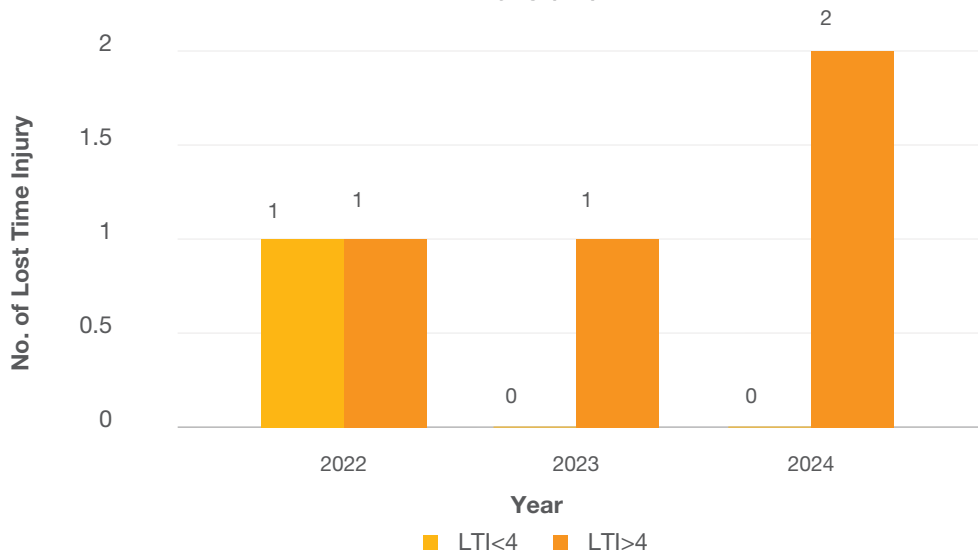


### Our Progress and Achievements



- In FY2024, the number of LTI>4 incidents increased to two, with no LTI<4. The accidents in 2024 involved a production line employee injured due to a welding failure and a technician struck during an overhead crane test, leading to the development of a new Standard Operating Procedure to enhance safety.

Lost Time Injury (LTI) Statistics



Note: Data comparison for three consecutive years includes all operations.

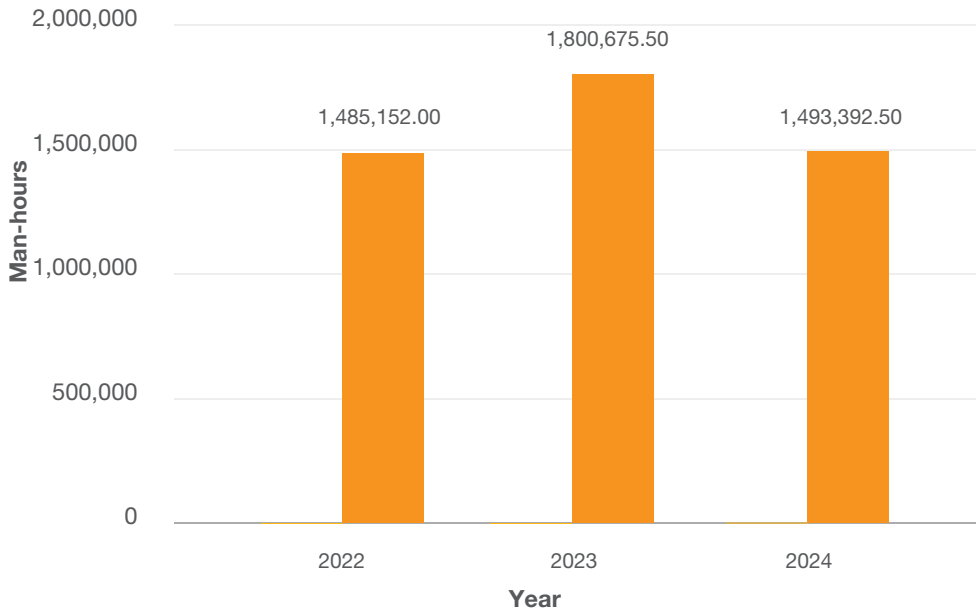


# SUSTAINABILITY STATEMENT

(CONT'D)

2. In FY2024, an All Injury Frequency Rate (“AIFR”) of 0.67 was recorded, an average achievement that is below the industry average of 2.6 cited for the construction sector and 2.8 for the manufacturing sector (*source: <https://sitemate.com>*)

**All Injury Frequency VS Man-hours**



	2022	2023	2024
■ No of Accident	9	11	5
■ Man- hours	1,485,152.00	1,800,675.50	1,493,392.50

**Notes:**

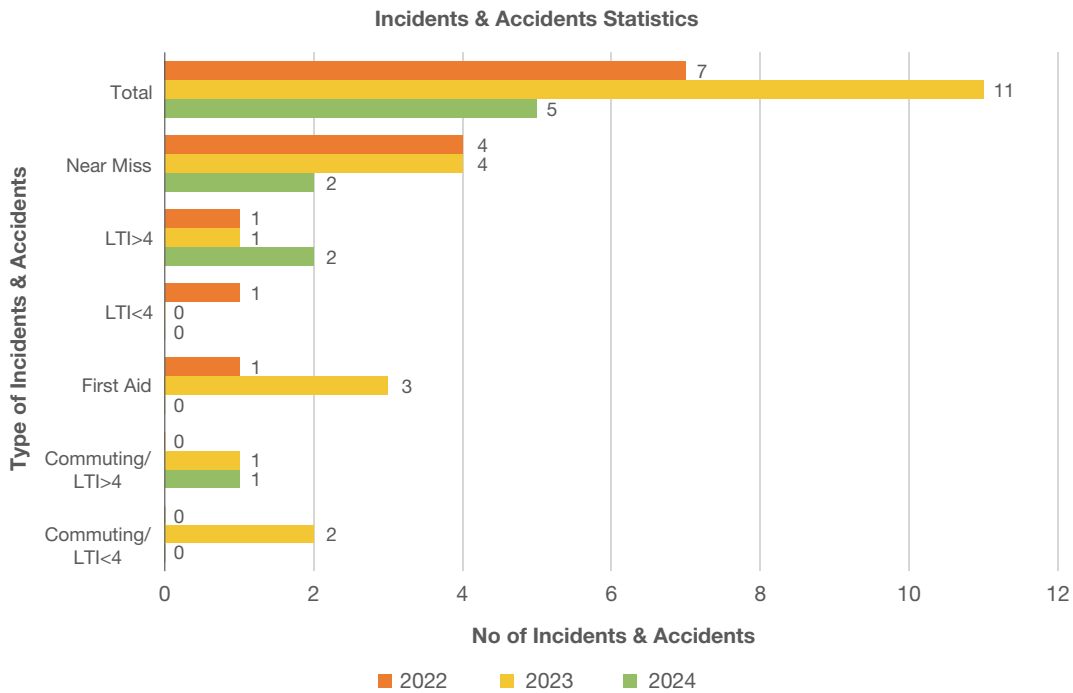
1. Data up to June 2024 includes all of our operations.
2. The All-Injury Frequency Rate provides an indication of the frequency of injuries recorded compared with man-hours worked during the year and is calculated as follows: number of accidents divided by total hours worked, multiplied by 200,000 for standardization.
3. It is described as the number of accidents per 100 employees working 40 hours per week for 50 weeks per year.



# SUSTAINABILITY STATEMENT

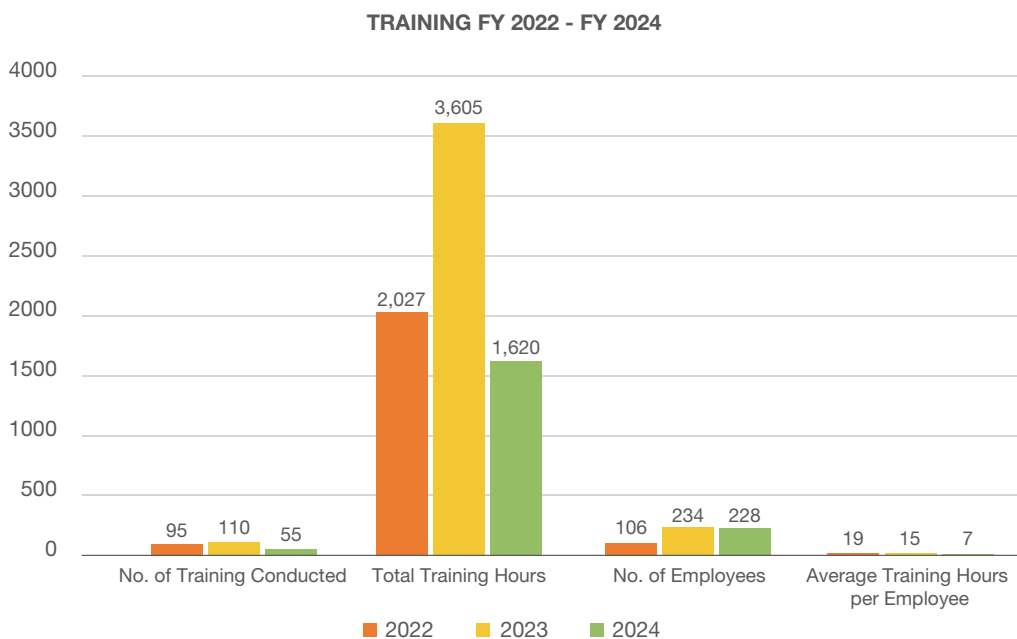
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3. For FY2024, we reported two (2) near-misses and five (5) accidents in total compared to eleven (11) previously reported in FY2023. The statistics of all types of incidents recorded for FY2024 as compared to FY2023 and FY2022 is shown in the following chart: -



**Note:** Data comparison of number of incidents and accidents for three consecutive years.

4. In FY2024, 228 employees participated in various training programs, with each receiving a minimum of 7 hours of training. Altogether, this resulted in 1,620 hours of training conducted.



Remarks: We have restated the data for training activities for FY2022 and FY2023 for compatibility.

# SUSTAINABILITY STATEMENT

(CONT'D)



## Our Challenges

Managing employee health and safety programs is difficult as the company has no control over the mindset and attitudes of the employees

Difficult to achieve gender diversity where the industry is more male-oriented

Social problems are on the rise, affecting community well-being and lack of volunteers and funds to support the ever-increasing community need



## Employee Health, Safety and Welfare



Risks to health and safety come mainly from people who are exposed to safety and health hazards, such as factory workers and construction or site workers, which may cause serious injuries or even fatalities. Factors contributing to safety hazards include faulty design, adverse weather conditions, and incorrect handling and installation practices, which can be avoided by ensuring all works comply with the relevant regulations and guidelines specified by ISO 45001.

We continue to strengthen our health and safety policies and procedures and formulate safety and health plans throughout the year via our Safety 365 Awareness programmes. Among other things, the Noise Risk Assessment (“NRA”), Dust Monitoring, and Chemical Health Risk Assessment (“CHRA”) were undertaken at our factories in line with the requirements of relevant regulations enacted under the Occupational Safety & Health Act (1994).

# SUSTAINABILITY STATEMENT

(CONT'D)

We have engaged an independent and qualified assessor registered with the Department of Occupational Safety & Health (“DOSH”) to determine the level of chemical and cement dust exposure associated with our workers’ respiratory health. The appointed assessor conducted the CHRA review at the three factories to identify any chemicals that are potentially carcinogenic. The CHRA revealed that our workers are exposed to two major sources of health hazards, namely, silica dust and benzene, used as additives in diesel.

Based on the Noise Risk Assessment (“NRA”) issued by the Competent Noise Risk Assessor, workers who are exposed to high noise and vibration levels, more than 82 dB(A), for an average of four hours a day, are required to undergo annual audiometric tests. To prioritise the well-being and safety of our employees, our company took proactive steps to address potential risks associated with working in high-noise exposure areas. In the financial year ended June 2024, we have conducted two batches of audiometric tests. The first batch took place on 20 February 2023 and 27 February 2023, with 21 employees tested at KPJ Kuching Specialist Hospital Sdn Bhd. The second batch occurred on 15 January 2024, 22 January 2024, and 5 February 2024, with 19 employees tested at the same hospital. These tests aimed to evaluate the employees’ hearing capabilities and identify any potential occupational noise-related hearing disorders. Following the completion of the tests, we received comprehensive reports from the Occupational Health Doctor (“OHD”). These reports provided valuable insights into the employees’ hearing conditions and enabled us to understand the potential risks they might face due to their work environment.



*Annual DOE Inspection on 27 June 2024*



*Briefing on the Obligation of Audiometric Test on 18 July 2024*

We continuously improve our factory premises and work sites via the established Occupational Health & Safety Management System (“OHSMS”) and Environmental Management System (“EMS”) that seek to provide a safe and healthy working environment for the prevention of injury and ill health. Our Health & Safety team closely monitors operations and construction activities to provide regular updates on safety and health conditions at the factory premises and work sites. There were no instances of non-compliance with safety and health regulations reported during the financial year.

Additionally, we have established campaigns, banners, posters, brochures, and signboards in prominent areas to disseminate Health and Safety messages to workers, such as posters on Silica Dust Hazards. We provide our workers with appropriate Personal Protective Equipment (“PPE”) such as hand gloves, safety boots, hard hats, face masks, and earplugs and conduct regular inspections to ensure compliance with PPE usage during work.

We have a Traffic Management Plan (“TMP”) for our road maintenance projects to control and facilitate vehicle movement during road construction or road maintenance / upgrading works. The TMP minimises traffic congestion and safeguards the site workers, motorists, pedestrians, and road users against safety hazards and accidents. Well-planned traffic management will increase safety and productivity. Consequently, the road works can be completed timely and cost-effectively.

# SUSTAINABILITY STATEMENT

(CONT'D)



*Monitoring of Lost Time Injury ("LTI") & All Injury Frequency Rate ("AIFR")*

We have established performance indicators for the HSEMS known as the Four Zeros consisting of Zero Lost Time Injury, Zero Fatality, Zero Environmental Contamination and Zero Regulatory Violation. Each factory is required to record and monitor their respective Lost Time Injury ("LTI"), which is the record of productive time lost when a worker is unable to return to work. LTI is used as a key performance indicator to measure work safety.

The Occupational Safety & Health Act of 2022 defines Lost Time as a lost day (consecutive or not), counted from the day of the accident, including injury, diagnosis of occupational poisoning and occupational disease measured in calendar days the employee was away from work. In SCIB, we categorise the Lost Time Injury ("LTI") into two (2) categories, which are Lost Time Injury not more than four (4) days (LTI<4) and Lost Time Injury more than four (4) days (LTI>4) that require us to submit the information to Department of Occupational Safety and Health ("DOSH"). Unfortunately, in 2024, we recorded two lost time injuries of more than four (4) days. One of the accidents involving a production line employee was caused by a failure in the welding points of the lifting mechanism attached to a beam mould panel. Corrective actions were taken to improve the welding quality and ensure better distribution of load-bearing capacity to prevent future accidents. Another incident occurred during an overhead crane test after repairs, a technician was struck by a column while seated on the bridge control panel, causing injuries that required emergency response. A new Standard Operating Procedure ("SOP") titled HSE-WI52 Safety Breakdown Maintenance was developed as the corrective action to address the incident.

Safety accidents are also investigated to determine the root causes, identify unsafe conditions or actions, and recommend corrective actions to prevent future recurrence. New employees are provided with an orientation on the workplace's safety and health risks and procedures.

We also recognize the importance of keeping tabs on near misses and accidents to assess the hazard level at the workplace. We started capturing data on near misses in 2020 to help us identify the root causes of actual accidents and, at the same time, manage and reduce the overall risk of having a serious accident, lost time injuries and illnesses, or even fatalities.

Further, we also monitor the All-Injury Frequency Rate ("AIFR"), which provides an indication of the frequency of injuries recorded compared with man-hours worked during the year. AIFR is calculated by dividing reported accidents for a year by the number of hours worked, multiplied by 200,000 for standardization. It is described as the number of accidents per 100 employees working 40 hours per week for 50 weeks per year.

In 2024, while we saw an increase in the number of Lost Time injuries exceeding four days, rising from one (1) in 2023 to two (2), it's important to note that the overall number of incidents and accidents decreased significantly from eleven (11) in 2023 to five (5) in 2024, reflecting a remarkable improvement of over 54%. This indicates an improvement in our safety performance overall, as we have managed to reduce the total incident rate despite the slight uptick in more severe injuries. This suggests that our proactive measures are effectively minimising the overall risks, even as we continue to address more serious cases.

In this regard, we focus on re-identifying and re-assessing potential hazards that could lead to accidents through inspections, risk assessments and employee feedback. Critical hazards mainly consist of high-risk work activities related to lifting and loading heavy products, simultaneous operation, working at height and mobile plant operation, machinery malfunction, and improper behavior at the operational level. Action taken to mitigate the risk continuously includes providing training and toolbox meetings, promoting and fostering a safety culture by encouraging open communication, active participation and reporting of potential hazards or near misses and providing adequate resources and equipment to employees such as complete personal protective equipment ("PPE") and ensuring machinery are well maintained.



# SUSTAINABILITY STATEMENT

(CONT'D)



### Safety and Health Committee

The Safety & Health Committee (“SHC”) plays a vital role in promoting and maintaining a safe and healthy working environment for employees. Its primary function is to act as a forum for collaboration between management and employees to identify, evaluate and control safety and health issues and foreseeable risks at our workplace. Both employers and employees are equally represented in the committee, and the management is represented by non-managerial executives in line with the ISO45001 requirements. The Committee provides links for better communication between workers on the ground and the management, bringing together a broad range of expertise and experience to help identify safety hazards at work and find solutions or new ways to enhance safety practices. Workers are encouraged to express their safety and health concerns to the Committee, where issues can be responded to and addressed accordingly. In the financial year ended June 2024, the SHC met on 2 February 2024.



### Mitigating the Threat of Occupational Diseases

The company has recently encountered an increase in the number of cases involving workers bitten by stray dogs, raising significant concerns regarding the potential risk of rabies, especially as some of these dogs have been exhibiting strange behaviour. In response to this issue, the company has lodged a formal complaint with the Majlis Bandaraya Kuching Selatan (“MBKS”) regarding the presence and behaviour of these stray dogs. The MBKS has taken prompt action, resulting in two capture sessions: the first session captured a total of 6 dogs and 2 puppies, while the second session captured 2 additional stray dogs. To further safeguard employees, the company organised a virtual meet-up session on 30 August 2024, featuring expert speakers from the Department of Veterinary Services Sarawak. During the session, employees received practical information on identifying signs of rabies in animals, proper steps to take if bitten by a stray dog, and preventive measures to avoid encounters with stray dogs. We believe that through these actions, we can effectively address the issue and enhance the safety and well-being of all our employees.



### Healthy lifestyle

Health talks were conducted to encourage our employees to adopt a healthier lifestyle and raise awareness on healthcare topics. These sessions included “Healthy Eating and Lifestyle” on 25 August 2023, “Influenza Symptoms, Causes, Treatment and Prevention” on 30 November 2023, “Safety at the Workplace” session on 8 March 2024, “Mental Health” on 26 April 2024. The health talks aimed to raise awareness and share current information on the common diseases and challenges facing society and educate employees on what they can do to overcome these challenges and live healthier lives.

Additionally, we have subsidised employees to join marathon events such as the “Love Our Ocean Charity Run 2023” campaign on 17 December 2023, with participation from 50 employees from our Kuching office. This event underscores our dedication to fostering work-life balance by promoting a healthy lifestyle while also making meaningful contributions to charitable endeavours. We also organised lively Zumba events on 19 October 2023 and 15 January 2024 to get employees moving, grooving together, and fostering fitness.



Love Our Ocean Charity Run 2023 on 17 December 2023



“Juh Ngeluar Peloh” Zumba event on 19 October 2023



# SUSTAINABILITY STATEMENT

(CONT'D)



Safety and health talks are conducted throughout the year and during monthly assemblies by experienced staff to create awareness of the importance of personal safety and hygiene. These talks cover topics such as the Mandatory Use of PPE and Social Distancing in Office and Production during the Movement Control Order.

Safety Induction Briefings for new hires are conducted quarterly, and courses conducted for the financial year ended June 2024 included Hearing Conservation Training, Emergency Response Preparedness Training, and Emergency Response Team (“ERT”) (Security) Preparedness Refresher.

A set of SOPs have been implemented to curb the spread of the virus as per Ministry of Investment, Trade and Industry (“MITI”) requirements and as prescribed by the other relevant authorities for factories and construction sites. Other measures include assembly on precautionary measures and email reminders and updates.

Health and safety officers regularly educate fellow workers about the risks at the workplace and safety procedures to prevent untoward accidents. Staff are provided with appropriate safety programmes and training to further enhance their knowledge on health and safety at the workplace. Our safety supervisors also have regular Toolbox Meeting with subcontractors’ workers to highlight any Health, Safety and Environment related matters of concern.



Emergency Response Team Training on 14 June 2024



Toolbox Meeting at Yarding Section on 28 March 2024



Toolbox Meeting at Spun Pile Section on 8 May 2024



Toolbox Meeting at RC Beam Section on 6 February 2024



# SUSTAINABILITY STATEMENT

(CONT'D)



## Upgrade of factory facilities and infrastructures

The Group has acquired five industrial leasehold plots in the Demak Laut Industrial Park, Kuching, Sarawak, a move set to significantly enhance the Company's production capabilities in line with Sarawak's booming infrastructure development. The acquisition, involving a total of 5 lots of land, totalling 8.8544 hectares (approximately 21.88 acres) in the Muara Tebas Land District, represents a strategic expansion of SCIB's operational footprint. The new location at Demak Laut Industrial Park, which is fifteen kilometres from Kuching City Centre, is strategically advantageous and provides us with the necessary space to increase our production capacity by almost 30%. This expansion aligns perfectly with the anticipated increase in demand driven by Sarawak's rapid infrastructure development plans in the coming years. The intended use of the newly acquired land is to construct an industrial factory to produce concrete-related products such as Spun Piles, Spun Pipes, and Reinforced Concrete Products. We have plans underway to install factory sheds in our new facility. This initiative aims to create a conducive work environment that shields against adverse weather conditions, particularly on hot and rainy days, in order to minimise work interruptions.

We also progressively pursue upgrading our factory facilities and infrastructure to provide a favourable working environment. We established safe operating procedures for machinery and set up an ERT in every factory. Our Health and Safety team works closely with our Repair and Maintenance team to enhance the Planned Preventive Maintenance Programmes to reduce the hazards of major accidents at the factory. We continuously ensure that our workers and personnel are adequately protected when working in critical areas exposed to work hazards and provide them with PPE.

The cafeteria's conversion into an event room has facilitated a range of gatherings, including a luncheon for the Directors, a Meet-up session with the group, a farewell event, a promotion celebration, and small awards ceremonies.



*Celebration of Executive Director Promotion on 20 December 2023*



## Staff appraisals and staff feedback

Annual staff appraisals present a valuable opportunity to measure employee performance, address any performance issues, and reward them accordingly. These appraisals are helpful in identifying skill gaps and training needs, ensuring alignment with the Company's culture. An effective appraisal helps the Company spot talent to nurture and develop. During appraisal meetings, employees are encouraged to share their perspectives and provide feedback, giving them a sense of value and belonging in the workplace. This open dialogue enhances the quality of work and boosts employee productivity and engagement, contributing to a more dynamic and harmonious work environment.



# SUSTAINABILITY STATEMENT

(CONT'D)



*Appreciation of employees*

In appreciation of our employees' unwavering efforts and contributions, SCIB celebrated Chinese New Year with a vibrant multicultural gathering. The event commenced with an exhilarating lion dance, believed to usher in good luck, fortune, wealth, prosperity, and happiness. Following this captivating performance, a buffet-style feast and an exciting lucky draw were provided to the employees and workers, enhancing the festive atmosphere and fostering a sense of community and joy. In conjunction with Hari Raya Aidiladha and Hari Gawai 2024, we also successfully distributed food packs for Kuching staff and organised a buffet-style meal in Nilai exclusively for SCIB club members and interns. Additionally, we expressed our deep gratitude to our staff with annual increments and bonuses, inspiring all employees to strive for excellence and achieve similar milestones.



*Distributions of packed food under the Sentuhan Kasih Eid Al - Adha Gawai program in Kuching office on 18 June 2024*

*Buffet-style meal under the Sentuhan Kasih Eid Al - Adha Gawai program in Nilai office on 18 June 2024*



# SUSTAINABILITY STATEMENT

(CONT'D)



*True spirit of giving - Tabung SCIB*

SCIB Club, established in 2003, is a fund jointly supported by SCIB and its employees, who contribute monthly. The Group matches every ringgit contributed by employees on a one-to-one basis. Managed by employees, Kelab SCIB is overseen by employees with the objective of managing members' welfare through an emergency fund, benevolent fund, and education fund. The emergency fund aids employees in times of crisis, while the education fund provides scholarships and cash rewards to employees' children who excel in public examinations such as the SPM and final semester exams for colleges and universities. Additionally, SCIB Club fosters camaraderie among members through various social events and activities. The Education Awards were presented to the children of SCIB Club members who achieved outstanding results in their SPM examinations and higher education. Seven students received awards for their SPM results, and one student was honoured for outstanding performance in her Diploma studies. A special token was also presented to an employee for his Newborn Baby. To mark this occasion, a buffet was arranged for all the attendees. During the financial year ended 30 June 2024 under review, one hundred and eighty-two (182) children received Year-End-Gifts of school stationery.

As part of our commitment to staff welfare and nurturing young talent, SCIB is proud to have sponsored Ms. Nur Zulaikha Binti Mohd Rasidi, daughter of one of our employees, in her journey to represent Malaysia at the ITF Taekwon-do Asian Championship 2024, held in Bengaluru, India, from 19 to 25 August 2024. She made us proud by winning a bronze medal in the individual sparring event, bringing honour to both Malaysia and the SCIB family.



*Presentation of education awards for SCIB Club members' children on 18 June 2024*



*Presentation of special token for newborn baby on 18 June 2024*



*Sponsorship for ITF Taekwon-do Asian Championship 2024, held in Bengaluru, India, from 19 to 25 August 2024*



*Ms. Nur Zulaikha receiving her bronze medal on 23 August 2024*



# SUSTAINABILITY STATEMENT

(CONT'D)



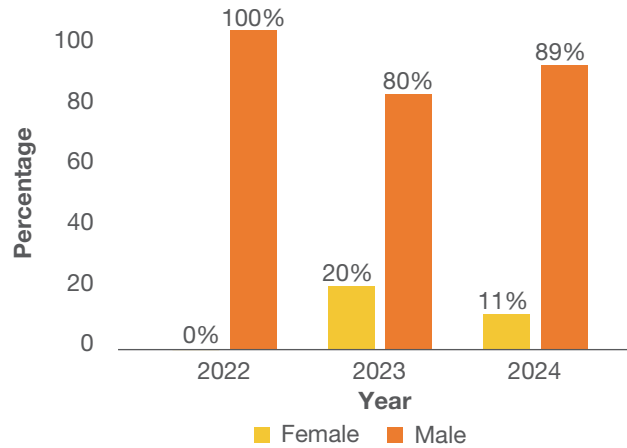
*Embracing  
Inclusivity  
in Our  
Workplace*

Our employee population reflects our commitment to inclusivity and respect for the diverse perspectives within the Group. The overall age breakdown shows that 64% of our employees are millennials between the ages of 30 and 50, while 27% are Generation Z below the age of 30, and 9% are above the age of 50.

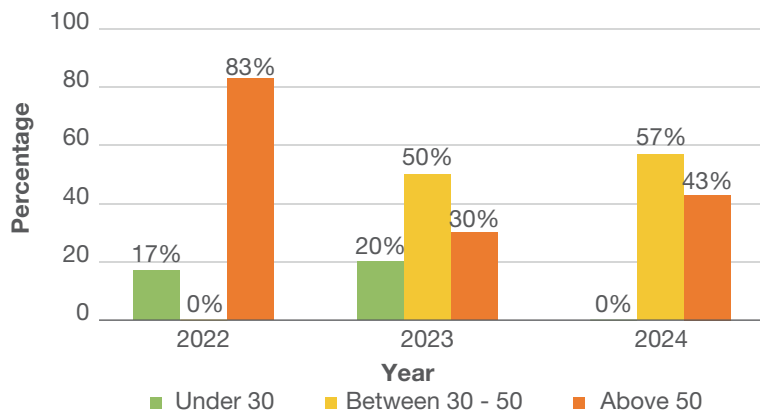
As of 30 June 2024, SCIB had 327 employees	61% Permanent full-time employees	5% Probation full-time employees	34% Contract full-time employees
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### Board Members

**Board Gender Breakdown**



**Board Age Breakdown**

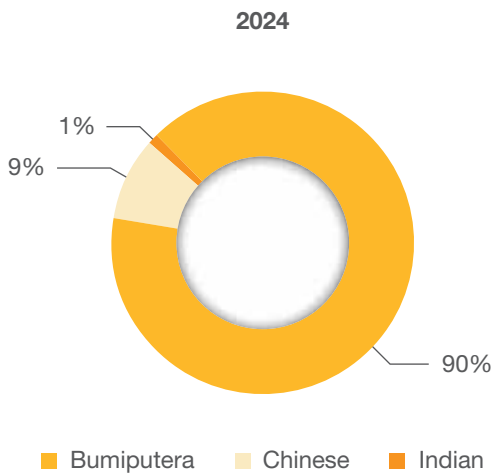
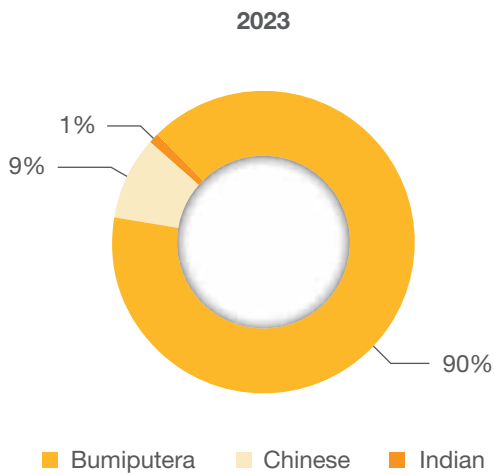
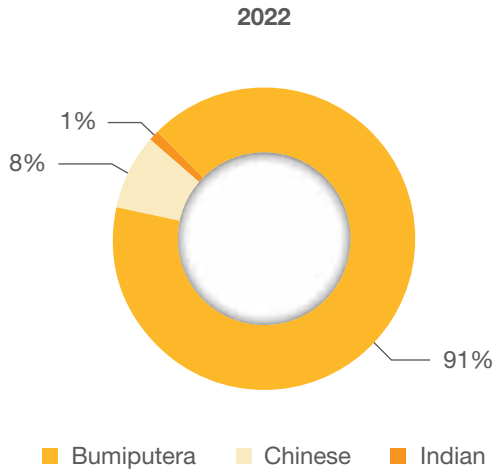




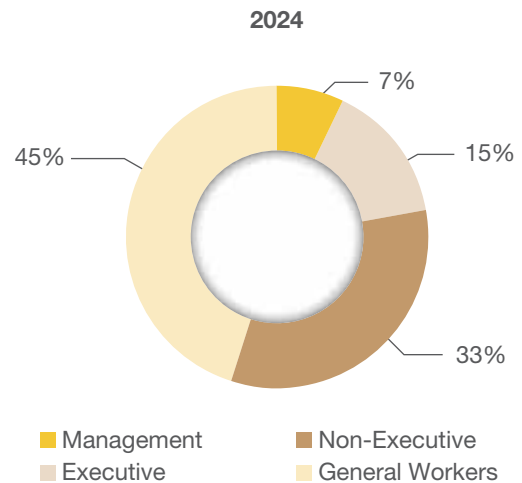
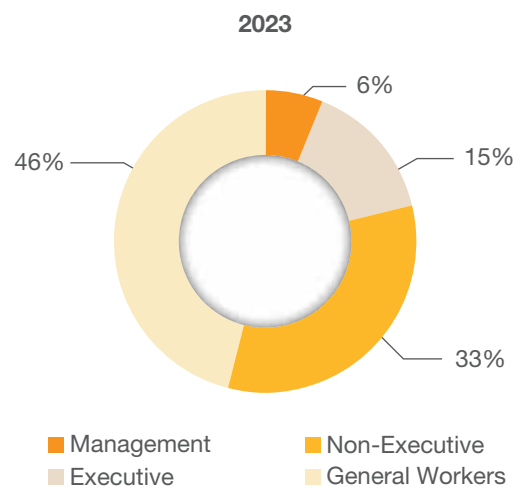
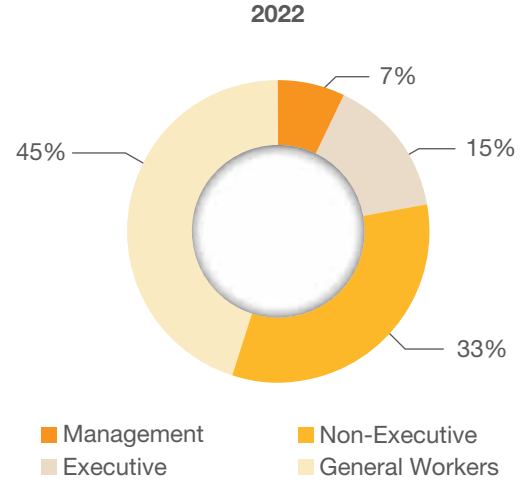
# SUSTAINABILITY STATEMENT

(CONT'D)

**SCIB Workforce by Ethnicity**



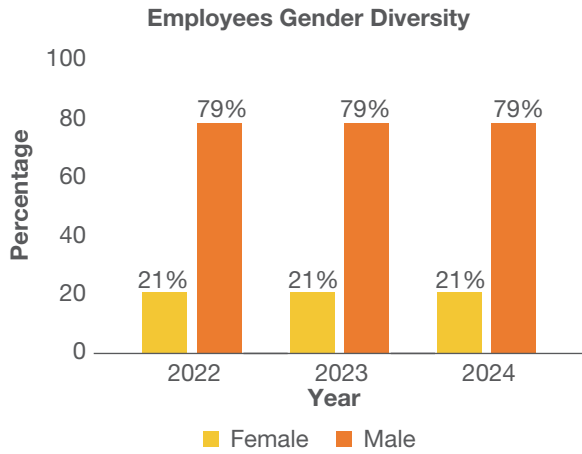
**SCIB Employees by Division**



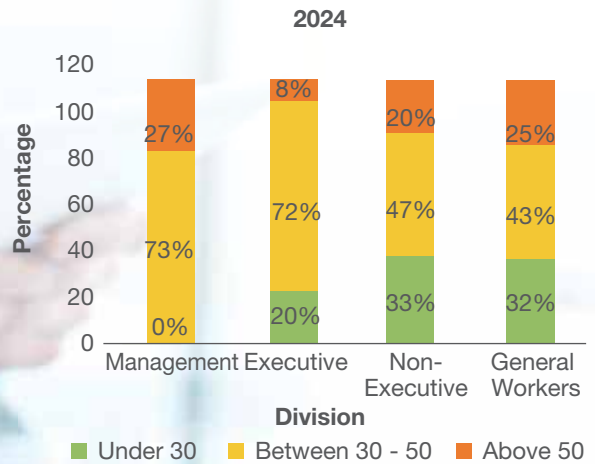
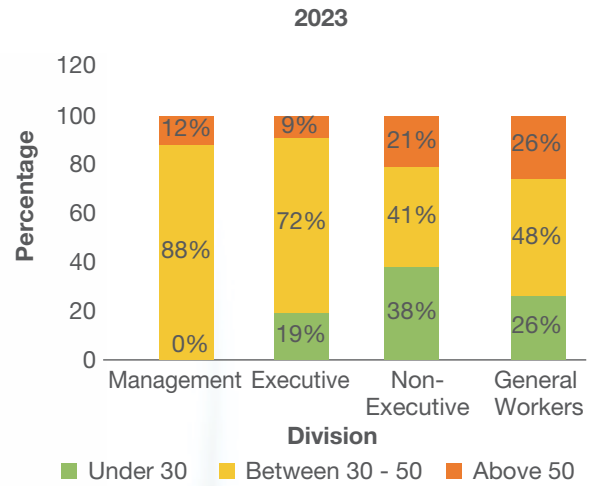
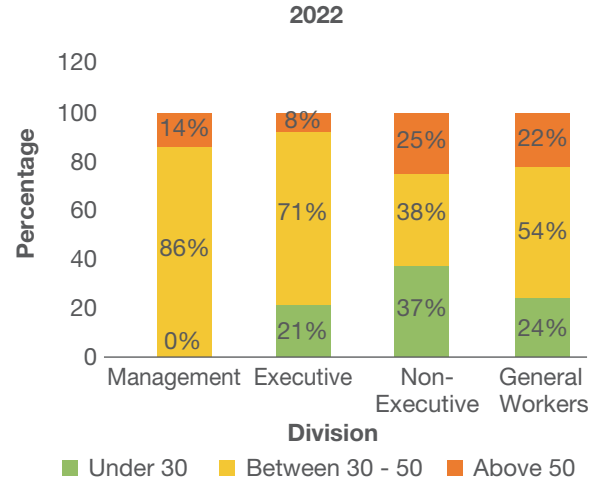
# SUSTAINABILITY STATEMENT

(CONT'D)

SCIB Employees by Gender Diversity



SCIB Employees by Age



# SUSTAINABILITY STATEMENT

(CONT'D)



*Empowering Women in the Workplace*

At our Company, we are deeply committed to creating an inclusive and supportive environment that promotes the advancement and empowerment of women at all levels. In line with the principles of SDG 5: Gender Equality, we aim to provide equitable opportunities for leadership roles and actively foster the professional growth of our female employees. We value women’s unique strengths, perspectives, and contributions to the workplace. Our efforts are concentrated on identifying and nurturing high-potential female employees for leadership positions, ensuring that a diverse array of voices is represented in our decision-making processes. By investing in their professional growth, we aim to enhance retention rates and encourage long-term career progression.

In line with the revised Employment Act, we have updated our maternity leave policy to extend to 98 days. This change supports new parents in achieving a healthier work-life balance, providing them with essential time to care for their newborns during the critical early months.



*SCIB Group: Employee Compensation and Benefits*

The Group is committed to providing our employees with a comprehensive and competitive compensation and benefits package. Compensation and benefits are structured according to the respective personnel grading and positions, in alignment with our HR policy. This ensures that all employees are rewarded fairly and equitably based on their roles, responsibilities, and contributions to the organization.

TYPES OF LEAVE	
Annual Leave, Blood Donation Leave, Compassionate Leave, Disaster Leave, Examination Leave, Haji / Pilgrimage Leave, Hospitalisation Leave, Marriage Leave, Maternity Leave, Paternity Leave, Prolonged Illness Leave and Sick Leave	
EMPLOYEE WELLNESS	ALLOWANCES AND SUBSIDIES
Annual Medical Check-up, Staff Medical and Family Medical	Business Travel Reimbursements, Entertainment Claims, Accommodation and Company Car
INSURANCE COVERAGE	OTHERS
Hospitalisation & Surgical Insurance, Group Term Assurance, Group Personal Accident, and Directors and Officers (“D&O”) Insurance	Retirement Benefits, Long Service Awards, Membership in Professional Associations, Sports & Health Initiatives and Education Assistance, Long Term Incentive Plan

# SUSTAINABILITY STATEMENT

(CONT'D)



## Human Resource Development



We ensure that there are continuous growth, development and progression opportunities for our employees through in-house training, seminars, workshops and talks. These opportunities equip them with the latest job-related updates and learning. During the financial year, a total of 228 employees benefited from fifty-five (55) training courses, both internal and external, were conducted which is equivalent to around 1620 training hours. We will continue to assess the training needs and plan and offer our employees learning opportunities to enhance their skills, knowledge, and work performance.

We also offer department rotation to employees, allowing them to expand their knowledge, experience, and expertise in various job scopes. During the financial year ended 30 June 2024, twenty (20) employees were promoted, and fifty-nine (59) employees were transferred to other departments or job functions for further development.

We have developed a competency and succession programme for key and critical positions, in which job requirements and skillsets are assessed. Potential candidates who are identified are coached, nurtured, and groomed for succession to these key and critical positions with a career development plan and training needs analysis.

We are committed to providing educational opportunities to our employees. Financial aid is provided to support their quest for further learning. The Group also offers educational assistance and career development plans to employees, helping them earn professional degrees/master's qualifications for job enhancement. For the financial year ended 30 June 2024, one (1) employee benefited from the educational assistance.

Since 2021, we have organised virtual Meet-Up sessions aimed at connecting staff in the Nilai and Kuching offices while strengthening relationships and team cohesion among the employees. Further, it also encourages the sharing of important updates and the exchange of information and ideas and provides awareness and valuable information addressing issues of concern. Topics covered include sustaining your income by Retirement Fund, Anti-Bribery & Anti-Corruption, Safety at Workplace Awareness, and Fire Safety Training, just to name a few.



## Labour Practices and Standards: Human Rights and Diversity



### Fair employment and diversity

We are committed to fostering diversity and inclusivity within our workplace. We treat everyone, including our employees, customers, and suppliers, with respect and integrity and ensure we protect our employees' rights at all times by adhering to local regulations and the Employment Act. We acknowledge employees' right to a minimum wage and fair salary and ensure monthly remuneration is paid on time. Our recruitment of employees is conducted through a fair and transparent process based on qualification, experience, merit and attributes. We practice gender diversity with 21% of our total employees being female as of 30 June 2024.

An employee survey was conducted in November 2023, reaching out to around a total of 44 employees, out of which 36 responded that they were satisfied working in SCIB. At SCIB, we aim to provide working conditions and benefits that enhance employee satisfaction. We regularly organize activities to foster connectivity and togetherness, ultimately improving staff retention. This year, we aim to increase the survey's coverage to gather more comprehensive feedback for ongoing improvement.



### Anti-Harassment Policy

We established a zero-tolerance policy for harassment and discrimination, including sexual harassment, on 30 August 2022. This was implemented to uphold our commitment to foster and preserve a culture of dignity and respect and sustain a healthy working environment. To reinforce this commitment, anti-sexual harassment posters have been prominently displayed in our office's main entrance, toilets, and corridors. The Sexual Harassment Policy acts as a deterrent to inappropriate behaviour/ misconduct, undesired intimidation and harassment at the workplace that leads to poor staff morale, stress at work and legal consequences. This initiative sends a clear message from leadership to create a work atmosphere where employees feel safe, empowered, and at ease.

# SUSTAINABILITY STATEMENT

(CONT'D)

## Community Support

We believe that businesses and communities are interdependent and that building relationships are important as part of sustainability.

### Community support - SCIB Volunteers

In line with our commitment to supporting community initiatives, SCIB collaborated with the Sarawak General Hospital Blood Bank (“SGH Blood Bank”) for a Blood Donation Drive in conjunction with Sarawak Day 2023. The event received an overwhelming response, with 132 successful donors stepping forward, reflecting the unity and compassion of the Sarawakian community.

Continuing this tradition, SCIB partnered with the SGH Blood Bank again for the SCIB Blood Donation 5.0, held on 31 August 2024 in celebration of Merdeka Day. The event attracted 150 registered participants, of whom 125 successfully donated blood, contributing to the hospital’s life-saving efforts. As a token of appreciation, each donor was presented with a microfibre shirt and a goodie bag, recognizing their generosity and commitment to the welfare of others.





# SUSTAINABILITY STATEMENT

(CONT'D)

In addition to these efforts, SCIB participated in the Pibakat Food Fair & Charity Sales 2023, held at the Christian Ecumenical Worship Centre on 24 September 2023. This event aimed to support children and young adults with special needs by improving their quality of life and raising awareness about their challenges. Through volunteerism and contributions, SCIB helped foster a more inclusive and supportive community. Proceeds from the charity sales were handed over to Pibakat's representative, marking a successful initiative that reinforced our commitment to social responsibility.

SCIB remains dedicated to promoting initiatives that enhance community health and welfare, and we are grateful for the continued support of our partners, volunteers, and participants in these meaningful events.

## Collaboration with Universiti Kebangsaan Malaysia (UKM)

Apart from that SCIB has entered into a collaborative research project with Universiti Kebangsaan Malaysia ("UKM") titled "Efficacy of Tight Versus Moderate Glycemic Control on the Rate of Surgical Site Infection in Patients with Diabetes Mellitus Undergoing Coronary Artery Bypass Graft ("CABG") - A Single Centre Prospective Randomized Control Trial" to explore the effectiveness of different glycemic control approaches in reducing Surgical Site infections ("SSI") among diabetic patients undergoing coronary artery bypass graft surgery. Our role in this project includes providing financial support, while UKM leads the scientific research, patient recruitment, and data analysis. The results of this study are expected to guide clinical practices and contribute to significant improvements in healthcare delivery for diabetic patients undergoing major surgeries. This partnership not only strengthens SCIB's involvement in corporate social responsibility but also aligns with our strategic focus on sustainable growth and societal well-being through innovative research and development efforts.

## Training for tomorrow

During the financial year ended 30 June 2024, SCIB provided industrial training to 16 undergraduates from local institutions of higher learning for 2 to 6 months in the areas of Production, Quality Safety, Health Environment, Repair and Maintenance, Human Resources, Production, Marketing, and Pasukan Gerakan Udara ("PGU") Site Project. We believe that these young students are the future of the manufacturing and construction industries in Malaysia, and our training programme will give them learning opportunities and insights into the industry to improve their practical knowledge and field exposure.

In October 2019, SCIB inked an MoU with Akademi Binaan Malaysia and CIDB Malaysia to collaborate for five (5) years in providing training to CIDB-registered contractors in Malaysia on the IBS. We are always keen to send out technical experts to share with university students at conferences, lectures, and talks on various topics to nurture talent and train our next-generation leaders. Our Senior Business Development Manager, a professional engineer, Ir. Ivonson Kwee has been invited to serve as an Instructor for the Certified Contractor Training Program for the IBS – Precast Concrete Panel on 23 – 27 April 2024 and invited by CIDB IBS as one of the panel speakers to talk about Compliance, Enforcement, and Monitoring of IBS in Pullman Hotel Kuching on 11 June 2024.

The Company also embarked on the Professional Training and Education for Growing Entrepreneurs ("Protégé") program in collaboration with SCIB Sasoakai Resources Sdn. Bhd. in support of the government's initiatives to create a pool of competent, well-trained, knowledgeable, and skilled graduates through industrial attachment that will help them attain relevant competencies that enhance their marketability and employability. The 8-month programme blends intensive soft skills classroom training and on-the-job training opportunities, offering practical skills and real-life experiences to build a strong foundation for a successful future. SCIB's Protégé program was approved by the Ministry of Entrepreneur Development and Cooperatives ("MEDAC"), and during the financial year, the Group accepted 58 protégés under the Terengganu Project and 8 proteges under the Tebedu project to join the program.

# SUSTAINABILITY STATEMENT

(CONT'D)

## ECONOMIC & GOVERNANCE —



SCIB recognises the importance of positive economic performance and understands that good governance contributes to an organisation's economic growth. We are committed to sustainability and uphold our values of effectiveness, efficiency, innovation, creativity, transparency, reliability, integrity, and quality. These values reflect our dedication to providing the best products and services while ensuring sustained growth.

SCIB has initiated a sustainability journey by strengthening its corporate governance framework. This framework governs the policies, processes, and procedures that uphold the company's integrity in its engagement with stakeholders. At the core of the Corporate Governance framework is the Board oversight, and the respective Board committees assist the Board with delegated functions, roles, and responsibilities.

The company has established an effective Corporate Governance structure and relevant policies such as Anti-Bribery and Anti-Corruption policies, Whistleblowing policies, Risk Management Framework, and terms of reference for each Board committee. The company has also implemented a risk management process that identifies risks associated with the company's strategic direction and day-to-day operations. In response, appropriate internal controls are put in place to address, mitigate, and manage these identified risks.

The Board is supported by experienced, qualified, and competent company secretaries and corporate governance consultants, Salihin Consulting Group Sdn. Bhd. They provide sound advice and the latest updates on listing requirements and the Malaysian Code on Corporate Governance ("MCCG") best practices.

We also set up a proper forum for dialogue with shareholders to provide sufficient opportunity for them to inquire about the company's activities and prospects and communicate their expectations and concerns. We organise regular investor briefings with research analysts and fund managers to share the company's business updates and conduct virtual annual general meetings with shareholders to facilitate engagement without restrictions on place/venue.

Furthermore, the management ensures that the latest news, announcements, and quarterly results are published on the company's website, allowing shareholders to access information about the company's business activities, financial performance, and prospects.

# SUSTAINABILITY STATEMENT

(CONT'D)

## Our Key Targets and Achievements

### Our Key Targets



### Our Achievements

As part of our Corporate Governance, we have put into action strategically designed initiatives to ensure SCIB’s business operations comply with ethical values and can bring benefit to society, especially communities that are within the vicinity of our operations.

SCIB has put in place a set of governance policies to maintain robust governance in social, economic, governance and environmental matters, which include as follows:

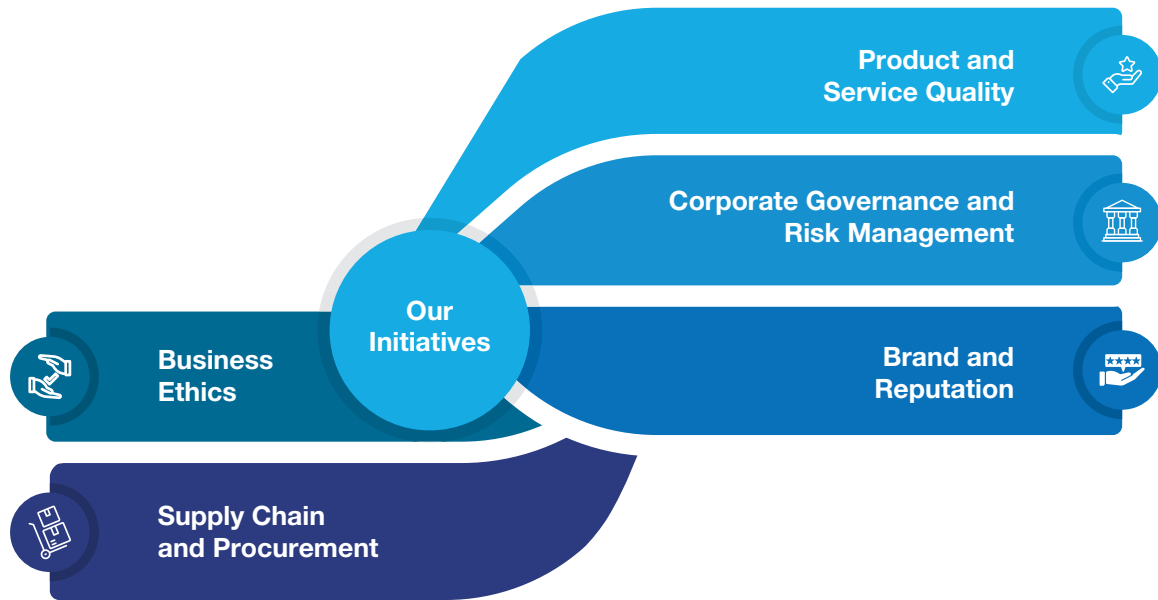
- Board Charter
- Whistleblowing Policy
- Anti-Bribery & Anti-Corruption Policy
- Internal Control Framework
- Risk Management Framework
- Fit & Proper Policy
- Terms of Reference for Audit Committee
- Terms of Reference for Investment Committee
- Terms of Reference for Risk Management Committee
- Terms of Reference for Credit Control Committee
- Terms of Reference for Remuneration & Nomination Committee
- Terms of Reference for C-Suites Committee
- Terms of Reference for Long Term Incentive Plan Committee
- Human Resource Policy
- Health, Safety and Environment Policy
- Waste Management and Recycling Policy and Procedure
- Employees’ Handbook
- Personal Data Protection Act 2010 (“PDPA”) Notice

In 2024, the Company received zero whistleblowing reports, zero reported cases of corruption, Zero non-compliance with laws and regulations in the social and economic area, and Zero complaints concerning breaches of customer privacy and losses of customer data.

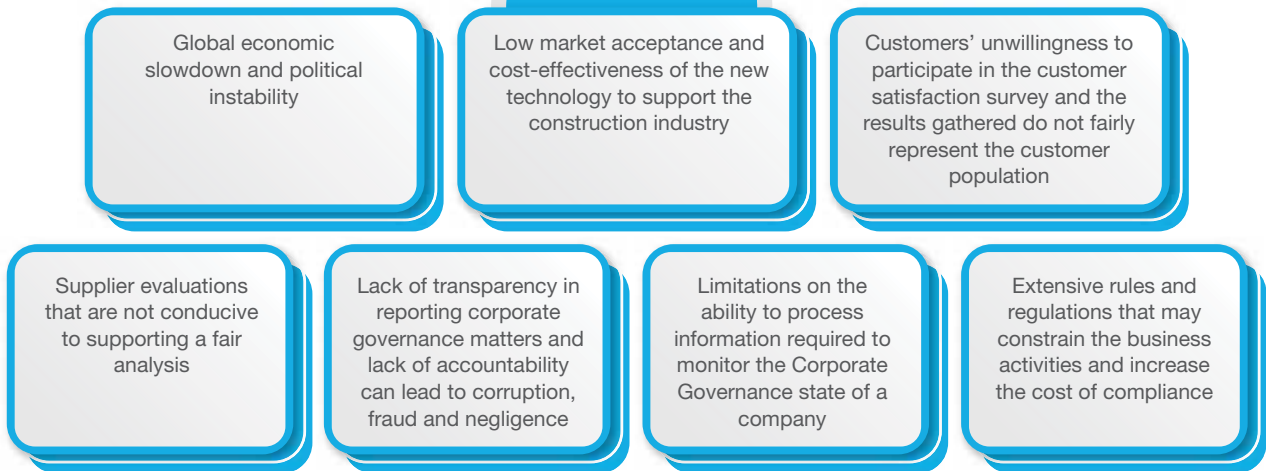


# SUSTAINABILITY STATEMENT

(CONT'D)



## Our Challenges





# SUSTAINABILITY STATEMENT

(CONT'D)



## Product and Service Quality



*Better products and services*

All of our products are certified with Quality Management System ISO9001:2015 by SIRIM QAS and NIOSH. This is the best quality assurance our existing and potential customers can rely on when they work with us.

As a one-stop centre for engineering and manufacturing solutions, we offer customers excellent value-added services such as professional advice and consultation, problem-solving, and customised solutions. Our in-house design team provides extended services covering a wide range of industry practices.

We continuously adopt technological advancements and pursue product innovation to develop and introduce new products and designs. Through these efforts, we have enhanced the quality of our products and improved overall performance. Additionally, we stay on top of trends and customer expectations by consistently engaging with customers to understand their needs and demands. This also allows us to gather first-hand feedback on our products or services.

Our top priority is customer safety. We can assure our customers that our incoming raw materials used in production will undergo a stringent quality inspection process. Our Quality, Health & Safety department validates the quality of purchased raw materials, engineering parts, or components based on specific criteria. Additionally, our factories are equipped with regularly maintained automated machinery and a batching plant facility. Combined with an efficient plant layout, we strive for a smooth production process to consistently meet precast concrete product standards and relevant specifications.

We are committed to providing a suitable and controlled working environment and have proper procedures in place for finishing, curing, stacking, storing, handling, and transporting concrete products. Our quality inspectors are well-trained to conduct final inspections of finished goods before shipment or delivery to ensure they meet desired specifications and concrete strength. If any non-conforming goods are identified, they will be isolated for repair or rejection to prevent defective products from reaching customers and to maintain safety standards.

Through the Engineering, Manufacturing, Construction and Commissioning (“EMCC”) strategy adopted in 2020 by the construction division of the Group, we are positioning to become a one-stop integrated provider of civil construction. This strategy also leverages on our manufacturing division’s precast concrete and IBS products. Our subsidiary, SIBS, is certified G7 by CIDB and also have Sijil Taraf Bumiputera (“STB”) license, Perbendaharaan Malaysia Sarawak (“MOF”) License, Sijil Perolehan Kerja Kerajaan (“SPKK”) license or the Government Work Procurement Certificate.

Three of our wholly-owned subsidiaries, SIBS and SCIB Properties Sdn. Bhd. (“SCIBP”) and SCIB Infracore Sdn. Bhd. (“SCIBI”), which comes under the Construction division, were identified to pursue qualifications and licenses to become full-fledged construction specialists. These wholly-owned subsidiaries are now licensed or have received specialisation codes, Bumiputra status licenses, ISO certifications, and other relevant accreditations.

SCIB’s wholly owned subsidiary, SCIB LW System Sdn. Bhd. (“SCIBLW”), is a supplier and installer of prefabricated lightweight system products, including but not limited to carrying out engineering, procurement, construction, and commissioning (“EPC”) contracts. We completed the installation of the lightweight system plant in July 2021 to produce the IBS lightweight steel frame wall panel, steel roofing truss and form light concrete block. Targeted customers are building developers, contractors and Sekolah Daif Sarawak. We also have a wholly-owned subsidiary company, SCIB Building Solutions Sdn. Bhd. (“SCIBBS”) for the purpose of exploring the business opportunities in Peninsular Malaysia.

In 2024, our manufacturing segment successfully commissioned a new precast concrete production plant in Lawas, Sarawak. The plant is strategically located to support construction and development projects in the blossoming region of Lawas. This new facility provides SCIB with the opportunity to access the North Borneo and Sabah markets, offering logistical cost benefits. The plant has an annual production capacity of 32,000 metric tons, focusing mainly on producing precast box culverts, RC square piles, and IBS components.



# SUSTAINABILITY STATEMENT

(CONT'D)

The Company had also, on 27 September 2024, signed a Memorandum of Understanding (“MoU”) with MyArch Sdn. Bhd. to establish a strategic alliance for exploring a working relationship and cooperation to combine skills, expertise, capabilities, and experience, collectively bid for projects in Malaysia. The collaboration, known as the SCIB-MYARCH Borneo Consortium, focuses on marketing and supplying MyArch’s advanced technology products, including segmental bridge systems and LS girders, for infrastructure projects across Sarawak. This collaboration aims to revolutionise bridge construction in Sarawak, addressing unique infrastructure needs with precision and innovation. We aim to build bridges that serve as gateways to aspirations, opportunities, and a brighter future through innovative solutions. We believe this will bring together two teams with core expertise and knowledge in construction and engineering that will give an edge to projects undertaken jointly and deliver high-quality, innovative solutions tailored to local needs.



3D printing  
Technology

We are confident that our newly acquired 3D printing technology will produce products that complement our existing product range to serve our customers better. Conceivably, 3D printing products offer the benefits of flexible and complex design, rapid prototyping, promoting printing on demand, strong, lightweight, fast delivery and minimal wastage. Nevertheless, we are proud to have the technical support from COBOD, a world leader in 3D construction printing solutions and with our in-house technical team, we endeavour to deliver quality 3D printed structures. Currently, our team is exploring with Akademi Binaan Malaysia (“Sarawak”) Sdn. Bhd. (“ABM”) to devise the specification and relevant certification to commercialise the products in due time.



## Corporate Governance and Risk Management



The board of directors is the cornerstone of corporate governance. It represents the interests of various stakeholders and provides oversight of executive leadership and administration. The Board is made up of members with diverse experiences, backgrounds, qualifications, skills, expertise, and demographic factors to effectively lead the company. Most of the Board consists of independent directors who offer unbiased advice, views, and perspectives based on their objective judgment. The Company also manages conflict of interest through quarterly declarations by the directors to ensure adequate checks and balances in the proceedings of the Board in compliance with corporate governance best practices and guidelines.

We are committed to achieving good corporate governance and a code of conduct with transparency and ethical integrity in our engagements with various stakeholders through various communication channels such as regular meetings, timely disclosure to Bursa Malaysia Securities Berhad, annual general meetings and annual reports. Our Board of Directors oversee the conduct of the Company’s business providing governance of the Group’s affairs and direction to optimise development, growth and performance.

We have adopted effective risk assessment and management systems to identify, assess, and mitigate threats or uncertainties that can affect the organization. The board will assess the effectiveness of the risk management process every quarter of the year to ensure that the group has adequate and reliable internal controls in place to manage identified risks. This evaluation will take into account economic, environmental, and social impacts with the goal of ensuring long-term viability.

We applied the Fit and Proper policy setting out the criteria for the appointment, re-appointment and/ or re-election of Directors of SCIB and its subsidiaries. This policy will provide guidelines and procedures to ensure each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/ her role as a Director of SCIB and its subsidiaries.

Currently, we have one woman director on board, Dr Dang Nguk Ling who joined SCIB as the independent non-executive director of the company with effect from 28 June 2023. Her appointment as a director brings gender diversity to the boardroom. For instance, the presence of women on boards could enhance corporate governance practices and bring gender perspectives in the decision-making process to drive better market and company performance. The Company’s Board gender diversity clearly demonstrates the company’s commitment to women’s rights and equality.

# SUSTAINABILITY STATEMENT

(CONT'D)



## Anti-Bribery and Anti-Corruption



With the introduction of Corporate Liability in the amendment to the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”), which became effective on 1 June 2020, the Group has taken proactive actions to ensure that it has adequate procedures in place designed to prevent associated persons from conduct that could trigger the newly introduced Section 17A of the MACC Act, 2009. We also published our Anti-Bribery and Anti-Corruption (“ABAC”) tagline, “Arrest Corruption and Enhance Productivity”, as a statement on the banner, poster and the corporate website. We have our continuous ABAC training and awareness programme and ongoing ABAC briefing conducted during the monthly assembly and include ABAC as part of the orientation sessions for newly joined employees. On 15 July 2024, the Company held an in-house refresher program on ABAC to foster integrity and encourage ethical and transparent behaviour and conduct. The event was attended by directors and senior management.



## Stakeholder Engagement



At SCIB Group, we utilize media releases to disseminate valuable information about recent developments, achievements, and advancements within our organisation to our customers, suppliers, employees, investors, and other key stakeholders. These media releases serve as essential marketing tools, enhancing our sales potential and attracting potential investors.

During the financial year ended 30 June 2024, our Company issued several media releases on the acceptance of letters of award (“LOA”) and EPCC contracts. Notable examples include the award of an EPCC contract for securing a revised contract worth RM162 million for the Cadangan Membina dan Menyiapkan 632 Unit Perumahan Rakyat 1 Malaysia (“PRIMA”) Fasa 1 project in Kubang Kerian, Kota Bahru, Kelantan, in April 2024. Additionally, in the same month, we made a significant advancement in our contractual relationship with Awana JV Suria Saga Sdn. Bhd. by entering into a Settlement cum Appointment of Contractor Agreement. This agreement aims to strengthen SCIB’s position within the construction sector by resolving previous contractual and financial disagreements and positioning SCIB as the exclusive Main Contractor for the Cadangan Skim Perumahan Projek Penjawat Awam (“PPAM Muallim”) project.

Earlier, in December 2023, we secured a substantial RM16.8 million sub-contract from S&I Urban Designers Sdn. Bhd. for the supply and delivery of precast components for the apron and taxiway of Projek Pembinaan Pangkalan Pasukan Gerakan Udara PDRM Sarawak. Additionally, we issued media releases to announce our quarterly financial results.

Through these media releases, we aim to keep our stakeholders informed and engaged, demonstrating our ongoing commitment to transparency and excellence in all our endeavours.



Market briefings serve as a crucial platform for the Group to engage with research analysts and fund managers, enabling us to share our business updates relevant to the analyst coverage area and provide information for their research reports. These briefings, organised on a quarterly basis or as needed, offer an opportunity for us to showcase our business profile, products, recent advancements, and prospects to research analysts, fund managers, and their sales teams.

We conducted several investor briefings and factory visits during the financial year ended 30 June 2024, fostering meaningful dialogue and knowledge sharing. These events occurred on 1 December 2023, 17 January 2024, 19 February 2024, and 1 March 2024. Each session provided a comprehensive overview of our business and served as an opportunity to update the investment community on our progress, achievements, and future outlook.

# SUSTAINABILITY STATEMENT

(CONT'D)



## Corporate website and corporate video

We have also revamped our corporate website to provide a refreshing new interface with stakeholders and enhance the website's viewability and efficiency for a better navigation experience. We launched our corporate video as an effective communication platform to promote and raise awareness about the Group's business, background, and key milestones.

We also took off a new video showcasing the process of printing the 3D sample house and presented it during the Memorandum of Understanding ("MoU") signing ceremony with ABM on 4 October 2022. The video aims to promote and raise awareness of the 3D printing technology among the developers, contractors, consultants and the general public.



## Social Media

Recognising the transformative power of technological advancements in communication, our Group acknowledges the ever-increasing importance of social media interactions in our daily lives and business engagements. We are dedicated to actively engaging with and updating our social media platforms, particularly LinkedIn, to enhance visibility and foster meaningful connections within our valuable network.

As a testament to our commitment to transparency, we consistently release timely media announcements regarding the receipt of Letters of Acceptance ("LoAs") and our Corporate Social Responsibility ("CSR") initiatives to raise public awareness. Furthermore, we embrace Malaysia's vibrant multiculturalism by sharing warm and heartfelt season greetings on LinkedIn during every festive occasion.

Our active presence on social media not only helps us strengthen our connections with our stakeholders but also showcases our dedication to keeping them informed and engaged about our group's latest developments and achievements.



## General Meeting

The Company shall call for the Annual General Meeting once a year as a forum for communication with shareholders, where the Company will allocate time for questions and answers to address their expectations and concerns. An AGM facilitates open communication between shareholders and management and promotes accountability. Members of the Board, the external auditors, senior management and/ or advisers of the Company will be present to address queries relevant to the proposed resolutions at the general meetings.

In the Company's general meetings, shareholders will resolve essential business affairs under the company's law, rules and regulations by either approving or rejecting the proposed resolutions. Extraordinary meetings will be called to address urgent matters that are not resolved at the Annual General Meeting. Each special item of business mentioned in the Notice of General Meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate the evaluation of the proposed resolution.

During the year ended 30 June 2024, the Company had one Annual General Meeting ("AGM") held virtually on 11 December 2023 to receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the directors' and auditors' thereon and to approve the payments of directors' fees and benefits as well as for re-election of directors in accordance with Article 122(1) and Article 127 of the Company's Constitution. The AGM also sought the shareholders' approval for the reappointment of Kreston John & Gan as the auditors and to authorise the Directors to fix their remuneration.

We also held an Extraordinary General Meeting ("EGM") on 27 March 2024 for the approval of the proposed debt capitalisation and establishment of a Long-Term Incentive Plan ("LTIP").

# SUSTAINABILITY STATEMENT

(CONT'D)

## Business ethics

We have established a Code of Conduct to provide our employees with clear guidelines for making daily decisions and conducting business. Effective April 1, 2020, we have put in place Anti-Corruption measures in alignment with the government’s initiative to combat bribery. We also have whistleblowing policies in place to support transparency, compliance, and ethical behaviour.

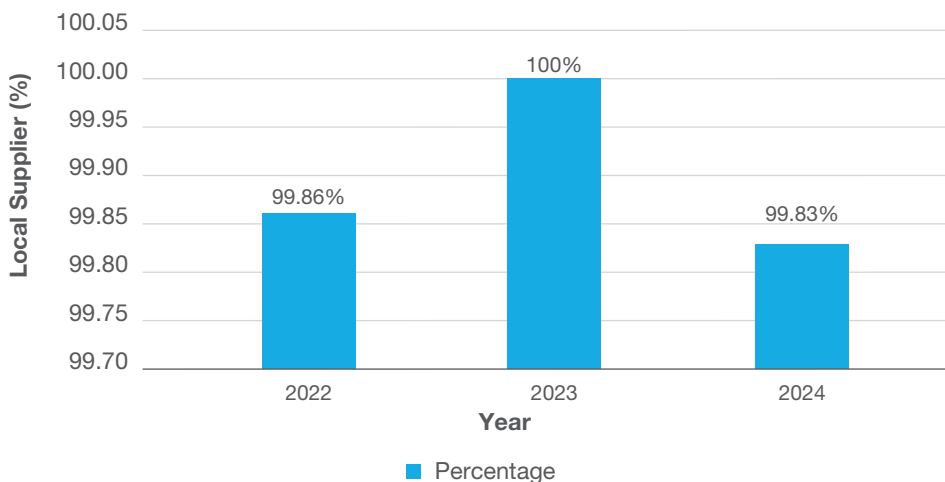
## Supply chain and procurement

We adhere to business policies and processes that are fair, unbiased and consistently applied. We engage in ethical procurement procedures, good management practices, and internal control systems and promote transparency, emphasising corporate accountability. We exercise due care and business professionalism in all communications within our supply chain to foster good relationships with customers and suppliers while avoiding behaviours or actions that may negatively impact supply management decisions.

SCIB deals with a good, reliable, and diverse range of suppliers to ensure high-quality materials are used for production. Our quality Assurance team inspects materials to ensure they meet desired quality standards. We evaluate our suppliers once a year in terms of quality, pricing, and services.

The supply chain review for our manufacturing division is conducted annually in conjunction with ISO 9001 requirements for Management Review. The review for FY2023/2024 was conducted on 2 August 2024 and indicated that the supply chain was adequate and demonstrated effectiveness in supporting the Group’s operations.

Proportion of Spending on Local Suppliers



At SCIB, we support local economic growth by engaging with local suppliers and contractors for better control, cost-effectiveness and logistical benefits. For the financial year ended 30 June 2024, 99.83% of our major suppliers and contractors are local, as in the financial year ended 30 June 2023. When materials are procured from local sources, their transportation involves shorter distances, leading to reduced fuel consumption and lower carbon emissions released into the atmosphere. This reduction in carbon emissions plays a pivotal role in addressing climate change, as transportation stands as a significant contributor to greenhouse gas emissions.

# SUSTAINABILITY STATEMENT

(CONT'D)

We have conducted thorough pre-qualification reviews of our subcontractors and suppliers to ensure that the construction contractors possess the requisite skills, experience, qualifications, and resources to effectively deliver the project within reasonable costs. Additionally, we have ensured that our vendors consistently provide quality products and services in a timely manner, with the aim of mitigating the risks associated with project delays and costly modifications. We regularly review our subcontractors' performances by monitoring through site meetings, and we evaluate completed projects for quality, timeliness and cost effectiveness, creating a track record for future engagements.



## Data Privacy and Security



At SCIB, we have established our Information Technology ("IT") to control access and safeguard our trade and customers' confidential and sensitive data. The policy covers guidelines for software and internet usage, anti-virus protection, physical access to IT facilities/ hardware and data recovery process. According to the policy, only authorised users have the privilege to access and use SCIB IT resources, and the use is limited to purposes aligned with the Company's interest. All users are expected to respect the privacy and personal rights of others and to uphold professionalism when using IT Resources to communicate. Users are prohibited from using IT resources for personal financial gain or in a manner that could jeopardise the Company's reputation.

Any IT system that stores and processes highly sensitive data, such as the main servers, is housed in secure locations, protected with appropriate security structures and entry controls to prevent unauthorised access, damage and interference. Besides, physical access to essential computer hardware and networks is restricted based on job role and legitimate business needs. Access to customer personal data is restricted to authorised personnel within our operations. Our IT department conducts annual reviews of user access to business systems across departments to maintain security standards. They shield the organisation from phishing and cyberattacks by continuously monitoring email systems and ensuring the update of firewalls. Employees are issued reminders and alert notifications upon detection of suspicious emails.



This Statement was approved by the Board of Directors on 14 October 2024.



# SUSTAINABILITY STATEMENT

(CONT'D)

## SUSTAINABILITY PERFORMANCE DATA TABLE

(“In Compliance with the Enhanced Sustainability Reporting Guidelines Issued by Bursa Securities Berhad”)

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	8.57
Executive	Percentage	44.29
Non-executive/Technical Staff	Percentage	28.57
General Workers	Percentage	18.57
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<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	58,857.45
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	259
<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	0.00
Management Between 30-50	Percentage	73.00
Management Above 50	Percentage	27.00
Executive Under 30	Percentage	20.00
Executive Between 30-50	Percentage	72.00
Executive Above 50	Percentage	8.00
Non-executive/Technical Staff Under 30	Percentage	33.00
Non-executive/Technical Staff Between 30-50	Percentage	47.00
Non-executive/Technical Staff Above 50	Percentage	20.00
General Workers Under 30	Percentage	32.00
General Workers Between 30-50	Percentage	43.00
General Workers Above 50	Percentage	25.00
Gender Group by Employee Category		
Management Male	Percentage	73.00
Management Female	Percentage	27.00
Executive Male	Percentage	37.00
Executive Female	Percentage	63.00
Non-executive/Technical Staff Male	Percentage	75.00
Non-executive/Technical Staff Female	Percentage	25.00
General Workers Male	Percentage	97.00
General Workers Female	Percentage	3.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	89.00
Female	Percentage	11.00
Under 30	Percentage	0.00
Between 30-50	Percentage	57.00
Above 50	Percentage	43.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,403.76

# SUSTAINABILITY STATEMENT

(CONT'D)

Indicator	Measurement Unit	2024
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.27
Bursa C5(c) Number of employees trained on health and safety standards	Number	121
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	250
Executive	Hours	392
Non-executive/Technical Staff	Hours	342
General Workers	Hours	636
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	34.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	5
Executive	Number	10
Non-executive/Technical Staff	Number	18
General Workers	Number	9
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.83
<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	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	0.060000