Sustainability Statement

Section 1 – SUSTAINABILITY INTEGRATION

1.1 ABOUT THIS REPORT

Selangor Dredging Berhad ("SDB" or the "Group")'s Sustainability Statement 2026 ("SS2026") outlines the Group's sustainability agenda and its economic, environmental, social and governance ("EESG") performance for the financial year ending 31 March 2026 ("FY2026"). This statement provides an overview of the Group's approach to managing sustainability-related risks and opportunities across its core activities in Malaysia, which include property development, property management and hospitality.

By prioritising material sustainability matters and implementing strategic initiatives, SDB seeks to strengthen its resilience against emerging sustainability-related challenges, including evolving market conditions, supply chain disruptions and climate change. This statement should be read in conjunction with the FY2026 Annual Report, particularly the 'Management Discussion and Analysis' section, to provide a comprehensive view of SDB's business performance and strategies.

1.2 STANDARDS AND GUIDELINES

The preparation of this statement is guided by the following frameworks, guidelines and reporting references:

- Bursa Malaysia's Main Market Listing Requirements ("MMLR")
- Malaysian Code on Corporate Governance 2021 ("MCCG")
- Bursa Malaysia's Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative ("GRI") Standards
- International Sustainability Standards Board ("ISSB") IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2)
- Sustainability Accounting Standards Board ("SASB")
- Intergovernmental Panel on Climate Change ("IPCC")
- United Nations Sustainable Development Goals ("UN SDGs")
- FTSE4Good ESG Rating

1.3 SCOPE AND BOUNDARY

SDB is a boutique property developer listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and headquartered in Kuala Lumpur, Malaysia. Further details on the corporate structure of SDB Group are provided in the 'Corporate Structure' section of this Annual Report.

The Group's scope and boundary for disclosure in this statement is based on the disclosure requirements of the frameworks and guidelines mentioned above, with disclosures covering the Group's operations in Malaysia for the following business divisions:

Property Development

Property Management

Hospitality

Myra, Singapore *- Designed by award-winning UK firm Pitman Tozer Architects, Myra exemplifies the essence of exclusivity that invites both exploration and reflection.*

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The reporting period for this statement covers the financial year from 1 April 2025 to 31 March 2026 ("FY2026"), with more statistics presented based on a three-year timeframe.

All monetary values presented in this statement are in Malaysian Ringgit ("RM"), consistent with the presentation currency used in the Group's consolidated financial statements. This statement should be read together with the other sections of this Annual Report for a more comprehensive understanding of the Group's overall performance.

1.4 STATEMENT OF ASSURANCE

The Sustainability Statement has undergone an internal review to verify that the policies, initiatives, material matters and data disclosed here are accurate and acceptable. Additionally, the information presented in this statement has been reviewed internally by senior management and the respective data owners to ensure the accuracy and reliability of the disclosures. In line with SDB's commitment to transparency and accountability, the Group intends to evaluate the feasibility of obtaining external assurance for future sustainability reports.

Feedback

We appreciate feedback, suggestions and comments from all stakeholders to enable us to fulfil our sustainability commitments and improve our reporting practices. Please send your feedback to:

Sustainability
Selangor Dredging Berhad,
Wisma Golden Eagle Realty, 18th Floor, West Block,
142-C, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

sustainability@sdb.com.my

19TREES, Taman Melawati, Selangor.

1.5 SUSTAINABILITY FRAMEWORK

The Group's Sustainability Framework was first established in 2022 with a purpose to support our brand promise of "driving excellence, building life-long relationships" with all stakeholders. The framework is guided by SDB's core values and brand manifesto as follows:

Our Brand Promise

**"Driving Excellence,
Building Lifelong Relationships"**

sums up what we strive to do – driving excellence in terms of products and services to build a lifelong relationship with purchasers, hotel guests, tenants and all stakeholders.

Our Core Values

Passionate	**Innovative**	**Result-Oriented**	**Caring & Respectful**

Our Brand Manifesto

In 2018, we published our brand manifesto titled "**A Manifesto for living well and responsibly** ". This 7-point manifesto represents our values, belief and our standards. It also serves as a reference point to help our customers understand what we stand for, the quality of life that we provide through our products, and our principles and responsibilities as a developer. The 7-point manifesto focus on investing in our:

- Product
- Community
- Quality
- Customers
- People
- Environmental Friendly
- Peace of mind

Sustainability Statement
(cont'd)

SDB Sustainability Framework

The Group's sustainability framework provides clear direction by aligning material matters. The framework also integrates sustainability into SDB's strategy and daily operations, ensuring a balanced approached between financial growth and sustainability impact.

SDB

Our Brand Promise
Driving Excellence, Building Lifelong Relationships

Goals
Driving excellence in terms of products and services to build a lifelong relationship with all stakeholders.

Sustainability Governance
Provides oversight of SDB's sustainability practices

Pillars	**ECONOMIC**	**ENVIRONMENTAL**	**SOCIAL**	**GOVERNANCE**
Sustainability Themes	Growing Responsible Business Responsibly	Building A Healthy Living Environment	Promotion Inclusivity & Diversity	Strengthening Sustainability Performance
Key Material Matters	» Economic Performance » Product Responsibility » Procurement Practice / Supply Chain Management	» Emission » Energy, Water & Effluent Waste	» Health and Safety » Development & Training » Labour Practices & Standard / Diversity & Equal Opportunity » Community Investment	» Anti-Corruption » Data Privacy & Security
UN SDGs Alignment	SUSTAINABLE DEVELOPMENT GOALS	3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES
Key Focus Areas	» Generating Profit for Shareholders » Creating Jobs & Contributing to the Economy » Supporting Local Suppliers, Contractors etc.	» Conserving Energy » Conserving Water » Reducing Waste » Connecting Human with the Natural Environment » Conservation & Rehabilitation	» Promoting Diversity at the Workplace » Providing Equal Employment & Training Opportunity » Taking Care of the Welfare of Employees » Contributing to Social Well-Being	» Enhancing Corporate & Sustainability Governance » Enhancing Corporate Disclosure & Improving Sustainability Reporting » Protecting Data Privacy » Ensuring Business » Continuity

Key Stakeholders

- Shareholders / Investors
- Management
- Employees
- Customers / Tenants / Resident Associations
- Contractors / Consultants / Vendors
- Industry Organisations & Associations
- Community
- Financiers / Banks
- Governments / Regulators
- Media

1.6 SUSTAINABILITY GOVERNANCE

The Group established the Risk Management and Sustainability Commitiee ("RMSC") in 2019 to oversee risk management and sustainability related matters across the organisation. The RMSC is chaired by the Managing Director and comprises the Group General Manager and the Head of Finance.

The RMSC reports to the Board of Directors, which provides oversight on the Group's sustainability direction, including the integration of economic, environmental, social and governance ("EESG") considerations into the Group's strategy, operations and risk management processes. The committee convenes at least twice annually to review sustainability related risks, opportunities and stakeholder matters, and to provide recommendations to the Board.

To support the implementation of sustainability initiatives across the organisation, the Environmental, Social and Governance Working Committee ("ESGWC") was established. The ESGWC comprises representatives from various departments and assists the RMSC in coordinating sustainability initiatives, monitoring ESG related data and supporting sustainability disclosures.

The implementation of sustainability practices across the Group is further supported by the Heads of Departments ("HODs"), who are responsible for integrating sustainability considerations within their respective departments and business units.

SUSTAINABILITY GOVERNANCE STRUCTURE

BOARD OF DIRECTORS ("BOD")	RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE ("RMSC")	ENVIRONMENTAL, SOCIAL AND GOVERNANCE WORKING COMMITTEE ("ESGWC")
Biannually: Board oversight	**Biannually:** Management oversight	**Periodically:** Plan and facilitate ESG-related matters
» To ensure that ESG practices are embedded in the Group's strategy and business; » To oversee the risks and opportunities related to SDB's key climate and sustainability matters.	» To implement the sustainability strategies within the parameters of the Group's risk appetite and approved by the Board; » To oversee stakeholder engagement, to ensure that all issues and suggestions raised are taken into consideration in managing sustainability; » To manage the Material Sustainability Matters for SDB; recommending strategies, setting policies, goals and targets.	» The ESG Working Committee is comprised of members from various departments; » Supporting the Risk Management and Sustainability Committee ("RMSC") in fulfilling its oversight duties related to ESG and sustainability disclosures; » To review and make recommendations to the RMSC on the Group's current ESG practices, sustainability strategy, policies and improvement activities, as necessary.

1.7 MATERIALITY MATRIX

For the financial year 2025, SDB conducted a materiality revalidation exercise to reassess the sustainability matters that are most significant to the Group and its stakeholders. The exercise was carried out by the ESGWC, with input from other management personnel within the Group. The outcome of the assessment was subsequently reviewed and validated by the RMSC.

The materiality assessment process was guided by Bursa Malaysia's Sustainability Reporting Guide, Third Edition, and the accompanying Materiality Toolkit. The exercise was conducted using a structured four step approach.

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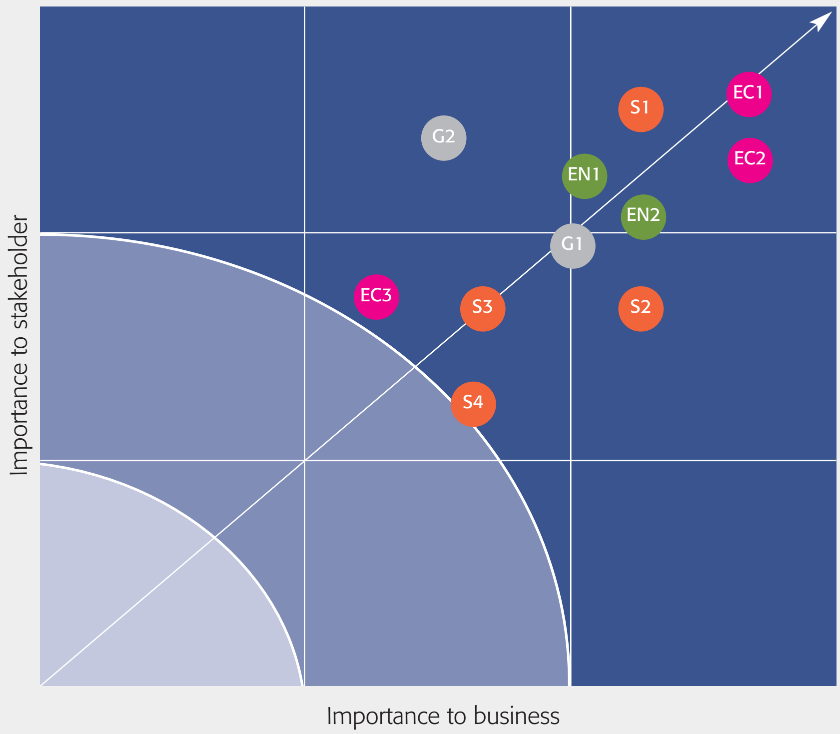
1 IDENTIFYING | 2 ENGAGING | 3 PRIORITISING | 4 VALIDATION

In performing the assessment, the Group also considered global sustainability developments, industry practices, stakeholder expectations and relevant considerations across its value chain to ensure that the identified material matters continue to reflect the Group's operating environment and sustainability priorities.

In FY2026, no new material sustainability matters were identified, as the existing matters remain relevant to the Group's current business landscape.

Material Matrix



Material Topics

- EC1 Economic Performance
- EC2 Product Responsibility
- S1 Health and Safety
- EN2 Energy, Water and Effluent Waste
- EN1 Emission
- S2 Development Training
- G1 Anti-Corruption
- G2 Data Privacy and Security
- S3 Labour Practice Standard / Diversity and Equal Opportunity
- S4 Community Investment
- EC3 Procurement Practice / Supply Chain Management

Economic (EC) | Environmental (EN) | Social (S) | Governance (G)

SDB'S 11 MATERIAL MATTERS AND DEFINITIONS

Economic Performance	Reflects SDB's ability to generate sustainable financial and operational performance, including profitability, revenue growth, market position and operational efficiency.
Product Responsibility	Relates to the extent to which the Group's products, services and overall customer experience meet customer expectations in terms of quality, reliability and satisfaction.
Health and Safety	Addresses the health, safety and well-being of employees in the workplace. This includes the establishment of policies and procedures, risk assessment and control measures, safety training, as well as the monitoring and investigation of workplace incidents.
Energy, Water and Effluent Waste	Relates to the efficient use of energy and water resources within operations, as well as the responsible management of wastewater and effluent generated from operational activities.
Emission	Refers to the release of substances or pollutants into the atmosphere resulting from operational activities. These include greenhouse gases, particulate matter and other air pollutants.
Development and Training	Covers initiatives that support employee capability development through training programmes and learning opportunities to enhance skills, knowledge and professional growth.
Anti-Corruption	Refers to the implementation and communication of the Group's Anti-Bribery and Anti-Corruption (ABAC) Policy to promote ethical conduct and prevent corrupt practices among employees and business partners.
Data Privacy and Security	Focuses on safeguarding data and strengthening information technology infrastructure to reduce the risk of cyber threats, unauthorised access and data breaches while promoting responsible data management.
Labour Practice Standard / Diversity and Equal Opportunity	Focuses on fair labour practices, equal employment opportunities and the protection of human rights in the workplace while promoting an inclusive and respectful working environment.
Community Investment	Refers to the Group's engagement with local communities through corporate social responsibility initiatives and the allocation of resources to support community development.
Procurement Practice / Supply Chain Management	Relates to supplier selection, assessment and monitoring processes, including responsible sourcing practices and the Group's spending on local suppliers.

1.8 STAKEHOLDER ENGAGEMENT

The Group recognises that continuous engagement with stakeholders is important to understand their perspectives, expectations and concerns. Stakeholder engagement enables SDB to gather relevant insights, enhance awareness of its sustainability initiatives and align its strategies with the needs of stakeholder.

An overview of the Group's key stakeholder groups, engagement methods, key areas of discussion and the Group's responses to these matters is presented in the table below.

FY2026 STAKEHOLDER ENGAGEMENT

STAKEHOLDERS	IMPORTANCE	ENGAGEMENT CHANNELS	OUR RESPONSE
Shareholders / Investor	Shareholders and investors provide the Group with steady financial capital input.	» General Meetings » Bursa Malaysia Announcements » Media Statements » Annual Reports	» Provide a better understanding of the Group's business and financials » Update on corporate and strategic developments

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STAKEHOLDERS	IMPORTANCE	ENGAGEMENT CHANNELS	OUR RESPONSE
Management	Management set the overall strategy and business direction that guide the Group.	» Board Meetings » Business Review Meetings » Strategic & Operational Meetings	» Periodic meetings to ensure the management is aligned with the Group's strategy and business direction
Employees	Employees are the most valuable assets that will directly contribute to the Group's business sustainability and success.	» Performance Management » Employee Events / Workshops / Training / Surveys » Emails / Group Chats	» Ensure understanding and alignment with the Group's goals and strategy, and update on corporate/strategic developments » Empowering employees through ensuring their wellbeing and providing opportunities to learn and upgrade, thereby driving job satisfaction, productivity and staff retention » Ensure a safe and healthy workplace to prevent accidents and injuries, and maintain a healthy working environment
Customer / Tenants / Resident Associations	Business viability and growth depend on homebuyers who support the Group's products and services.	» Digital / Social Media » Customer Events » Surveys / Feedback	» To meet or exceed customer needs; Delivering quality products and services that encourage Brand Loyalty and positive words-of mouth » Provide consistent and high service quality; resolve complaints
Contractors / Consultants / Vendor	Contractors and vendors provide critical inputs and supports for the Group's businesses to function.	» Pre-Qualification / Tender & Procurement Process » Face To Face Meetings » Formal Correspondence	» Frequent engagement to ensure clear understanding of the Group's terms; » Annual evaluation of performance
Industry Organisations & Associations Community	The network and the community in the environment in which the Group operates provide a sense of social belonging and support to ensure the Group's long-term success.	» Events » Digital / Social Media » Corporate Social Responsibility Activities	» Discuss matters impacting the Group's interest in the housing development industry » Contribute towards the well-being of the community
Financiers / Banks	Financial institutions provide the Group with access to capital.	» Annual Reports » Media Statements » Meetings	» Provide a better understanding of the Group's business and financials. » Update on corporate and strategic developments
Governments / Regulators	Regulators provide an enabling environment and framework which is paramount to SDB's businesses.	» Meetings » Briefings & Consultations » Site Inspections	» Adherence to regulators' requirements » Contribute towards the public good
Media	The media serves as an intermediary between the Group and the general public.	» Media Statements » Press Conference » Events	» Proactively engage with diverse media outlets » Maintain open-door communication with the media » Swiftly respond to all media inquiries

1.9 MANAGEMENT OF RISKS AND OPPORTUNITIES RELATED TO MATERIAL SUSTAINABILITY MATTERS

The Group recognises that sustainability related risks and opportunities may have an impact on the long-term performance and resilience of the business. As part of SDB's sustainability management approach, the Group identifies, assesses and manages risks and opportunities associated with its material sustainability matters.

These risks and opportunities are reviewed through the Group's risk management and sustainability governance processes. Appropriate mitigation measures and action plans are implemented to address potential risks, while opportunities are explored to strengthen operational performance and create value for stakeholders.

The table below outlines the key material sustainability matters, the associated risks and opportunities, the stakeholder affected and the Group's responses in managing these matters.

MANAGEMENT OF RISKS AND OPPORTUNITIES RELATED TO MATERIAL SUSTAINABILITY MATTERS.

No	Sustainable Matter	Section in this Report	UN SDG	Risks	Opportunities	Stakeholder Affected	Our Responses
1	Economic Performance	Economic	-	• Weak financial performance may affect business continuity and limit the Group's ability to secure financing and investment.	• Sustained financial performance strengthens investor confidence and supports long term value creation for stakeholders.	• Shareholders / Investors	• Maintained regular engagement with bankers through investor relations activities and corporate disclosures. • Monitored financial performance and operational efficiency to support sustainable business growth.
2	Product Responsibility	Economic	11 SUSTAINABLE CITIES AND COMMUNITIES	• Low customer satisfaction arising from construction quality issues or delays in the delivery of vacant possession may lead to reputational impact and potential financial losses.	• Strengthen quality assurance through thorough inspection by internal teams. • Improve customer satisfaction by ensuring timely delivery of vacant possession and maintaining high construction standards.	• Customers	• Implemented quality control and inspection processes during project development and prior to delivery of units. • Ensured accurate product information to customers.
3	Health and Safety	Social	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	• Operational activities may expose employees and contractors to health and safety risks. • Expectations from employees, customers and regulators for higher health and safety standards continue to increase.	• Strengthen occupational health and safety practices to safeguard employees, contractors and other stakeholders. • Maintain high safety standards across operational activities within the Group's areas of control.	• Employees • Contractors / Consultants / Vendor	• Conducted health and safety programmes and training to promote workplace safety awareness. • Implemented workplace safety procedures and monitoring practices to reduce operational risks.

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No	Sustainable Matter	Section in this Report	UN SDG	Risks	Opportunities	Stakeholder Affected	Our Responses
4	Energy, Water and Effluents Waste	Environment	 	• Operational activities require the consumption of energy and water, while construction related activities may generate significant amounts of waste if not properly managed.	• Promote resource efficiency by reducing energy and water consumption across operations. • Improve waste management practices to ensure responsible handling and disposal of waste.	• Contractors / Consultants / Vendor • Community • Government / Regulators	• Tracked, monitored and managed energy consumption, water usage and waste generation across operations. • Ensured proper waste handling and disposal in accordance with applicable environmental regulations.
5	Emissions	Environment	-	• Operational activities, particularly within construction projects, rely on fuel powered equipment and transportation, which contribute to greenhouse gas emissions.	• Establish a systematic approach to measure and monitor emissions across operations.	• Customers • Contractors / Consultants / Vendor • Community • Government / Regulators	• Established greenhouse gas reduction targets covering Scope 1, Scope 2 and Scope 3.
6	Development Training	Social	-	• Limited employee development opportunities may result in higher employee turnover and difficulties in attracting and retaining qualified talent.	• Enhance employee performance and productivity through structured training and development programmes.	• Employees	• Established and implement an annual training plan coordinated by the Human Resource department. • Encouraged employees to participate in professional and technical training relevant to their roles.
7	Anti-Corruption	Governance	-	• Non-compliance with anti-bribery laws may result in regulatory penalties, reputational damage and loss of stakeholder confidence.	• Strengthen corporate governance through strict adherence to anti-bribery and anti-corruption laws and regulations. • Enhance employee awareness through regular training on policies, procedures and ethical conduct.	• Employees • Contractors / Consultants / Vendor • Government / Regulators	• Ensured compliance with applicable laws, regulations and internal policies relating to anti-bribery and corruption. • Provided training to employees.
8	Data Privacy and Security	Governance	-	• Failure to comply with data protection laws and regulations may expose the Group to data breaches, legal liabilities and reputational risks.	• Strengthen data governance practices through compliance with applicable data protection laws and regulatory requirements.	• Management • Employees • Customers	• Implemented and maintained information technology security systems to safeguard data privacy. • Conducted monthly cyber security awareness across organisation.

No	Sustainable Matter	Section in this Report	UN SDG	Risks	Opportunities	Stakeholder Affected	Our Responses
9	Labour Practices and Standards / Diversity and Equal Opportunity	Social	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	• Low employee engagement, job dissatisfaction and inadequate skills development may lead to higher employee turnover and reduced productivity.	• Attract and retain talent by promoting employee well-being and supporting working environment. • Provide opportunities for career development and skill enhancement.	• Employees • Contractors / Consultants / Vendor	• Uphold international human rights principles and fair labour practices through the Group's Sustainability Policy and Employee Handbook.
10	Community Investment	Social	-	• Limited understanding of community needs and expectations may result in ineffective community engagement initiatives and reduced social impact.	• Strengthen relationships with local communities through meaningful engagement and collaboration. • Address community needs by leveraging the Group's capabilities and resources.	• Community	• Conducted various community engagement and social programmes throughout the year.
11	Procurement Practice / Supply Chain Management	Economic	-	• Non-compliance by suppliers and contractors with the Group's ethical standards and safety requirements may lead to operational disruptions and reputational risks.	• Support local economic development through procurement from local suppliers. • Enhance supply chain resilience by prioritising reliable and geographically closer suppliers.	• Contractors / Consultants / Vendor	• Maintained a high proportion of procurement spending with local suppliers over the past three financial years: 2024: 96.0% 2025: 99.3% 2026: 93.6%

1.10 SUSTAINABILITY GOALS AND TARGETS

Key Sustainability Parameters and Short, Medium and Long Term Target

Measuring sustainability performance is essential for tracking progress and ensuring transparency in SDB's commitment to ESG goals. The Group has established its short, medium and long term sustainability targets, demonstrating continuous improvements across the Environmental, Social, and Governance ("ESG") dimensions.

The Group seeks to strengthen its economic resilience, improve cost efficiency and create long-term economic value through prudent financial management, operational excellence and the optimisation of supply chain performance.

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No	Parameters	Unit	FY2025-Baseline	Short Term (FY2027 – FY2030)	Medium Term (FY2031 – FY2035)	Long Term (FY2036 – FY2040)
EC2	Customer Satisfaction Level	Percentage	86.00	>85.00%	>85.00%	>85.00%
EC3	Local procurement spent	Percentage	99.30	>90.00%	>95.00%	>95.00%
	Scope 1- Direct emission	Tonnes CO_2e	1,760.00	5% reduction	10% reduction	15% reduction
EN1	Scope 2- Indirect emission	Tonnes CO_2e	3,989.00	5% reduction	10% reduction	20% reduction
	Scope 3- Category 6 and 7	Tonnes CO_2e	471.74	5% reduction	10% reduction	15% reduction
	Electricity Consumption	Kilowatt	5,262,000	5% reduction	10% reduction	20% reduction
EN2	Water Consumption	Megalitres	121.89	2% reduction	10% reduction	10% reduction
	Waste to Landfill	Tonnes	2,472.60	5% reduction	10% reduction	15% reduction
S1	Work-related fatalities	Number	0	0	0	0
S2	Average Training Hours (Executive & above)	Number	9.7	> 8 hours	> 16 hours	> 16 hours
S3	Female representation on the Board of Directors	Percentage	50	> 30%	> 30%	> 30%
S4	Total number of community activities	Number	5	≥ 2 activities	≥ 2 activities	≥ 2 activities
G1	Incident of corruption and bribery cases	Number	0	0	0	0
G2	Zero substantiated customer data privacy breaches	Number	0	0	0	0

Legend- EC: Economic, EN: Environment, S: Social, G: Governance

Section 2 - ECONOMIC: Growing the Business Responsibly

2.1 OUR PERFORMANCE

Why it Matters

As a boutique property developer, SDB focuses on delivering quality developments that combine functionality and design. The Group remains guided by its Brand Promise of "Driving Excellence, Building Lifelong Relationships". Each development is subject to quality assurance processes to ensure that the delivered product meets expected standards.

In addition, the Group supports the local business ecosystem by engaging local suppliers, contractors and consultants where feasible.

Our Performance

In FY2026 SDB recorded total revenue of RM173,865,000. The table below outlines the Group's key financial metrics for the past three financial years:

Direct economic by SDB Group from FY2024 to FY2026.

	FY2024 RM'000	FY2025 RM'000	FY2026 RM'000
ECONOMIC VALUE GENERATED			
Revenue	227,460.00	375,954.00	**173,865.00**
ECONOMIC VALUE DISTRIBUTED			
Community Investment	10.82*	173.82*	**58.46**

* Restated to align with the methodology set out in the Sustainability Reporting Guide, 3rd Edition.

The Group has restated the FY2024 and FY2025 community investment amounts previously reported to align with the methodology set out in the Sustainability Reporting Guide, 3rd Edition. The same methodology has been applied in calculating the FY2026 community investment figure to ensure consistency and comparability across the three reporting periods.

2.2 PRODUCT RESPONSIBILITY

The Group has an internal Quality Assurance and Quality Control ("QAQC") function that oversees the development, implementation and monitoring of product quality standards.

Quality checks and assurance processes are conducted at each stage of the construction process to ensure that developments meet the Group's quality expectations. Post construction monitoring is also carried out to address any issues identified after project completion.

4 Phases of Construction

Pre-construction Phase / Design Review

Architectural and mechanical and electrical ("M&E") plans are reviewed to identify any design flaws or discrepancies.

Construction Phase

Implement Quality Control measures during construction to ensure that all projects are being constructed accordingly to SDB Quality Standards and adherence to approved materials and specifications. Monthly inspection carried out.

Pre-CPC and Hand Over Vacant Possession

Certificate of Practical Completion ("Pre-CPC") inspection is a detailed visual inspection to identify any defects arising after the contractors had deemed the individual unit completed.

Post-construction Monitoring

To identify any defects or maintenance issues that may arise after occupancy. Defects and design issues reported by homeowners are then feedback to Quality Management Department.

2.3 BUILDQAS (BUILDING QUALITY ASSESSMENT SYSTEM)

The Group also adopts the Building Quality Assessment System ("BuildQAS"), which is conducted by an independent third party from Singapore, to assess the final quality of construction work for all of its developments in Malaysia.

The BuildQAS assessment evaluates various architectural components of a building, including workmanship, finishes and construction quality. It provides a standardised framework to measure construction quality against established benchmarks and specifications.

2.4 CUSTOMER SATISFACTION

The Group periodically measures customer satisfaction across its property development, property management and hospitality operations. Customer satisfaction surveys are conducted twice a year to obtain feedback from customers on their experience with the Group's developments and services.

Customer satisfaction levels are monitored using the Customer Satisfaction Index ("CSI") and Net Promoter Score ("NPS"), which provide indicators of overall satisfaction and the likelihood of customers recommending the Group's development to others.

For its hospitality operations, Hotel Maya Kuala Lumpur ("Hotel Maya") encourages guests to share their feedback through online reviews and guest engagement channels. Feedback received from customers and guests is reviewed by management and used to identify areas for improvement in service quality and customer experience.

Customer Satisfaction from the Year 2024 to 2026.

Customer Satisfaction	Unit	2024	2025	2026
Customer Satisfaction Index ("CSI")	Percentage	87	86	**84**
Net Promoter Score ("NPS")	Percentage	86	94	**73**
TripAdvisor Score	Rating	53/510	39/537	**68/569**

2.5 SUPPLY CHAIN MANAGEMENT

Procurement Practices & Supply Chain Management

The Group engages with a wide network of suppliers to support its operational activities. The suppliers play an important role in ensuring the timely delivery of the Group's products and services. The Group adopts procurement practices that aim to select suppliers and contractors who meet its quality expectations and comply with relevant social and environmental standards.

Supplier Evaluation & Monitoring

The Group has established procedures to evaluate contractors invited to tender for its development projects. Standard pre-qualification forms and tender documentation are used to obtain relevant information from contractors during selection progress.

Once contractors are appointed, their performance is monitored through periodic evaluations, including an annual review of their services.

Supporting Local Business Ecosystem

The Group engages with local contractors and suppliers, defined as businesses registered in Malaysia. This approach supports the local business ecosystem by creating economic value for local contractors, suppliers and related service providers.

Where practicable, the Group also utilises locally sourced materials for its development projects. This practice supports cost efficiency, improves supply chain responsiveness and may contribute to reducing transportation related emissions.

In FY2026, the proportion of purchases sourced from local suppliers was 93.60%.

Supply Chain Management from FY2024 to FY2026.

Supply Chain Management	Unit	FY2024	FY2025	FY2026
Total of spending on suppliers				
Local supplier	Number	N/A	283	**206**
Foreign supplier	Number	N/A	2	**14**
Proportion of spending on suppliers				
Local supplier	Percentage	96.00	99.30	**93.60**
Foreign supplier	Percentage	4.00	0.70	**6.40**

Section 3 - ENVIRONMENT: Building A Healthy Living Environmental

3.1 BUILDING WITH ENVIRONMENTAL RESPONSIBILITY

SDB is dedicated to creating not only homes but also living spaces that truly resonate with the lifestyles and aspirations of every resident. Recognising the growing demand for environmentally conscious living, the Group aspires to transform the way it builds to achieve its sustainability goal of fostering a healthy living environment.

Guided by environmental management systems and a nature-sensitive design philosophy, the Group's property development projects safeguard ecosystems, enhance resilience, and deliver lasting environmental value.

Sustainable Design

Our projects incorporate sustainable design features through energy-efficient and innovative architecture, strategic landscaping, and effective water management. Each development enhances liveability, fosters community interaction, and supports inclusive and connected communities.

Enhancing Indoor Environmental Quality

The Group prioritises the health and well-being of residents by creating indoor environments that are healthier, more comfortable and better suited to everyday living. We adopt responsible building materials and thoughtful design strategies that minimise indoor pollutants, improve natural ventilation and enhance access to daylight. These measures help create living spaces that support occupant comfort, well-being and long-term quality of life.

Our approach includes the following measures:

- Applying low-volatile organic compound ("VOC") materials to support better indoor air quality.
- Employing biophilic and passive design principles to optimise cross-ventilation, improve airflow and maximise the entry of natural daylight into residential spaces.
- Using system formwork to achieve more consistent concrete casting quality, accelerate installation and enable a greater number of reuse cycles compared with conventional formwork.

By combining resilient design principles with people-focused solutions, the Group strengthens its commitment to developing living environments that enhance comfort, promote healthier lifestyles and contribute to the long-term well-being of residents and communities.

Integrating Inclusivity in Our Design

Inclusivity guides our design approach, shaping accessible, functional and people-centred spaces that respond to the diverse needs of residents and visitors. We embed universal design principles into every project to ensure that communal areas, facilities and amenities remain safe, convenient and comfortable for all users, including persons with disabilities

The projects incorporate rainwater harvesting systems for landscape irrigation and drought-resistant plants that require minimal watering, promoting more efficient water use.

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Parking access for People with Disability ("PWD")

Tactile pavements for visually impaired users

Braille-enabled elevator buttons for navigation

These measures reflect our commitment to creating inclusive communities where every resident can move confidently and enjoy equal access to shared spaces, facilities and amenities.

Promoting Accessibility

Aligned with SDG 11, we aim to promote accessibility to safe, affordable and sustainable transport options. Integrating access to public transportation into our master planning helps reduce dependence on private vehicles and alleviate traffic congestion.

Design Features in Promoting Accessibility

- Integrated pedestrian and bicycle pathways
- Strategically located bus stops
- Convenient access to nearby MRT stations

Our Projects

1

19TREES, Taman Melawati, Selangor

Located in Taman Melawati, Selangor, 19Trees is a 14-acre leasehold development comprising 222 strata terrace homes within a gated and guarded community, with access via the Middle Ring Road 2 (MRR2).

Environmental considerations are incorporated into the design of the development. The car parks use natural ventilation, while LED lighting and energy-efficient roofing help reduce energy consumption.

Kitchens and bathrooms are designed to receive natural airflow and daylight, reducing reliance on artificial lighting and ventilation.

The development also uses green-labelled construction products, including skim coat, waterproofing materials, paint, tile adhesive and sealant certified by recognised international bodies. Low-VOC paint is used to support better indoor air quality.

Rainwater is harvested for landscape irrigation, while drought-resistant plants help reduce water use. The planting scheme and species are selected based on their suitability to the surrounding biodiversity, supporting lower maintenance and better integration with the existing environment.

Built for comfortable living, today and in the future.

2

JIA, Taman Bukit Serdang, Selangor

Located in Taman Bukit Serdang, Selangor, Jia is a 17-acre freehold development within Bukit Jalil South, offering four to five-bedroom garden terrace homes designed to provide flexible and comfortable living spaces. The development is accessible via the Maju Expressway, with the nearest bus stop located approximately 50 metres from the main entrance, providing residents with convenient access to public transport.

Sustainability features are incorporated throughout the development. Certified, green-labelled materials, including skim coat, waterproofing products, paint, tile adhesive and sealant, are used alongside low-VOC paint to support better indoor air quality. Natural ventilation in the car park, LED lighting and energy-efficient roofing help reduce energy use, while kitchens and bathrooms are designed to receive more natural airflow and daylight.

Rainwater is collected for landscape irrigation, and drought-resistant plants are used to reduce water consumption. A mix of tree species is planted across the green areas to enhance landscape biodiversity and provide a suitable habitat for birds and small animals, supporting the restoration of the surrounding natural setting.

Designed for flexible, comfortable and sustainable living.

3

ELINA @ SENAI, Puchong, Selangor

Located in Puchong, Selangor, Elina @ Senai is designed with environmental considerations that support comfortable and resource-efficient living, offering lake views and fresh air for a more serene living environment. Dedicated walking and cycling paths connect residents to nearby amenities, encouraging active mobility within and around the development.

The homes incorporate certified, green-labelled materials, including skim coat, waterproofing products, paint, tile adhesive and sealant. Low VOC paint is also used to reduce indoor air pollutants and support better indoor air quality.

North- and south-facing openings allow more natural daylight and airflow into the homes, reducing reliance on artificial lighting during the day. Rainwater is collected for landscape irrigation, while drought-resistant plants help lower water consumption and reduce landscape maintenance needs.

Spacious homes, green surroundings and better connections.

Sustainability Statement
(cont'd)

4

DAMAI, Taman Melawati, Selangor

Located in Taman Melawati, Selangor, DaMai is situated next to the Bukit Tabur Reserve, with views of the surrounding hills and city skyline. The development has achieved GreenRE Bronze certification in recognition of its environmental design features.

Certified, green-labelled products are used alongside system formwork, which supports better construction quality, faster installation and repeated reuse compared with conventional formwork. The car park and ramp are also designed to reduce noise disturbance within the development.

More than 80% of the common areas, including lift lobbies, corridors and staircases, are designed to receive natural daylight, reducing the need for artificial lighting during the day. Rainwater collected in a harvesting tank at Level 3 is used for landscape irrigation, while low-water-use plants help reduce overall water consumption.

Spacious homes with nature, comfort and easy access.

3.2 OUR COMMITMENT TO NSRF ALIGNMENT AND CLIMATE ACTION

Compliance with IFRS Sustainability Disclosure Standards

As a Main Market listed issuer classified under Group 2, the Group will be subject to the mandatory adoption of the National Sustainability Reporting Framework ("NSRF") for financial periods beginning on or after 1 January 2026. As the current reporting period commenced on 1 April 2025 and ended on 31 March 2026, the Group is not yet required to adopt the NSRF on a mandatory basis.

Nevertheless, the Group has initiated measures to strengthen its sustainability governance, climate related disclosures and data management processes in preparation for future compliance. The Group remains commitied to enhance its disclosures in subsequent reporting cycles as part of its ongoing efforts to align with the requirements of the NSRF.

Standards Applied

The Group is preparing for alignment with the National Sustainability Reporting Framework ("NSRF"), which incorporates the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB"). These standards comprise two key frameworks:

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

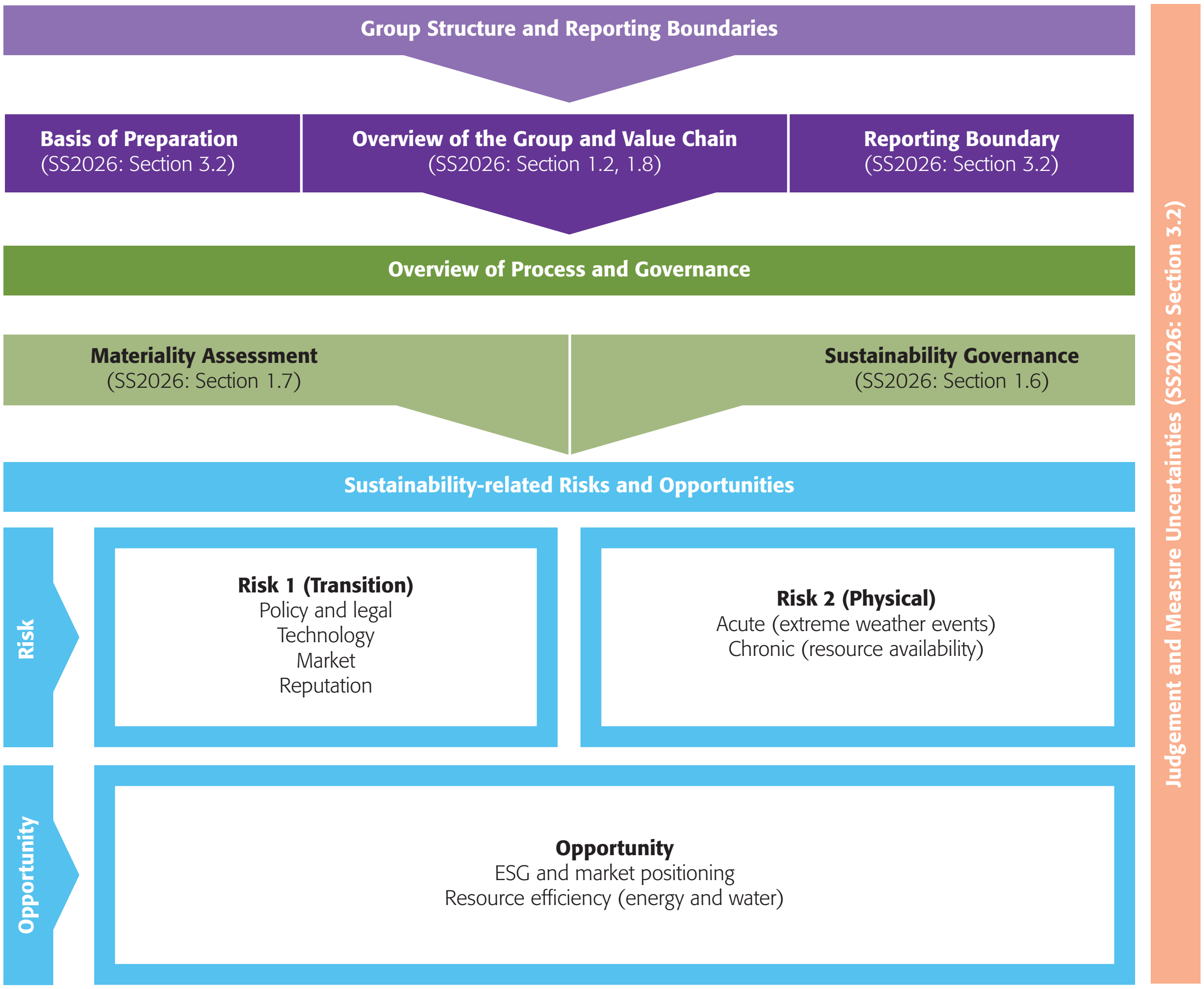
IFRS S2: Climate-related Disclosures

In addition, industry-based guidance from the Sustainability Accounting Standards Board ("SASB") Standards for Real Estate was considered in identifying relevant metrics and disclosure topics.

Transition Reliefs

As the Group is not yet required to apply the NSRF for FY2026, no transition reliefs have been adopted for the current reporting period. Nevertheless, the Group intends to assess and apply relevant transition reliefs, where appropriate, upon first-time adoption in FY2027 to facilitate a structured and efficient implementation process.

Summary of Sustainability-related Risks and Opportunities ("SROs")



Time Horizons

The Group defines time horizons based on when climate related risks and opportunities could reasonably be expected to affect its prospects:

Short Term (FY2027 to FY2030) ▶ Medium Term (FY2031 to FY2035) ▶ Long Term (FY2035 onwards)

Sustainability Statement
(cont'd)

Climate Action

The IFRS S2 framework focuses on four core disclose areas, namely Governance, Strategy, Risk Management, and Metrics and Targets. This report covers SDB Group's operations in Malaysia, which include property development, property management and hospitality.

Governance

Climate related and sustainability matters within SDB are overseen by the Board of Directors ("BOD"), which provides strategic oversight and ensures that environmental, social and governance considerations are integrated into the Group's management, operations and value chain.

The SDB's Board of Directors reviews updates on sustainability strategies, priorities, targets and performance at least twice annually.

The Board is supported by the Risk Management and Sustainability Committee ("RMSC"), which comprises the Managing Director, Group General Manager and Head of Finance. The RMSC is responsible for reviewing and recommending climate related and sustainability related strategic matters, including policies, frameworks, roadmaps, budgets and resource allocation.

In addition, the RMSC oversees stakeholder engagement on sustainability matters and reviews issues raised by stakeholders to ensure they are considered in the Group's sustainability management approach. The Committee also updates the Board on relevant ESG developments and evaluates potential initiatives that may be adopted by the Group.

The reporting structure for sustainability-related risks and opportunities follows the Sustainability Governance structure outlined in the SS2026: Section 1.6.

Corporate Policies

Sustainability Policy

Defines SDB's overall sustainability approach to create long-term stakeholder value through responsible and sustainable business practices, guided by its Brand Promise of "Driving Excellence, Building Lifelong Relationships." The policy outlines commitments towards sustainable developments, ethical business conduct, environmental stewardship, inclusive and safe workplaces, community well-being, and the integration of ESG considerations into governance and decision-making processes.

Quality, Environmental, Safety & Health Policy

Defines SDB's commitment towards maintaining high standards of quality, environmental stewardship, and workplace safety and health across its operations. The policy outlines commitments towards regulatory compliance, continuous improvement of QESH management systems, providing safe and healthy working conditions, minimising environmental impacts, delivering quality products and services, and promoting awareness and training among employees and stakeholders.

Climate Change Policy

Defines SDB's overall approach towards managing climate-related risks and opportunities through responsible and resilient business practices. The policy outlines commitments towards reducing carbon emissions, improving energy efficiency, promoting sustainable developments, strengthening climate resilience, complying with environmental regulations, and integrating climate-related considerations into governance, operations and strategic decision-making.

For more details on SDB's corporate policies, please refer to Selangor Dredging Berhad's website.

Strategy

In accordance with IFRS S2 Climate related Disclosures, the Group assesses climate-related risks and opportunities across different time horizons, including short term, medium term and long term. The assessment considers both physical risks and transition risks, as well as potential opportunities arising from climate-related issues.

By incorporating climate-related risks into its risk management processes, the Group enhances its ability to identify emerging risks and develop appropriate mitigation strategies. The assessment of climate-related risks and opportunities provides a structured approach to understanding potential impacts on the Group's operations, financial performance and strategic planning.

The assessment of climate-related risks and opportunities provides a structured approach to understanding potential impacts on the Group's operations, financial performance and strategic planning.

Identification of Climate Risks and Opportunities

Stakeholder Engagement

Key stakeholders (HOD, project managers and SDB's sustainability team) were engaged.

Data Collection & Analysis

Data on hazards of physical risks were collected through site visits, historical records and climate projections. Transition risks were analysed through research.

Vulnerability Assessments

Physical site visits were conducted to identify issue on-site.

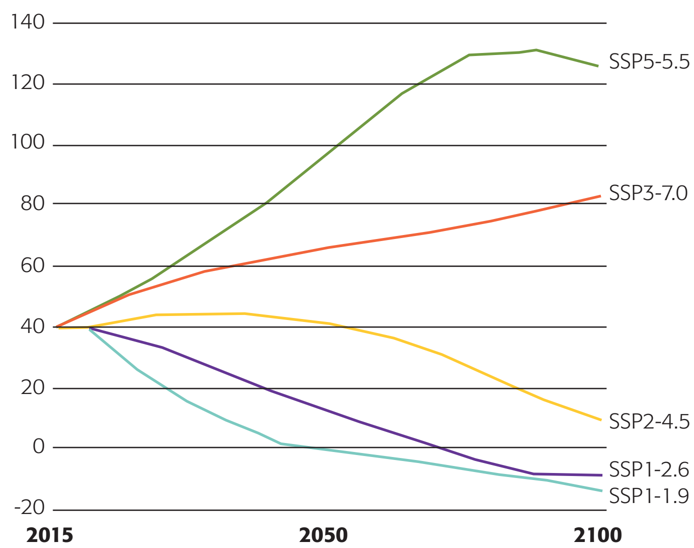
Categorisation of Risks and Opportunity

Risks and opportunities were classified into short-term, medium-term and long-term horizons.

Strategic Integration

The results of the identification process were integrated into SDB's decision-making and planning processes to enhance resilience and optimise asset performance.

To assess the resilience of its strategy to climate-related changes, the Group considered three climate scenarios based on data from the Intergovernmental Panel on Climate Change ("IPCC") Shared Socioeconomic Pathways ("SSPs") as part of its alignment to IFRS S2 disclosures:



Sustainability Statement
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Scenario	Near term, 2021-2040 Best estimate (°C)	Near term, 2021-2040 Very likely range (°C)	Mid-term, 2041-2060 Best estimate (°C)	Mid-term, 2041-2060 Very likely range (°C)	Long-term, 2081-2100 Best estimate (°C)	Long-term, 2081-2100 Very likely range (°C)
SSP1-1.9	1.5	1.2 to 1.7	1.6	1.2 to 2.0	1.4	1.0 to 1.8
SSP2-4.5	1.5	1.2 to 1.8	2.0	1.6 to 2.5	2.7	2.1 to 3.5
SSP5-8.5	1.6	1.3 to 1.9	2.4	1.9 to 3.0	4.4	3.3 to 5.7

Source: IPCC Sixth Assessment Report (2021)

Summary of Climate Scenario Analysis

Scenario 1: SSP1-1.9
(High Transition Risk,
Lower Physical Risk)

A low emissions scenario driven by strong climate policies and rapid decarbonisation. Global warming is estimated to be limited to around 1.5°C by 2100. Used to assess higher transition risks arising from stricter regulations, evolving market expectations and changes in technology.

Scenario 2: SSP2-4.5
(Intermediate Scenario)

A moderate scenario where climate policies progress gradually and emissions decline over time. Global warming is estimated at around 2.1°C to 3.5°C by 2100. Used to assess transition and physical risks.

Scenario 3: SSP5-8.5
(High Physical Risk,
Low Transition Risk)

A high emissions scenario with continued fossil fuel use and limited climate action. Global warming is estimated at around 4.0°C or higher by 2100. Used to assess severe physical climate risks.

Based on the assessment of multiple lines of evidence, the Group considered the SSP1-1.9 pathway, where global warming is limited to around 1.5°C above pre-industrial levels through accelerated decarbonisation and stringent climate policies. Under this scenario, the Group anticipates higher transition risks, including stricter regulatory requirements, evolving stakeholder expectations, and increasing costs associated with adopting lower-carbon technologies and sustainable practices.

The Group also considered the SSP2-4.5 pathway, representing a "2.7°C or less" scenario, where moderate climate actions and transition measures are implemented. Under this scenario, the Group foresees risks associated with carbon taxes, evolving regulatory requirements, and increasing operational costs arising from changes in power supply mechanisms and rising domestic electricity prices due to decarbonisation efforts.

In addtion, the Group considered the SSP5-8.5 pathway, where global temperatures could rise by approximately 4.4°C above pre-industrial levels by 2100. Under this scenario, the Group acknowledges the potential significant financial impacts arising from worsening extreme weather conditions, which may heighten risks to facilities and operations.

Financial Implications Due to Climate Change

The Group's climate scenario analysis supports its efforts to develop mitigation strategies and adapt to future changes. The tables below outline the potential financial implications, as well as other climate-related risks and opportunities, that may affect SDB Group over the short, medium and long term.

In FY2026, SDB Group implemented mitigation measures at the DaMai and 19Trees projects to enhance their resilience to physical climate risks, including heavier rainfall that could increase the risk of rockfalls. For the DaMai project, the Group also identified an opportunity to adopt green building practices as part of its climate change adaptation strategy.

No.	Climate Risk / Opportunity Category	Potential Financial & Operational Impact	Mitigation & Adaptation Strategy	Est. Financial Implication (RM)	Likelihood	Time Horizon
1	Transition Risk – Policy & Legal	Stricter environmental regulations and potential carbon-related policies may increase compliance costs, monitoring requirements, and administrative burden.	1. Compliance with regulation and strengthening ABAC and governance framework. 2. Employed ESG personnel and initiated carbon accounting.	Low to Medium	Medium	Medium-term
2	Transition Risk - Technology	Adoption of energy-efficient systems or monitoring tools may require additional capital and operational expenditure.	Conduct feasibility study on new technology.	Low to Medium	Medium	Medium to Long-term
3	Transition Risk - Market	Competitive pricing pressure and rising input costs (e.g., energy, materials) may reduce margins and affect project profitability.	Cost optimisation strategies, local-first procurement (93.6% suppliers local and strengthened ESG positioning to remain competitive.	Low to Medium	Medium	Short to Medium-term
4	Transition Risk – Reputation	Failure to meet ESG expectations may impact stakeholder confidence, investor perception, and access to financing or projects.	Strengthening sustainability disclosures (IFRS S1/S2 readiness), ABAC training (100% executive coverage), and ESG governance enhancements.	Low	Medium	Medium to Long-term
5	Physical Risk – Acute (Extreme Weather Events)	Extreme weather events may disrupt operations, delay project timelines, and increase repair or recovery costs.	Landslide mitigation support and infrastructure resilience initiatives.	Low (e.g., implementation and monitoring cost between RM 200,000 to RM 650,000)	Medium	Short to Medium-term
6	Physical Risk – Chronic (Resource Availability)	Long-term climate variability may affect energy and water availability, leading to increased utility costs and operational disruptions.	Monitoring of energy (5.98 million kWh) and water (151.81 ML), efficiency improvements, and reliance on utility providers.	Low	Medium	Medium to Long-term

Sustainability Statement
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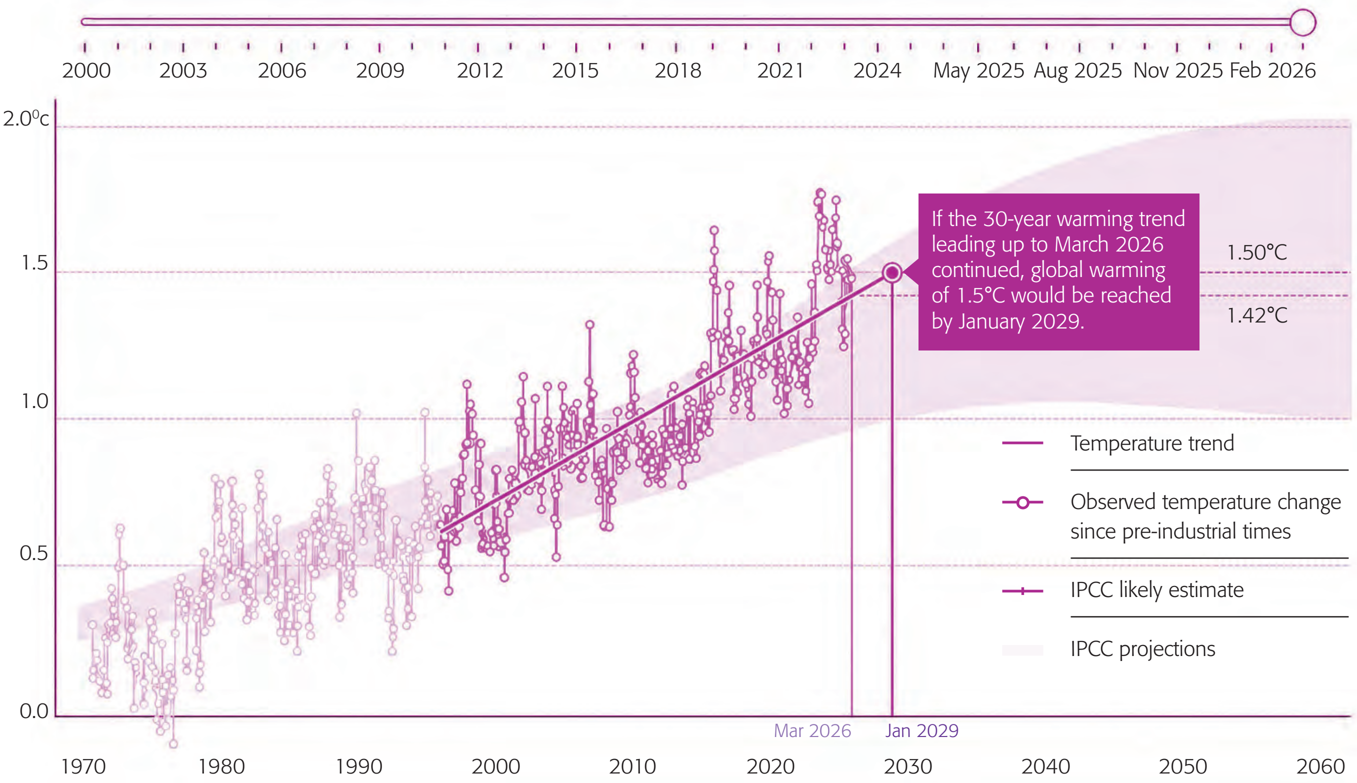
No.	Climate Risk / Opportunity Category	Potential Financial & Operational Impact	Mitigation & Adaptation Strategy	Est. Financial Implication (RM)	Likelihood	Time Horizon
7	Opportunity – ESG & Market Positioning	Strong ESG performance enhances investor confidence, access to financing, and competitiveness in project bidding.	1. Adopted Green Building certification for DaMai project to adapt climate change. 2. Built-in in earthquake resistant structure design for DaMai.	Medium (e.g., provisional certificate is valid for the next three (3) years)	Medium	Short to Medium-term
8	Opportunity – Resource Efficiency (Energy & Water)	Improved efficiency reduces operating costs and enhances environmental performance.	Energy and water monitoring, efficiency initiatives, and operational optimisation.	Low	Medium	Medium to Long-term
9	Opportunity – Supply Chain Resilience	Local sourcing improves reliability, reduces logistics risks, and stabilises	Local-first procurement strategy and supplier ESG assessments.	Low	Medium	Medium-term

Global Temperature Rise Relative to Pre-Industrial Levels

Global warming reached an estimated 1.42°C in March 2026.

If the 30-year warming trend leading up to then continued, global warming would reach 1.5°C by January 2029.

Extrapolate from: Mar 2026



13th Malaysia Plan ("13MP")

At the national level, policy direction became clearer with the tabling of the 13th Malaysia Plan in 2025. The Plan set out the Government's medium-term priorities for the property sector, with increased emphasis on sustainability, infrastructure-led growth and structural reform. These policy signals have shaped expectations for future development standards and capital allocation, particularly in areas aligned with low-carbon growth, resilience and long-term economic competitiveness.

National Carbon Market Policy ("NCMP")

On the other hand, in early 2026, Malaysia has officially launched its first National Carbon Market Policy ("NCMP") to establish a structured and high-integrity framework for carbon credit trading. The Malaysian government is aggressively advancing its climate and carbon legislation through Parliament to regulate greenhouse gas emissions, bolster carbon trading, and hit its net-zero emissions target by 2050.

The structural forces continued to reshape the operating landscape across property sector during the year, reinforcing the importance of alignment with national development priorities to drive long-term value creation.

Risk Management

SDB's risk management activities are supported by the Group's Enterprise Risk Management ("ERM") Framework. Climate related risks identified through the assessment process are incorporated into the Group's overall risk management approach.

Identified climate related risks are reviewed by the ESGWC and subsequently escalated to the RMSC for review and oversight. The RMSC evaluates the potential impacts of these risks and oversees the implementation of appropriate mitigation measures and management action plans.

Metrics and Targets

The Group has begun establishing metrics to monitor its environmental related material sustainability matters. As part of this effort, the Group has initiated the measurement and reporting of its greenhouse gas ("GHG") emissions.

SDB has taken inventory of its GHG emissions covering Scope 1 and Scope 2 emissions, as well as two categories within Scope 3 emissions. The Group's GHG emissions were calculated with reference to the GHG Protocol, a globally recognised standard for greenhouse gas accounting and reporting.

Scope 1:
Direct GHG emissions from sources owned or controlled by the Group.

Scope 2:
Indirect GHG emissions from the generation of purchased electricity consumed by operations under the Group's operational control.

Scope 3:
Other indirect GHG emissions arising from activities in the Group's upstream and downstream value chain.

Sustainability Statement
(cont'd)

For FY2026, the Group again conducted an employee commuting survey to better understand GHG emissions associated with employee commuting and business travel. A total of 138 responses were received from the Group's workforce of 257 employees, representing a response rate of 53.7%. The Group remains committed to improving participation rates and enhancing the accuracy and reliability of data collection in future reporting periods.

The Table Shows Scope 1, Scope 2, And Scope 3 (Category 6 And Category 7 Only) GHG Emissions for SDB Group from FY2024 to FY2026.

Greenhouse gas (GHG) emission	FY2030 Targets*	FY2024	FY2025-baseline	FY2026
Emissions				
Scope 1 emissions in tonnes of CO_2e	5% reduction	1,170.00	1,760.00	**900.10**
Scope 2 emissions in tonnes of CO_2e	5% reduction	4,469.00	3,989.00	**4,427.69**
Scope 3 emissions in tonnes of CO_2e	5% reduction	N/A	471.74	**290.37**
Category 6: Business Travel		N/A	25.74	**28.62**
Category 7: Employee Commuting		N/A	446.00	**261.75**

* FY2030 target relative to the FY2025 Baseline.
** N/A: Not available

Metrics from SASB Industry Standard – Real Estate

In preparing this Sustainability Statement, the Group has also considered the disclosure topics and metrics set out in the Sustainability Accounting Standards Board ("SASB"). The Group has applied selected SASB metrics relevant to its operations, particularly in relation to energy and water management disclosures.

Topic	Description of metric	Measuring Unit	Current Metric (FY2026)
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property sector (IF-RE-130a.1)	Percentage (%) by floor area	**97**
	Total energy consumed (IF-RE-130a.2)	Megawatt (MWh)	**5983.37**
	Percentage grid electricity (IF-RE-130a.2)	Percentage (%)	**100**
Water Management	Water withdrawal data coverage as a percentage of floor area (IF-RE-140a.1)	Percentage (%) by floor area	**88**
	Total water withdrawal (IF-RE-140a.2)	Thousand cubic metres (m^3)	**151.811**

3.3 ENERGY MANAGEMENT

The Group's energy consumption arises from its construction sites, corporate offices and hospitality operations at Hotel Maya, Kuala Lumpur. During the financial year, the Group recorded an increased in electricity consumption compared with the previous year. The change was primarily attributable to the inclusion of DaMai's work.

While energy demand generally reflects the scale of operational activities, the Group continues to monitor and manage its electricity consumption as part of its environmental management efforts. This includes encouraging energy saving practices across office operations and raising awareness among employees on responsible energy use.

In line with the Government's aspiration towards achieving net zero emissions, the Group remains committed to improving energy efficiency and optimising energy consumption where practicable. Electricity consumption data is monitored periodically to support the identification of potential efficiency improvements across the Group's operations.

Energy Management	FY2024	FY2025-	FY2026
Electricity Consumption (kWh)	5,896,000	5,262,000	**5,983,366**
Energy Intensity Ratio (kWh/m²)	N/A	N/A	**17.54**

* N/A: Not available

3.4 WATER CONSUMPTION

The Group recognises the importance of responsible water management in supporting the sustainability of its operations. Water is primarily consumed across construction sites, corporate offices and hospitality operations at Hotel Maya, Kuala Lumpur.

To promote efficient water use, the Group monitors water consumption across its operational sites and implements measures aimed at improving water efficiency. These efforts include process optimisation and initiatives such as rainwater harvesting systems to further reduce dependency on piped water.

We have established water consumption targets, and we will continue to monitor water usage and identify opportunities to improve water efficiency across its operations.

Water Management	FY2024	FY2025	FY2026
Water withdrawal in cubic meters, m³			
Third-party water / Water utility	116.08	121.89	**151.81**
Surface water	0	0	**0**
Groundwater	0	0	**0**
Seawater	0	0	**0**
Water discharge in by destination, m³			
Third-party water sent for use to other organisations	0	0	**0**
Surface water	0	0	**0**
Groundwater	0	0	**0**
Seawater	0	0	**0**
Water consumption in cubic meters, m³			
Total water consumption	116.08	121.89	**151.81**
Water Intensity Ratio (m³/m²)	N/A	N/A	**0.45**

* N/A: Not available

Sustainability Statement
(cont'd)

3.5 WASTE GENERATED

The Group generates waste primarily from its operational sites. To promote responsible waste management practices, the Group incorporates relevant environmental clauses into its tender documents and contractor agreements. Appointed contractors are required to ensure that construction and site waste is managed and disposed of in compliance with the requirements of the Department of Environment ("DOE").

In FY2026, waste directed to landfill includes waste generated from Hotel Maya operations, as well as waste managed by contractors at project sites. Waste diverted from landfill currently comprises recycling activities at Hotel Maya and through the One-Two Boost ("OTB") CSR programme. The Group will continue to enhance its waste data collection and disclosures in the future reporting periods.

Waste Management (tonnes)	FY2024	FY2025	FY2026
Total waste generated	305.00	2,472.60	**2,035.04**
Hazardous	0.00	0.00	**0.00**
Non-hazardous	305.00	2,472.60	**2,035.04**
Total waste diverted from disposal	0.00	7.60	**3.63**
Total waste directed to disposal	305.00	2,465.00	**2,031.41**
Food waste recycled	0.00	7.60	**3.63**

* N/A: Not available

Section 4 - SOCIAL: Promoting Inclusivity and Long-Term Relationship

SOCIAL PERFORMANCE

The Group is committed to fostering a diverse, inclusive and safe working environment that supports the well-being and development of its employees. By promoting fair and respectful workplace practices, the Group aims to create an environment where employees feel valued and are able to contribute effectively to the organisation.

In addition, the Group engages with the communities in which it operates through initiatives that support social development and community well-being. These efforts contribute to building positive relationships with customers, communities and other stakeholders.

Overall, the Group's social initiatives reflect its commitment to responsible business practices that consider the interests of both employees and the wider community.

4.1 EMPLOYMENT AND LABOUR PRACTICES

The Group seeks to adopt fair and progressive employment practices which reflects SDB's commitment towards United Nation Universal Declaration of Human Rights and International Labour Organisation. The Group's employment practices comply with applicable employment laws in Malaysia, including the Employment Act 1955. This includes adherence to the Minimum Wage Order 2022 and regulations governing working hours, overtime compensation and fair remuneration. In addition, the Group has not prevented its employees from joining or forming trade unions.

The Group respects internationally recognised human and labour rights and does not tolerate any form of forced or child labour within its operations. We employ workers who are 18 years old and above in compliance with Malaysia's Employment Act 1955. The recruitment process and workers' requirements are in compliance with SDB Group's Standard Operation Procedure. For the financial year under review, there were no substantiated complaints relating to human rights violations.

The Group also promotes a workplace culture that is safe, respectful and conducive to productivity. Acts of harassment, bullying or intimidation are strictly prohibited under the Group's Code of Business Conduct. A grievance process and whistleblowing channel are available to enable employees to report concerns or unethical practices. Employees may raise matters through Management, the Human Resource Department or the Legal Department without fear of retaliation.

The Group continues to provide employee benefits to support employee well-being and work life balance. A staggered working hours arrangement has been introduced, allowing employees to select different start and end times provided that the required working hours are fulfilled.

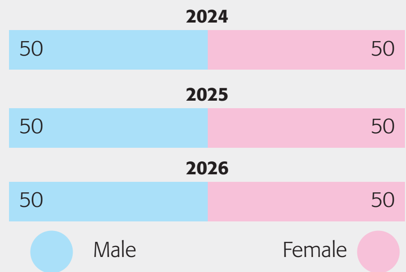
Other key employee benefits include:

1. Semi flexible working hours
2. Free parking
3. Annual health check-up
4. Medical benefits

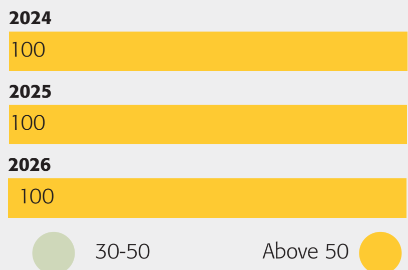
Workforce Composition

In FY2026, the Group's workforce comprised 257 employees, predominantly permanent staff (85%), with the remainder engaged on a contract basis. Gender representation remained well balanced, with women making up 40% of employees. Board diversity remained strong, with female representation maintained at 50%.

Percentage of Board Members by Gender (%)



Percentage of Board Members by Age (%)



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Workforce by Type of Employment

Employees	FY2024	FY2025	FY2026
Total Employees	230	238	**257**
Types of Employment (%)			
Permanent	90.00	84.00	**85.00**
Contract	10.00	16.00	**15.00**

Gender Diversity by Employee Category

Employees – Gender Diversity by Employee Category (%)	FY2024	FY2025	FY2026
Management – Male	54.00	59.00	**57.00**
Management – Female	46.00	41.00	**43.00**
Executive – Male	51.00	45.00	**47.00**
Executive – Female	49.00	55.00	**53.00**
Non-executive – Male	60.00	73.00	**71.00**
Non-executive – Female	40.00	27.00	**29.00**

Age Diversity by Employee Category

Employees – Gender Diversity by Employee Category (%)	FY2024	FY2025	FY2026
Management – Under 30	1.54	0.00	**0.00**
Management – Between 30-50	64.62	69.12	**71.00**
Management – Above 50	33.85	30.88	**29.00**
Executive – Under 30	16.84	17.35	**21.00**
Executive – Between 30-50	66.32	71.43	**65.00**
Executive – Above 50	16.84	11.12	**14.00**
Non-executive – Under 30	29.83	20.90	**27.00**
Non-executive – Between 30-50	63.16	67.16	**63.00**
Non-executive – Above 50	7.02	11.94	**10.00**

Total numbers of employees' turnover and hired by employee category	FY2024	FY2025	FY2026
Employee Turnover Rate in percentage, %	N/A	N/A	**17.0**
Turnover (Headcount)			
Management	5	10	**6**
Executive	11	13	**18**
Non-executive	10	9	**18**
New Hire (Headcount)			
Management	N/A	N/A	**6**
Executive	N/A	N/A	**21**
Non-executive	N/A	N/A	**15**

Total numbers of employees' turnover and hired by employee category	FY2026
Turnover (Headcount)	
Male	**23**
Female	**19**
New Hire (Headcount)	
Male	**22**
Female	**20**

Parental Leave

To foster a supportive work culture, the Group grants parental leave to all eligible employees in line with the Employment Act 1955 (Amendment 2022). Female employees are given 98 days of paid maternity leave for each confinement period, while married male employees are entitled to seven paid paternity days annually.

In FY2026, 7 employees, consisting of 5 female employees and 2 male employees utilised this benefit. Notably, we maintained a 100% return-to-work rate post-leave, demonstrating SDB's commitment to job security for working parents.

Parental Leave	FY2026
Total Number of Parental Leave (Headcount)	
Maternity	**5**
Paternity	**2**
Return to Work Rates (%)	
Post Maternity	**100.00**
Post Paternity	**100.00**

Sustainability Statement
(cont'd)

4.2 DIVERSITY AND EQUAL OPPORTUNITIES

The Group is committed to promoting a diverse and inclusive workplace. Equal employment opportunities are provided to all employees and applicants regardless of age, gender, race, religion, political beliefs or disability, in accordance with the principles set out in the Group's Code of Business Conduct.

The Group recognises that a diverse workforce contributes to a broader range of perspectives across the organisation. Its recruitment and talent management processes are guided by principles of fairness and strongly against any form of discrimination. Hiring decisions are based on relevant qualifications, experience and competencies, as well as the ability of candidates to contribute positively to the organisation. In FY2026, the Group recorded zero substantiated complaints or legal actions related to discrimination.

In line with the Group's Inclusive Employment and Support Policy, SDB also supports the employment of persons with disabilities ("PWD"). The Group provides fair employment opportunities to individuals with disabilities and seeks to foster an inclusive working environment.

As at FY2026, the Group's workforce included 13 employees who are persons with disabilities, representing 5% of the total workforce.

4.3 EMPLOYEE ENGAGEMENT

The Group recognises the importance of maintaining strong engagement with its employees to foster a positive and collaborative workplace culture. Throughout the year, various employee engagement activities were organised to promote teamwork, strengthen communication and enhance employee well-being.

In FY2026, the Human Resource Department organised two employee engagement programmes: Trivia sessions (Figure 1 and 2) and team-building activities e.g. Uniting for Impact (Figure 3 and 4).

These initiatives aim to strengthen relationships among employees, encourage open communication and support a supportive and inclusive working environment.

Figure 1: SDB Trivia 2025 Cheers and Chat.

Figure 2: SDB Trivia 2025 Cheers and Chat.

Figure 3: Uniting for Impact Day 1.

Figure 4: Uniting for Impact Day2.

4.4 OCCUPATIONAL HEALTH AND SAFETY

As a responsible employer, the Group is committed to maintain a safe working environment for its employees to prevent any injuries or illnesses resulting from its operations. The Group has established a Quality, Environmental, Safety & Health ("QESH") Policy and the Occupational Safety and Health ("OSH") Committee to outline and oversee health and safety aspects and practices for employees, contractors and other stakeholders. Proper documentation and implementation of the OSH enable the company to provide a safe and healthy workplace and continuously improve its OSH performance.

At the Group's construction sites, the appointed safety officers regularly conduct safety briefings to emphasise the importance of safety to employees and workers. Signages are placed around the sites to remind employees and workers to wear protective gears, to obey rules when operating machineries, and to follow other safety protocols.

At Hotel Maya, employees participated in trainings organised by BOMBA Malaysia and the National Institute of Occupational Safety and Health ("NIOSH"). These sessions equipped the participants with the necessary knowledge and skills to respond effectively during emergencies, thereby safeguarding guests and employees.

As part of the Group's emergency preparedness measures at its headquarters, employees attended the annual fire safety training sessions conducted by the building management. These trainings are essential to ensure compliance with fire safety regulations in Malaysia and to enhance the overall safety protocols within the organisation.

Work-Related Injuries

The Group strives to continuously improve the delivery of health and safety standards and processes to eliminate hazards and reduce risk of work-related injuries at site.

Recognising that workplace accidents or incidents may result in injuries or fatalities to employees, clients and contractors, as well as potential penalties or Stop Work Orders imposed by authorities or clients, the Group remains commitied to preventive risk management. This includes continuous safety awareness, training and communication with employees, suppliers, contractors and clients, as well as ongoing inspections to ensure compliance and effectiveness.

The Group remains committed in maintaining zero fatalities year on year by preventing and minimising any workplace related incidents.

Health and Safety	FY2024	FY2025	FY2026
Total man-hours worked	461,360.00	466,000.00	**481,048.00**
Number of work-related fatalities	0	0	**0**
Lost Time Incident Rate ("LTIR") *	2.17	0.00	**0.42**
Number of employees trained on health and safety standards			
Number of employees attended	32	23	**84**
Number of training hours	256	720	**793**

Note*: Refers to LTIR (Times 200,000 hours) against total case and total of the Group's employee.

Sustainability Statement
(cont'd)

4.5 DEVELOPMENT AND TRAINING

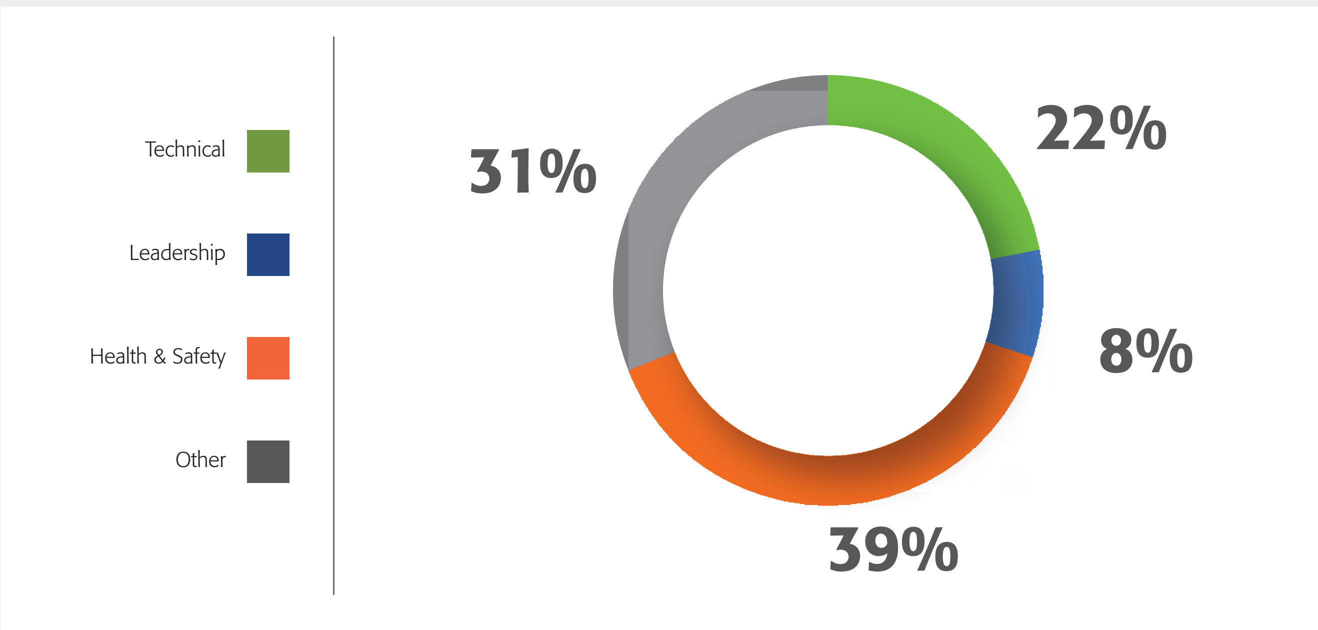
The Group recognises the importance of capacity building for its workforce, where continuous learning is the key to their personal growth and helps create a sustainable competitive advantage for its business. The Human Resource Department is tasked to plan and manage the development of the Group's workforce and a Training and Development Standard Operating Procedure is in place to govern this process.

On a yearly basis, training programmes are organised to upgrade SDB employee's skills, knowledge and development of their talent via training need analysis. The employees are provided with the opportunity to participate in internal, external and/or on the job training based on their respective needs. In addition, SDB Group has a performance system that evaluates employee performance based on Key Performance Indicators ("KPI") and personal development plan.

Total Training Hours by Employee Category

Employee Category	FY2024	FY2025	FY2026
Average Training Hours Per Employee	15.5	9.7	**12.5**
Total hours of training by employee category			
Management	1,476	1,463	**1,230**
Executive	1,539	673	**1,205**
Non-Executive	348	126	**590**
Total	3,363	2,262	**3,025**

Type Of Training Attended by SDB Group's Employees for FY2026



4.6 COMMUNITY INVESTMENT

Transforming Lives of Special Needs Individuals One-Two Boost ("OTB") Programme

The Group believes in sustainable community investment. Its Corporate Social Responsibility ("CSR") is driven by the principles of inclusivity, focusing on extending support and creating opportunities for individuals with special needs and disabilities. The Group advocates for inclusion, empowerment, and equality by facilitating support and opportunities for individuals with special needs to actively contribute to society.

The Group strives to create a CSR Programme that is self-sustaining hence it premises upon the concept of "Teach A Man to Fish and You Will Feed Him for A Lifetime". This is the inspiration of the One-Two Boost ("OTB") CSR Programme.

Since 2020, OTB has partnered with Traditional Chinese Medicine ("TCM") physicians, Dr. Lin Cze-Pern and Dr. Go Pei Heng from Nanjing University of Chinese Medicine, to develop specially formulated herbal soups, nourishing teas, and drink packs aimed at enhancing immunity and overall well-being. These traditional herbal blends are prepared by a team of special needs young adults under the guidance and supervision of appointed job coaches and supervisors.

OTB is a CSR initiative that aims to provide employment opportunities for young adults with special needs. Since its inception, the programme has enhanced skill development among its team members and special needs hires by focusing on herb mixing as well as improving their social and interaction ability through teamwork. Additionally, it has significantly raised public awareness about the employment challenges faced by individuals with special needs.

In FY2026, OTB has collaborated with other special needs organisations and social enterprises to extend its reach and raise greater awareness. The special needs hires had the opportunity to shine, honing their social and communication skills by participating in bazaar booths in various off-site locations.

In June 2025, OTB opened a store located in Mid Valley Megamall, one of Kuala Lumpur's premier shopping destinations. This strategic location allows OTB to broaden their customer base and strengthen its presence.

Figure 1 and 2: Grand Opening of OTB Shop at Mid Valley Megamall.

Figure 3: International Visitors from Kashima Yuaikai, Osaka, Japan.

Figure 4: Visit by HR Representatives from Danone Malaysia, Thailand, Cambodia and Vietnam.

Bazaar Booth

1. Neuro-Inclusive Market @ Menara Gamuda
2. Park Seven Residents Day @ Park Seven Condominium
3. Windows On The Park Residents Day @ Windows On The Park Condominium
4. Mid-Autumn Promotion Booth @ Mid Valley Megamall
5. Kasih Hospice Charity Fair @ The Club @ Bukit Utama
6. Safari Sports Day @ FRIM Kepong
7. Unveiling Uniqueness Mini Bazaar @ The British International School of Kuala Lumpur
8. Sin Chew Carnival @ SJK© Bandar Sungai Long
9. Christmas Promotion Booth @ Mid Valley Megamall
10. Chinese New Year Promotion Booth @ Mid Valley Megamall
11. Let's Go! Family CNY Bazaar @ Senai Puchong

Figure 5: Neuro-Inclusive Market at Menara Gamuda.

Figure 6: Sin Chew Carnival at SJK(C) Bandar Sungai Long.

Figure 7: Christmas Promotion Booth at Mid Valley Megamall.

Figure 8: Chinese New Year Promotion Booth at Mid Valley Megamall.

Workshop and Training

1. Handmade Soap Workshop for LK Education Group
2. Bridging The Gap: Finding Connections Workshop @ Plaza 138
3. JKM Job Coach Training @ Institut Latihan DBKL

Figure 9: Handmade Soap Workshop for LK Education Group.

Figure 10: Bridging The Gap: Finding Connections Workshop @ Plaza 138.

Collaboration with other Social Enterprises

1. Little Kira-Kira
2. United Voice
3. Bridging Hope
4. The Spectrum
5. The Learning Connection ("TLC")
6. Jammy Tummy

OTB also conducted a series of Trainee Programmes aimed at providing employment opportunities while enhancing participants' skills and employability. The first two-month programme commenced in October 2023, followed by a second two-month intake in October 2024. A third intake was introduced in February 2025 and extended to three months, while the fourth intake commenced in February 2026 for a duration of two months. Moving forward, OTB intends to maintain the programme duration at two months.

Together, OTB is building a more inclusive and supportive environment, one step at a time. OTB's products are available for purchase through its website, www.12boost.com.my.

Caring for the Underprivileged

The Impact of SDB Group's CSR Activities to the Community

In FY2026, SDB contributed nearly RM60,000 to community initiatives. A total of 10 initiatives were carried out, benefiting 1,192 individuals. These efforts reflect our continued commitment to creating meaningful and positive impacts within the community.

Indicator	FY2024	FY2025	FY2026
Total amount invested in the community where the target beneficiaries are external to the listed issuer, RM	10,824.00	173,822.00	**58,459.80**
Total number of community activities	5	5	**10**
Total number of beneficiaries of the investment in communities	135	164	**1,192**

Note*: The number of individuals is calculated from Jabatan Kebajikan Masyarakat ("JKM") 2022 average statistic of registered welfare centers and its residences.

Sustainability Statement
(cont'd)

Figure 11: Christmas Charity Lunch With 35 Orphans from Rumah Charis Jalan Yarl, Kuala Lumpur.

Figure 12: Ramadan Buka Puasa (Charity Dinner) With Pertubuhan Kebajikan As-Shakur.

Figure 13: Year End CSR Back-To-School with Underprivileged Children.

Section 5 - GOVERNANCE: Building an Ethical Culture

5.1 GOVERNANCE STRUCTURE

Building an ethical culture is at the forefront of the Board's vision for the Group. SDB's Board of Directors is the highest governance body in the organisation, responsible for overseeing the conduct of the Group's business operations and financial and sustainability performance. The Board is responsible for overseeing risk management and sustainability-related matters in the Group and is assisted by the Risk Management & Sustainability Committee ("RMSC") in this role.

The Group has established an Enterprise Risk Management ("ERM") Framework to proactively identify, evaluate, mitigate and manage key risks to an optimal level. The Group's policies in the following areas are available on the corporate website:

i. Anti-Bribery and Anti-Corruption ("ABAC") Policy
ii. Whistleblowing Policy
iii. Privacy Policy

Corporate Governance

The Group is dedicated to serving the best interests of its stakeholders by upholding the highest standards of corporate governance and implementing best practices that underscore its commitment to transparency and accountability. Further details regarding the Group's corporate governance practices can be found in the Corporate Governance Overview Statement included in the Annual Report for 2026.

Compliance with Laws

The Group recognises the compliance of all applicable laws and regulations in the jurisdictions where it operates its businesses, including the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"). Any failure to comply may expose the Group to potential fines, penalties, or sanctions, leading to reputational harm. In FY2026, the Group is not aware of any material instances of non-compliance with any laws or regulations involving the Group.

5.2 ANTI-BRIBERY AND ANTI-CORRUPTION

Anti-Corruption

SDB's Board of Directors champions a "Zero Tolerance towards Bribery and Corruption" stance. This commitment is reflected in the Group's ABAC Policy which outlines what will amount to "corruption" and the prohibitions on the same. The ABAC Policy applies to its directors, employees and business associates. SDB ensures that its business associates adhere to its ABAC Policy by communicating it to them through the inclusion of an ABAC clause in pre-qualification documents, contracts and tender documents. Further, new employees are given a briefing on the ABAC policy during their on boarding process. Additionally, a Supplier Code of Conduct has been established.

Furthermore, the Group has implemented a Whistleblowing Policy and channel to enable employees or third parties to report any instances of misconduct or grievances that may arise by sending an email to **whistleblowing@sdb.com.my**. The Group has provided that whistle-blowers will be accorded protection. The Whistleblowing Policy further provides that whistleblowers may remain anonymous and their identity kept confidential.

Anti-Corruption Training

In FY2026, the Group consistently implements anti-bribery and anti-corruption training in line to its commitment to mitigate corruption-related risks. The following shows the type of training and how many staff joined in percentage unit.

1. Anti-Bribery Refresher Training
2. Anti-Bribery and Anti-Corruption in the Workplace

Sustainability Statement
(cont'd)

Employee Category	FY2024	FY2025	FY2026
Management	100%	100%	**83%**
Executive	100%	73%	**100%**
Non-Executive	100%	82%	**50%**

As of FY2026, there have been no confirmed incidents of corruption or action taken across the Group. Further, no political contributions have been made.

Anti-Corruption Risk Assessment

The Group is in the midst of planning and conducting a comprehensive risk assessment process to identify potential non-compliance risks across the Group's business operations. Through this process, the Group aims to effectively identify, evaluate and manage risks associated with corruption across all business segments.

Indicators	FY2024	FY2025	FY2026
Percentage of operations assessed for corruption related risks	100%	100%	**100%**
Confirmed incidents of corruption and action taken	0	0	**0**
Percentage of executive employees that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%	**100%**

5.3 DATA PRIVACY AND SECURITY

The Group's Privacy Policy sets out how it uses and protects any personal data that it received. The Group is dedicated to upholding, respecting, and safeguarding the confidentiality of all personal data, in accordance with the provisions outlined in the Personal Data Protection (Amendment) Act 2024. The Group will continuously monitor developments in data protection laws and industry best practices to adapt and enhance its data protection measures, ensuring the ongoing security and privacy of the data entrusted to it.

For example, Hotel Maya's registration card clearly informs guests that their data is safeguarded by the PDPA 2010. It also requests their consent for their information to be processed according to Hotel Maya's privacy policy. Additionally, the card provides Hotel Maya's email and contact number, allowing guests to reach out to verify or update their details. SDB had zero substantiated complaints concerning breaches of customer privacy or losses of customer data in FY2026.

Data Privacy and Security	FY2024	FY2025	FY2026
Number of substantiated complaints concerning breaches of customer privacy and losses of customer datas	0	0	**0**

Section 6 - APPENDICES

SELANGOR DREDGING BHD

BMLR Transition Period

Date & Time: 2026-07-20_09:10:16

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category: Management	Percentage	100.00	83.00	-	Internal	
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category: Executive	Percentage	73.00	100.00	-	Internal	
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category: Non-executive	Percentage	82.00	50.00	-	Internal	
Anti-corruption	Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	-	Internal	
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	0	0	Internal	
Community Investment	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	173,822.00	58,459.80	-	Internal	FY2025 has been restated in accordance with Bursa Malaysia's Sustainability Reporting Guide, 3rd Edition. The same methodology has been applied in FY2026.
Community Investment	Total number of community activities	Number	5	10	≥ 2 activities	Internal	

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Sustainability Statement
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SELANGOR DREDGING BHD
BMLR Transition Period

Date & Time: 2026-07-20_09:10:16
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Community Investment	Total number of beneficiaries of the investment in the communities	Number	164	1,192	-	Internal	FY2025 has been restated in accordance with Bursa Malaysia's Sustainability Reporting Guide, 3rd Edition. The same methodology has been applied in FY2026.
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Management Under 30	Percentage	0.00	0.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Management Between 30-50	Percentage	69.12	71.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Management Above 50	Percentage	30.88	29.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Executive Under 30	Percentage	17.35	21.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Executive Between 30-50	Percentage	71.43	65.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Executive Above 50	Percentage	11.12	14.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Non-executive Under 30	Percentage	20.90	27.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Non-executive Between 30-50	Percentage	67.16	63.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Age group by Employee Category: Non-executive Above 50	Percentage	11.94	10.00	-	Internal	

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SELANGOR DREDGING BHD

BMLR Transition Period

Date & Time: 2026-07-20_09:10:16

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Labor Practices and Standards / Diversity and Equal Opportunity	Gender Group by Employee Category: Management Male	Percentage	59.00	57.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Gender Group by Employee Category: Management Female	Percentage	41.00	43.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Gender Group by Employee Category: Executive Male	Percentage	45.00	47.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Gender Group by Employee Category: Executive Female	Percentage	55.00	53.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Gender Group by Employee Category: Non-executive Male	Percentage	73.00	71.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Gender Group by Employee Category: Non-executive Female	Percentage	27.00	29.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Percentage of directors by gender and age group: Male	Percentage	50.00	50.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Percentage of directors by gender and age group: Female	Percentage	50.00	50.00	> 30.00%	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Percentage of directors by gender and age group: 30 years and below	Percentage	0.00	0.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Percentage of directors by gender and age group: 31 - 40 years	Percentage	0.00	0.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Percentage of directors by gender and age group: 41 - 50 years	Percentage	0.00	0.00	-	Internal	

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Sustainability Statement
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SELANGOR DREDGING BHD
BMLR Transition Period

Date & Time: 2026-07-20_09:10:16
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Labor Practices and Standards / Diversity and Equal Opportunity	Percentage of directors by gender and age group: Above 50 years	Percentage	100.00	100.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Percentage of employees that are contractors or temporary staff	Percentage	16.00	15.00	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Total number of employee turnover by employee category: Management	Number	10	6	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Total number of employee turnover by employee category: Executive	Number	13	18	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Total number of employee turnover by employee category: Non-executive	Number	9	18	-	Internal	
Labor Practices and Standards / Diversity and Equal Opportunity	Number of substantiated complaints concerning human rights violations	Number	0	0	-	Internal	
Health and Safety	Number of work-related fatalities	Number	0	0	0	Internal	
Health and Safety	Lost time incident rate ("LTIR")	Percentage	0.00	0.42	-	Internal	
Health and Safety	Number of employees trained on health and safety standards	Number	23	84	-	Internal	
Development Training	Average training hours per employee	Hours	9.7	12.5	> 8 hours	Internal	
Development Training	Total hours of training by employee category: Management	Hours	1,463	1,230	-	Internal	

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SELANGOR DREDGING BHD
BMLR Transition Period

Date & Time: 2026-07-20_09:10:16
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Development Training	Total hours of training by employee category: Executive	Hours	673	1,205	-	Internal	
Development Training	Total hours of training by employee category: Non-executive	Hours	126	590	-	Internal	
Supply Chain Management	Proportion of spending on local suppliers	Percentage	99.30	93.60	> 90.00%	Internal	
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	Internal	
Energy, Water and Effluent Waste	Total grid energy consumption	Kilowatt	5,262,000	5,983,366	5% reduction from the baseline	Internal	
Energy, Water and Effluent Waste	Total volume of water used	Megalitres	121.89	151.81	2% reduction from the baseline	Internal	
Energy, Water and Effluent Waste	Total waste generated	Metric tonnes	2,472.60	2,035.04	-	Internal	
Energy, Water and Effluent Waste	Total waste diverted from disposal	Metric tonnes	7.60	3.63	-	Internal	
Energy, Water and Effluent Waste	Total waste directed to disposal	Metric tonnes	2,465.00	2,031.41	5% reduction from the baseline	Internal	
Emissions	Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,760.00	900.10	5% reduction from the baseline	Internal	
Emissions	Scope 2 emissions in tonnes of CO2e	Metric tonnes	3,989.00	4,427.69	5% reduction from the baseline	Internal	
Emissions	Scope 3 emissions in tonnes of CO2e (Category 6 and 7)	Metric tonnes	471.74	290.37	5% reduction from the baseline	Internal	

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Sustainability Statement
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6.2 SUSTAINABILITY PERFORMANCE DATA TABLE

COMMON SUSTAINABILITY MATTERS

Indicator	Unit	FY2024	FY2025	FY2026
Supply Chain Management				
Proportion of spending on local suppliers	Percentage	96.00	99.30	**93.60**
Emissions				
Scope 1 emissions in tonnes of CO_2e	Tonnes	1,170.00	1,760.00	**900.10**
Scope 2 emissions in tonnes of CO_2e	Tonnes	4,469.00	3,989.00	**4,427.69**
Scope 3 emissions in tonnes of CO_2e	Tonnes	-	471.74	**290.37**
Category 6: Business Travel	Tonnes	-	25.74	**28.62**
Category 7: Employee Commuting	Tonnes	-	446.00	**261.75**
Energy, Water and Effluent Waste				
Total grid energy consumption	Kilowatt	5,896,000	5,262,000	**5,983,366**
Total water consumption	Megalitres	116.08	121.89	**151.81**
Total waste generated	Tonnes	305.00	2,472.60	**2,035.04**
Total waste diverted from disposal	Tonnes	0.00	7.60	**3.63**
Total waste directed to disposal	Tonnes	305.00	2,465.00	**2,031.41**
Labour Practices and Standards / Diversity and Equal Opportunity				
Percentage of employees by gender and age group, for each employee category				
Age group by employee category				
Management – Under 30	Percentage	1.54	0.00	**0.00**
Management – Between 30-50	Percentage	64.62	69.12	**71.00**
Management – Above 50	Percentage	33.85	30.88	**29.00**
Executive – Under 30	Percentage	16.84	17.35	**21.00**
Executive – Between 30-50	Percentage	66.32	71.43	**65.00**
Executive – Above 50	Percentage	16.84	11.12	**14.00**
Non-executive – Under 30	Percentage	29.83	20.90	**27.00**
Non-executive – Between 30-50	Percentage	63.16	67.16	**63.00**
Non-executive – Above 50	Percentage	7.02	11.94	**10.00**
Gender group by employee category				
Management – Male	Percentage	54.00	59.00	**57.00**
Management – Female	Percentage	46.00	41.00	**43.00**
Executive – Male	Percentage	51.00	45.00	**47.00**
Executive – Female	Percentage	49.00	55.00	**53.00**
Non-executive – Male	Percentage	60.00	73.00	**71.00**
Non-executive – Female	Percentage	40.00	27.00	**29.00**
Percentage of directors by gender and age group				
Male	Percentage	50.00	50.00	**50.00**
Female	Percentage	50.00	50.00	**50.00**
30-39 years	Percentage	0.00	0.00	**0.00**
40-49 years	Percentage	0.00	0.00	**0.00**
Above 50 years	Percentage	100.00	100.00	**100.00**
Percentage of employees that are contractors or temporary staff	Percentage	10.00	16.00	**15.00**
Total numbers of employee turnover by employee category				
Management	Number	5	10	**6**
Executive	Number	11	13	**18**
Non-executive	Number	10	9	**18**
Total numbers of employee hired by employee category				
Management	Number	N/A	N/A	**6**
Executive	Number	N/A	N/A	**21**
Non-executive	Number	N/A	N/A	**15**

Development Training				
Average Training Hours Per Employee	Hours	15.5	9.7	**12.5**
Total hours of training by employee category				
Management	Hours	1,476	1,463	**1,230**
Executive	Hours	1,539	673	**1,205**
Non-executive	Hours	348	126	**590**
Health and Safety				
Number of work-related fatalities	Number	0	0	**0**
Lost Time Incident Rate ("LTIR")	Rate	2.17	0.00	**0.42**
Number of employees trained on health and safety standards	Number	32	23	**84**
Community Investment				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	10,824.00	173,822.00	**58,459.80**
Total number of community activities	Number	5	5	**10**
Total number of beneficiaries of the investment in the communities	Number	135	164	**1,192**
Anti-Corruption				
Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100.00	100.00	**83.00**
Executive	Percentage	100.00	73.00	**100.00**
Non-executive	Percentage	100.00	82.00	**50.00**
Data Privacy and Security				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	**0**

6.3 GRI CONTENT INDEX

Statement of use	Selangor Dredging Berhad has reported the information cited in this GRI content index for the period 1 April 2025 - 31 March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	GRI DISCLOSURE		SECTION REFERENCE
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	**The organisation and its reporting practices**		
	GRI 2-1	Organisational details	SS2026: Section 1.1 – 1.8
	GRI 2-2	Entities included in the organisation's sustainability reporting	SS2026: Section 1.3
	GRI 2-3	Reporting period, frequency and contact point	SS2026: Section 1.3
	GRI 2-4	Restatements of information	SS2026: Section 2.1
	GRI 2-5	External assurance	N/A
	Activities and workers		
	GRI 2-6	Activities, value chain and other business relationships	AR2026: Section 'Management Discussion and Analysis'
	GRI 2-7	Employees	SS2026: Section 4.1

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GRI 2: General Disclosures 2021	GRI 2-8	Workers who are not employees	SS2026: Section 4.1
	Governance		
	GRI 2-9	Governance structure and composition	AR2026: Section 'Overview Statement on Corporate Governance'
	GRI 2-10	Nomination and selection of the highest governance body	
	GRI 2-11	Chair of the highest governance body	AR2026: Section 'Profile of Board of Directors'
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	
	GRI 2-13	Delegation of responsibility for managing impacts	
	GRI 2-14	Role of the highest governance body in sustainability reporting	
	GRI 2-15	Conflicts of interest	AR2026: Section 'Audit Committee Report'
	GRI 2-16	Communication of critical concerns	AR2026: Section 'Statement on Risk Management and Internal Control'
	GRI 2-17	Collective knowledge of the highest governance body	AR2026: Section 'Profile of Board of Directors'
	GRI 2-18	Evaluation of the performance of the highest governance body	AR2026: Section 'Overview Statement on Corporate Governance'
	GRI 2-19	Remuneration policies	
	GRI 2-20	Process to determine remuneration	
	Strategy, policies and practices		
	GRI 2-22	Statement on sustainable development strategy	SS2026: Section 1.1 – 1.10
	GRI 2-23	Policy commitments	SS2026: Section 3.2
	GRI 2-24	Embedding policy commitments	
	GRI 2-25	Processes to remediate negative impacts	
	GRI 2-26	Mechanisms for seeking advice and raising concerns	SS2026: Section 5.2
	GRI 2-27	Compliance with laws and regulations	SS2026: Section 4.1
	Stakeholder engagement		
	GRI 2-29	Approach to stakeholder engagement	SS2026: Section 1.8
MATERIAL TOPICS			
GRI 3: Material Topics 2021	GRI 3-1	Process to determine material topics	SS2026: Section 1.7
	GRI 3-2	List of material topics	SS2026: Section 1.7

ECONOMIC – GROWING THE BUSINESS RESPONSIBLY			
Economic Performance			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 201: Economic Performance 2016	GRI 201-1	Direct economic value generated and distributed	SS2026: Section 2.1
Product Responsibility			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
Procurement Practice / Supply Chain Management			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local supplier	SS2026: Section 2.5

ENVIRONMENT – BUILDING A HEALTHY LIFE ENVIRONMENTAL			
Energy, Water and Effluent Waste			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organisation	SS2026: Section 3.3
	GRI 302-3	Energy Intensity	
GRI 303: Water and Effluents 2018	GRI 303-1	Interactions with water as a shared resource	SS2026: Section 3.4
	GRI 303-2	Management of water discharge-related impacts	
	GRI 303-5	Water Consumption	
GRI 306: Waste 2020	GRI 306-1	Waste generation and significant waste-related impacts	SS2026: Section 3.5
	GRI 306-2	Management of significant waste related impacts	
	GRI 306-3	Waste generated	
	GRI 306-4	Waste diverted from disposal	
	GRI 306-5	Waste directed to disposal	
Emission			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG emissions	SS2026: Section 3.2
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	
	GRI 305-3	Other indirect (Scope 3) GHG emissions	
GRI 201:Economic Performance 2016	GRI 201-2	Financial implications and other risks and opportunities due to climate change	
SOCIAL – PROMOTING INCLUSIVITY & LONG-TERM RELATIONSHIP			
Health and Safety			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 403: Occupational Health and Safety 2018	GRI 403-1	Occupational health and safety management system	SS2026: Section 4.4
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	
	GRI 403-3	Occupational health services	
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	
	GRI 403-5	Worker training on occupational health and safety	
	GRI 403-6	Promotion of worker health	
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	GRI 403-8	Workers covered by an occupational health and safety management system	
	GRI 403-9	Work-related injuries	
Development Training			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee	SS2026: Section 4.5
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	
Labour Practice Standard / Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	SS2026: Section 4.1
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	GRI 401-3	Parental leave	
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	
GRI 406: Non-discrimination 2016	GRI 406-1	Incidents of discrimination and corrective actions taken	SS2026: Section 4.2
GRI 408: Child Labour 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	SS2026: Section 4.1
GRI 409: Forced or Compulsory Labour 2016	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	
Community Investment			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 413: Local Communities 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	SS2026: Section 4.6

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GOVERNANCE – BUILDING AN ETHICAL CULTURE			
Anti- Corruption			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 205: Anti- corruption 2016	GRI 205-1	Operations assessed for risks related to corruption	SS2026: Section 5.2
	GRI 205-2	Communication and training about anti- corruption policies and procedures	
	GRI 205-3	Confirmed incidents of corruption and actions taken	
Data Privacy and Security			
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics	SS2026: Section 1.9
GRI 418: Customer Privacy 2016	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SS2026: Section 5.3

Section 7- MOVING FORWARD

Looking ahead, we expect the operating environment to become more complex, driven by increasing reporting requirements and heightened stakeholder expectations regarding sustainability and climate-related disclosures.

In response, SDB Group seeks to enhance the quality, transparency and consistency of its reporting in line with applicable guidelines, standards and industry best practices, including alignment with the National Sustainability Reporting Framework ("NSRF").

As part of the Group's continuous improvement efforts, the Group aims to refresh its Material Sustainability Matters in FY2027 to ensure their continued relevance to the Group's business priorities, stakeholder expectations and evolving market conditions.