



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) DISCLOSURE FOR CONSTRUCTION SECTOR IN BURSA MALAYSIA

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Abstract

The Malaysian government has committed unequivocally to achieve zero net carbon emissions by 2050. Construction sector consequently faces challenges in embracing sustainable development with ESG disclosure becomes critical to investors and other stakeholders in making investment decisions to prevent imminent risk. This study analyses the ESG disclosures of 52 construction firms listed on Bursa Malaysia from year 2020 to 2022 by employing a content analysis approach. Utilising a binary scoring system, the analysis assesses the firms' adherence to the three pillars of ESG. The findings reveal a strong emphasis on the social pillar, with health and safety receiving significant weight. Environmental concerns, particularly pollution and resource disclosure are the highest due to strict regulatory oversight. Meanwhile, the governance pillar, anti-corruption emerged as a primary focus reflecting a commitment to maintaining business integrity. These findings assist regulators, investors, and stakeholders in fostering sustainable business practices within Malaysian construction sector.

Keywords: ESG Disclosure, Construction Sector, Bursa Malaysia

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INTRODUCTION

Construction sector is an evolving sector that is marked by rapid development, the growth of infrastructure, and the evolution of regulatory frameworks. As Malaysia works towards attaining its sustainable development goals, stakeholders in the construction industry have grown increasingly conscious of the importance of adopting environmental, social, and governance (ESG) principles to reduce environmental damage, mitigate social inequalities, and improve governance processes. Due to the significant environmental impacts of construction operations, practitioners of sustainable construction aim to incorporate sustainable development principles into traditional construction methods and expedite the adoption of sustainable management approaches in construction firms (Chen et al., 2016). A different study on sustainable construction development city demonstrates the interrelation and cumulative effect of compact city components, including diversified land use, public transportation, proximity, and community inclusivity, on fostering a sustainable urban environment. When effectively incorporated, these components diminish environmental impact, augment resource efficiency, and boost social connectivity (Nor'Azmi & Sahrir, 2024). Furthermore, the evaluation of organisational success is currently experiencing an evolution, embracing not just financial performance but also the evaluation of an organisation's achievements with respect to ESG objectives and practices within the company (Sulaiman et al., 2024). Consequently, firms tend to report their ESG practices actively to attract more attention from investors.

Sustainability statement and reports are the most effective in assessing ESG of firms. ESG management has evolved from being a discretionary activity to becoming a necessary requirement. Corporate investment decisions are now widely acknowledged as a vital element, in addition to the pursuit of sustainable growth and the improvement of corporate image (Park et al., 2023). Major construction firms in Malaysia produce sustainability reports at the corporate level. Given the enhanced global sustainability standards specified in the Global Reporting Initiative (GRI) Standards, it is crucial to take a strategic approach to the construction order market. Nevertheless, there is an absence of clarity and uniformity in the data sources, weightings, and procedures. Therefore, it is recommended that investors align their investing objectives with the ESG evaluation measures while utilising the ESG rating matrix. It is advisable to access the sustainability reports together with its ESG rating to improve investment decision (Abhayawansa & Tyagi, 2021). This entails conducting comprehensive research on Malaysia's construction market and acquiring important insights from around the world. Examining ESG management strategies and addressing significant ESG concerns is essential for attaining

global industrial competitiveness in the Malaysian construction industry in terms of ESG sustainability. Therefore, the objective of this study is to assess the sustainability strategies and orientations of the construction sector from an ESG perspective. To achieve this goal, this study conducted a comprehensive investigation of sustainability concerns and viewpoints, as well as global issues, in Malaysia and the global construction sector.

This study presents a unique contribution to ESG studies by delivering the sector-specific examination of ESG disclosure patterns for year 2020 until 2022 within Malaysia's construction industry, utilising a systematic, theme-based coding framework in accordance with Bursa Malaysia's sustainability requirements. It shows how construction firms prioritise ESG issues across ESG pillars, unlike previous research that focused on environmental practices or took broad cross-sectoral perspectives. This study also maps disclosure activity using a structured binary assessment to reveal disclosure emphasis and gaps, offering practical and theoretical value to the emerging-market construction-sector sustainability discourse.

LITERATURE REVIEW

Trends in ESG Disclosure

Sustainability reporting approaches are now widely recognised as a strategic tool in the global corporate sector. Furthermore, increasing of media attention on ESG practices has prompted ESG into the spotlight. The greater the company's media attention, the more pronounced the financial performance impact of ESG disclosure becomes (Chen & Xie, 2022). Firms in this context have implemented the practice of disclosing their non-financial data by publishing their ESG pillars, which are considered critical components of sustainability (Singh et al., 2023). Throughout history, ESG disclosure has been an inherent and fundamental component of corporate existence. The release of enterprise-related information is crucial to the functioning of our economies, as it enables investors and other stakeholders to make well-informed capital allocation decisions and mitigate potential risks. Nowadays, ESG disclosure are currently incorporated into sustainability reports which enhanced transparency and has potential to foster investment attraction and maintain confidence in the stock market (Alareeni & Hamdan, 2020b). As a result, the global industry's starts to emphasis on green buildings, green labels, and focus more on sustainability (Cajias, 2021).

As reported by KPMG International, (2020) the rate of sustainability disclosure in the Asia Pacific region has increased by 6% in 2020 since 2017, reaching a level of 84 percent. Several countries and jurisdictions in the region, such as Japan 100%, Malaysia 99%, India 98%, Taiwan 93%, and Australia 92%, are among the top performers worldwide. However, the increased number of the ESG disclosure since 2017, show that there has been a noticeable enhancement

in the number of firms who recognise climate change as a potential threat to their business. Nevertheless, fewer than 50% of corporations provide reports on social and governance concerns that affect their business (KPMG Asia Pacific, 2022). Compare to other developed countries, Malaysia achieved a 97% disclosure rates in 2017, and increase to 99% for year 2020 and 2022 (KPMG Asia Pacific, 2022; KPMG International, 2020). Based on this outcome, we can conclude that Malaysia, a developing country, can achieve a comparable degree of ESG disclosure as developed countries.

International ESG Framework and FTSE Russell Bursa Malaysia

Several international frameworks, such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD), shape the global ESG reporting landscape. All frameworks have different conceptual approaches. The following standards are widely used; GRI which offers extensive, multi-stakeholder disclosures and is the most prominent global standard (Alareeni & Hamdan, 2020a), SASB highlights financially significant, industry-specific KPIs that coincide with investor decision-making (Singh et al., 2025) and TCFD enhanced climate governance and preventive risk evaluation (Chen & Li, 2023).

Bursa Malaysia rates firms' ESG transparency and performance across 300 metrics and 14 categories using the FTSE Russell ESG Rating model (Sulaiman et al., 2024). The sector-based materiality weighting matches SASB's financial materiality perspective, and its thematic coverage of pollution, resource management, labour standards, human rights, governance, and anti-corruption meets GRI's topic-specific structure. Climate metrics from FTSE Russell follow TCFD principles for carbon control and climate governance, although without scenario analysis. In purpose and methodological transparency, FTSE Russell differs from GRI, SASB and TCFD because it does not prescribe how firms should report, relies exclusively on publicly disclosed information, and uses proprietary scoring algorithms that may not fully capture the qualitative depth or strategic intent of corporate sustainability disclosures (Abhayawansa, 2021). FTSE Russell corresponds with international standards in breadth, thematic structure, and materiality logic, although it provides benchmarking and evaluation tools for Malaysia's ESG ecosystem rather than a disclosure framework for reporting.

ESG Practices in Malaysia Construction Sector

The Eleventh Malaysia Plan has includes the promotion of sustainable construction as a component of the Government's Sustainable Development policy, which acknowledges the interrelated nature of the economy, environment, and well-being (Economic Planning Unit, 2015). This is because, the construction

sector makes a significant contribution to the overall carbon emissions worldwide, particularly in the case of skyscrapers which have a high density of emissions (Mulya et al., 2024). GreenRE is an organisation in Malaysia that offers certification services to support the country's objective of attaining net-zero status by 2050. GreenRE aims to increase the number of buildings with green certification to 1750 by 2030 (Green Technology Master Plan Malaysia (2017-2030), 2017). It is recommended to improve Green Building System (GBRS) criteria towards achieving low-carbon buildings include relaxing the energy-related credit limit for GreenRE to reduce emissions by an additional 12.5% and incentivizing stakeholders to reduce embodied carbon (EC) in both Leadership in Energy and Environmental Design (LEED) and GreenRE. Mulya et al., (2024) hot spot analysis further indicates that over a period of 30 years, the initial building accounts for 9.87% of emissions from EC and 90.1% from operational carbon (OC) emissions. Meanwhile, the building's glass façade design, which has limited concrete walls where paint is applied and results in low paint emissions.

In order to optimise the performance of the construction industry without disregarding the importance of our ESG, new approaches have been implemented to improve its efficacy. It is by incorporating Building Information Modelling (BIM) to reduce uncertainty related to waste estimation and management in construction projects. BIM plays a significant role in optimising construction costs, facilitating the implementation of green building practices, minimising environmental effect, and reducing waste (Rahim et al., 2023). In another study by Waqar et al., (2023) which aims to evaluate the influence of BIM on resource efficiency, energy performance, waste reduction, and collaborative decision-making in small-scale green buildings has shown a results of strong positive correlations between the adoption of BIM and various aspects of the design process, including early-stage design optimisation, energy efficiency analysis, material selection, life cycle assessment, waste reduction, and prefabrication. The application of BIM is crucial for the effective execution of sustainable housing construction projects in Malaysia.

In addition to BIM, Industrialised Building System (IBS) can also be recognised as an effective approach for improving building performance in terms of quality, cost-effectiveness, safety and health standards, waste reduction, and productivity. In Abdullah Abkar et al., (2024) study investigates the impact of Reuse, Reduce and Recycle (3R), IBS, BIM and Material Management Adoption (MMA) on improving Construction Site Performance (CSP) in the construction industry of Malaysia. The findings emphasise the significance of integrating technology, managing materials efficiently, and implementing competitive tactics to effectively reduce material waste. On-site storage facilities need to be sufficient for materials, and constant surveillance is crucial to track amounts and prevent theft. It is important to highlight that inventory control, storage, and

warehousing play a vital role in determining the efficiency of building site operations. Considering different levels of waste reduction in construction materials to improve construction site efficiency, information exchange significantly influences the relationship between technology adoption and site performance.

Table 1: ESG Disclosure Framework

ESG Pillar	Sustainability Themes	Thematic Disclosure
Environmental	Pollution and Resources	Precautions and Assessment Policy Adherence Technology Advancement
	Climate Change	Precautions and Assessment Policy Adherence Technology Advancement & Renewable Sources
	Water Use	Precautions and Assessment Policy Adherence Technology Advancement & Renewable Sources
	Biodiversity	Precautions and Assessment Policy Adherence Technology Advancement
	Supply Chain	Precautions and Assessment Policy Adherence Technology Advancement
Social	Safety & Health	Precautions and Assessment Policy Adherence Benefits & Training
	Labour Standard	Good Employee Welfare Practices Policy Adherence Learning & Training
	Customer Responsibility	Provide Quality Services & Assessment Policy Adherence
	Human Right	Good Social Welfare Practices Policy Adherence Social Involvement
	Supply Chain	Customer Satisfaction Policy Adherence Technology Advancement
Governance	Risk Management	Precautions and Assessment Policy Adherence Training & Benefits
	Corporate Governance	Precautions and Assessment Policy Adherence Training & Benefits
	Anti-Corruptions	Precautions and Assessment Policy Adherence Training & Benefits
	Tax Transparency	Precautions and Assessment Policy Adherence

Source: Sulaiman et al., (2024)

The above literature review mainly focuses more on environmental practices within the construction sector in Malaysia. Meanwhile, Sulaiman et al.,

(2024) studies focus on three individual pillars and themes. Therefore, this study adopted an ESG framework in Table 1 as the main guideline to conduct this research from three individual pillar of ESG.

RESEARCH METHODOLOGY

Sample Selection

This study applied sample data from the ESG sustainability statements of 52 major construction firms in Bursa Malaysia, which concentrated on construction capacity evaluation. The analysis of the data was conducted by examining sustainability statement in annual reports from year 2020 until 2022. Collected from Bursa Malaysia, a comprehensive study of ESG disclosure from Malaysian construction firms was acquired. Sustainability statements in the annual reports were obtained from the Bursa Malaysia website (<http://www.bursamalaysia.com/market/listed-firms>) and firms' website for the three-year period (2020-2022). Qualitative content analysis is applied to 156 sustainability statement for this study.

Method

The research methodology analyses ESG practices in the Malaysian construction sector from 2020 to 2022 through using the methods of content analysis and a binary scoring technique. The process of data collection comprises procuring information from sustainability statements with a specific emphasis on firms listed on Bursa Malaysia that are involved in construction-related activities. Content analysis was used in this study because it is widely acknowledged as the most appropriate approach for examining the corporate reporting practices of firms due to its efficiency in data collection. It operates by categorising qualitative data, which may be presented in both literal and anecdotal form, into groups in order to construct quantitative scales that vary in complexity (Maama et al., 2019; Pillay, 2019). Data extracted from sustainability statement was based on the selected ESG framework provided by Bursa Malaysia.

Meanwhile, binary scoring system designates scores of 1 to represent disclosure and 0 to represent non-disclosure. Following this, trends and a descriptive summary of ESG performance will be determined, with intra-coder reliability test to maintain the consistency and reliability over time which enhance the validity of binary scoring. To check the reliability of the coding process, an intra-coder reliability test was done. The same coder reviewed the sustainability statements once again, and the results were checked for consistency. A strong agreement across coding rounds means that the coder used the scoring criteria consistently, which makes the content analysis process more valid. This process reduces bias in subjective interpretation and makes the study's results more methodologically reliable. Previous study from Sulaiman et al., (2024) has

published an ESG framework that adheres to the guidelines set by Bursa Malaysia.

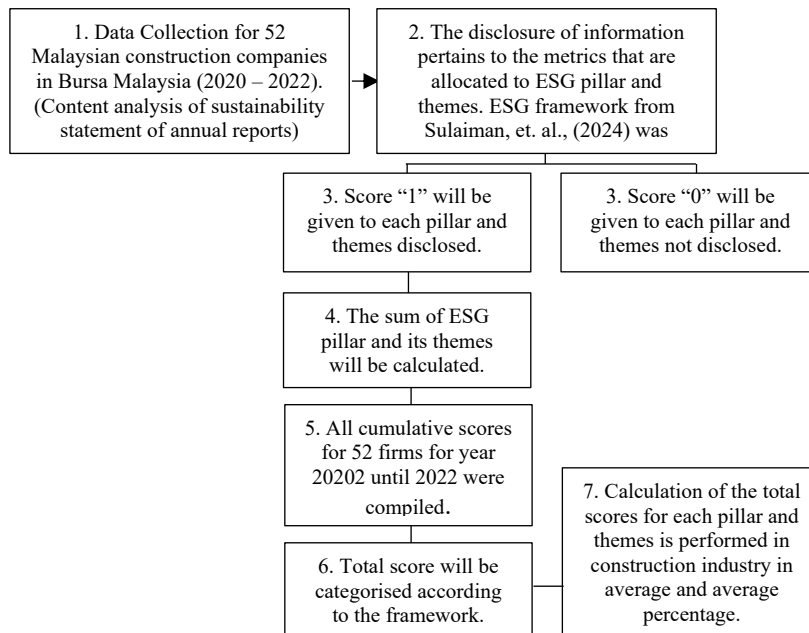


Figure 1: Binary Scoring Process of the Study
Source: Sulaiman et al., (2024)

Figure 1 show the binary scoring process of the study. Collected data on ESG practices were grouped under ESG pillars and themes as stated in the framework and score “1” for any practices adopted and “0” for not adopted. Total scores for each pillar and themes then calculated and were described in descriptive analysis.

Limitation

Although the sample includes 52 significant construction companies listed on Bursa Malaysia, there are some limitations that need to be acknowledged. The study may demonstrate sampling bias, as companies with inadequate disclosure practices or limited reporting capabilities are less likely to issue comprehensive sustainability statements, potentially resulting in their under-representation. This increases the chance of persistence bias, which could make the overall maturity of industry-wide disclosures seem higher than it really is.

RESULTS

Environmental Disclosures in Malaysian Construction Sector

Table 2 show the result of themes and sub-themes of environmental pillar disclosure within the sector. The result indicate that pollution and resources represent 38% of the measured factors, with climate change following at 27%. Water use and biodiversity possess comparable importance, contributing 21% and 20% of the total assessment, respectively. Supply chain considerations form an insignificant 8% contribution to the overall evaluation.

In environmental pillar, the significant contribution of 38% to pollution and resources theme highlights its key contribution to business sustainability, while the other 62% does not specifically address pollution and resources. The analysis of the sub-themes demonstrates a sophisticated strategy for solving this problem, with pollution and waste management being the most significant at a frequency score of 35, highlighting the need to take proactive steps to reduce environmental damage. Meanwhile, conducting an environmental impact assessment (8) has the lowest score, as in Malaysia's construction sector, the Environmental Impact Assessment (EIA) receives the lower score due to the country's rapid development and urbanisation, which create a sense of urgency to accelerate construction projects, which can lead to less thorough or rushed EIAs.

Table 2: Frequency and Percentage of Environmental Theme Disclosure in Malaysian Construction Sector

Sustainability Themes	Thematic Disclosures	Frequency out of 52 firms	%
Pollution and Resources	Pollution and Waste Prevention	35	38
	Good Waste Management	34	
	Adherence to Policy and Regulations	16	
	Promote Awareness	15	
	Technology Advancement	12	
	Environmental Impact Assessment	8	
Climate Change	Energy consumptions or efficiency	20	27
	Technology improvement or maintenance	19	
	Renewable Energy	17	
	Reduce Carbon Emission	16	
	Management Action to Promotes Awareness	7	
	Climate Assessment or Policy Adherence	4	
Water Use	Water Efficiency & Conservation	20	21
	Water Management & Maintenance	19	
	Water Use Awareness	14	
	Alternative Sources from Water	11	
	Adherence to Policy & Regulations	6	
	Technology Advancement	5	
	Conservation & Preservation of Flora & Fauna	14	

Sustainability Themes	Thematic Disclosures	Frequency out of 52 firms	%
Biodiversity	Adopt Green Policy	12	20
	Biodiversity Assessment	8	
	Green Building Practice	8	
Supply Chain	Supplier Assessment	5	8
	Established a Guideline or Policy	4	
	Green Supply Chain	3	

Source: Author (2024)

Climate change is the second most disclosed practice among firms, with 27% of them sharing information about their climate change practices. The remaining 73% of organisations have not disclosed any information about their climate change policies. Climate change is a complex issue that includes multiple sub-themes which focus on carbon emission and renewable energy. Energy consumption or efficiency is a significant aspect, with highest frequency of 20, while climate assessment or policy adherence receives the lowest frequency of 4.

The percentage score of water used of 21% highlights the significance of implementing sustainable water management approaches in Malaysia, particularly in considering concerns over water scarcity. Construction site in Malaysia involves a lot of pollution such as dust pollution. Therefore, water is an important resource to prevent or reduce the level of dust pollution at the construction site.

Meanwhile, 20% of firms in the sector have adopted biodiversity practices, while the remaining 80% have not. From our sample, only prominent firms in this sector adopt this practice due to high cost in adapting the practices. Supply chain obtained the lowest percentage, 8% in environmental pillar. This is because, supply chain in Malaysia is still in the early phase of implementing sustainability principles, which indicates a lack of awareness and capability among suppliers and contractors. Furthermore, constraints such as disintegrated supply chains, financial constraints, and insufficient governmental motivations for environment friendly supply chain could hinder advancements in this field.

Social Disclosures in Malaysian Construction Sector

In evaluating the theme in social pillar, important elements highlight critical elements of corporate accountability and involvement with stakeholders. Results in Table 3 highlights the significant importance of creating a safe and healthy work environment for employees, with safety & health being the main focus, making up 32% of the evaluation. Safety and health possess the highest percentage due to regulatory framework in Malaysia is anticipated to prioritise safety requirements in the construction sector to effectively avoid workplace

accidents and preserve the welfare of workers as this sector has high risk exposure to occupational accidents at the construction sites.

Table 3: Frequency and Percentage of Social Theme Disclosure in Malaysian Construction Sector

Sustainability Themes	Thematic Disclosures	Frequency out of 152 firms	%
Safety & Health	Awareness & Prevention Measurement	30	32
	Policy or Regulation Compliance & Adoption	21	
	Safety & Health Training & Incentives	20	
	Health & Safety Assessment	14	
	Health & Safety Equipment Advancement & Maintenance	11	
	Health & Safety Committee	14	
	Provide Incentives & Good Remuneration Packages	7	
Labor Standard	Learning or Training	26	24
	Inclusivity & Fair Treatment	22	
	Good Remuneration & Incentives Package	18	
	Flexibility & Work Life Balance	12	
	Provide Conducive Work Environment	12	
	Policy or Regulations Adherence	10	
	Two-way Communications	8	
Customer Responsibility	Financial Supports	3	15
	Provide Quality Services or Products	15	
	Provide Customer Survey or Assessment	12	
	Two-way Communications	8	
	Third Party Assessment or Audit	3	
Human Right	Policy or Regulation Compliance	2	13
	Charitable Activities	21	
	Inclusivity, Equality & Diversity	18	
	Policy or Regulations Adherence	6	
	Prohibit Child or Illegal Labor	4	
	Established in-house Policy or Regulations	3	
Supply Chain	Public or Government Sector Engagement	3	13
	Sustainable Supply Chain Policy	10	
	Supplier Assessment	10	
	Established a Guideline or Policy	5	
	Technology involvement in Supply Chain	1	

Source: Author, (2024)

The Labor Standards category has a high score of 24%, which highlights the importance of maintaining fair labor practices and protecting employee rights. Furthermore, the inclusion of 15% customer responsibility stresses the duty of firms to prioritise the well-being and happiness of their

customers. Human rights (13%) and supply chain factors (13%) are given comparable importance, indicating the increasing acknowledgment of human rights concerns and the significance of ethical sourcing procedures in company operations. The complete evaluation highlights the complex and different aspects of social sustainability, requiring inclusive approaches to meet the interests of various stakeholders and maintain ethical standards across the supply chain. The construction sector frequently involves vast supply networks with multiple levels of subcontractors, hence posing difficulties in effectively monitoring and ensuring adherence to human rights norms across the whole supply chain.

Governance Disclosures in Malaysian Construction Sector

Table 4 shows the result of governance pillar, which includes risk management, corporate governance, anti-corruption measures, and tax transparency, invests 25% of its attention to risk management. This highlights the crucial significance of identifying, assessing, and minimising risks within organisations. The construction sector in Malaysia is particularly vulnerable to a range of hazards, including regulatory compliance, project complexity, environmental concerns, and supply chain disruptions. As a result, risk management has been a key focus in this industry. Meanwhile, corporate governance, accounting for 21% of the total, emphasises the importance of creating strong systems and procedures to guarantee responsibility, openness, and ethical behavior in decision-making. Furthermore, the decision to allocate 21% of resources to anti-corruption activities underlines the critical need of addressing corruption and promoting ethical behaviors in corporate settings.

Table 4: Frequency and Percentage of Governance Theme Disclosure in Malaysian Construction Sector

Sustainability Themes	Thematic Disclosures	Frequency out of 52 firms	%
Risk Management	Risk Assessment	21	25
	Established In-House Policy/ Regulations	16	
	Risk Management Committee	15	
	Policy or Regulations Compliance	11	
	Provide Training or Awareness Campaign to Minimise the Risk	3	
Corporate Governance	Compliance to Rules/ Regulations	22	21
	Promotes Good Sustainability Practices & Reporting Disclosure	19	
	Established an in-house Policy	9	
	Assessment or Audit of Governance Practices	9	
	Transparency in Nomination or Appointment of BOD	6	
	Training for Board of Directors	2	

Sustainability Themes	Thematic Disclosures	Frequency out of 52 firms	%
Anti-Corruptions	Policy or Regulations Adherence	30	21
	Established in-house Policy or Regulations	19	
	Provide Training & Awareness Campaign	7	
	No Gift Policy	7	
	Anti-Corruptions Audit or Assessment	6	
	Direct Medium for Reporting Anti-Corruption	5	
	Formed Internal Integrity Department	4	
Tax Transparency	Compliance to Policy or Regulations	5	6
	In-House Tax Department	2	
	Outsource Audit Firm for Assessment	2	

Source: Author, (2024)

The last themes are tax transparency with 6% allocation to tax transparency which underscores the growing significance of transparency in tax processes, in line with international endeavours to foster equity and responsibility in tax reporting and adherence. In addition, public listed firms tend to not disclose their tax transparency in the sustainability statement because public listed firms are bound to report their tax disclosure in company's financial statement and notes to financial statement as one of requirement from Malaysian Financial Reporting Standard (MFRS).

DISCUSSION

ESG Disclosure in Malaysian Construction Sector

In ESG, each pillars place different levels of importance on ESG factors. Table 5 show that environmental pillar is given a weight of 58%, the social pillar 68%, and the governance pillar 59%. The significant investment of 68% towards the social pillar demonstrates a firm dedication to addressing social effect and responsibility in corporate activities. This covers various issues like labor standard, health and safety, supply chain, customer responsibility and human right which promoting effort in diversity and inclusion. In social pillar, health and safety is the most important ESG factor for contractor as it has the highest frequency with 49 firms disclose their health and safety practice out of 52 construction firms in the sample.

Table 5: Percentage of ESG Individual Pillars

ESG Pillars	ESG Themes	Frequency out of 52 firms	%
Social	Health & Safety	49	68%
	Labor Standard	47	
	Human Right	38	
	Customer Responsibility	27	
	Supply Chain	17	
Governance	Anti-corruption	42	59%
	Corporate Governance	37	
	Risk Management	36	
	Tax transparency	8	
Environmental	Pollution & Resources	45	58%
	Climate Change	34	
	Water Use	33	
	Biodiversity	28	
	Supply Chain	12	

Source: Author, (2024)

Construction sites are highly dynamic environments that present an extensive list of potential hazards. By giving priority to health and safety measures, not only the well-being and lives of workers are protected, but the chances of accidents, injuries, and fatalities are also reduced. Moreover, a safe and conducive working environment improves employee morale, productivity, and retention, resulting in enhanced project outcomes and cost-efficiency.

CONCLUSION

In conclusion, this study addressed ESG disclosures in Malaysian construction firms by integrating the Sulaiman et al., (2024) ESG framework. Content analysis has been used to collect data, and a binary scoring method has been used to analyse the data. This study highlights the crucial importance of ESG disclosure in influencing business sustainability strategies. Based on the disclosure percentages of 58% for the environmental pillar, 68% for the social pillar, and 59% for the governance pillar. As a result, firms place a higher priority on social concerns compared to environmental and governance factors, as health and safety are the most crucial factors in the construction sector. Result of this study advances ESG disclosure literature by demonstrating that firms in Malaysia's construction sector exhibit a distinctive prioritisation of social-related disclosures, particularly health and safety, relative to environmental and governance themes. This sector-specific evidence enhances understanding of how ESG transparency evolves in high-risk, project-based industries,

contributing new empirical insights to ESG reporting practices in emerging economies.

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DISCLOSURE STATEMENT

The analysis in this research is based solely on publicly accessible secondary data, including published reports and official documents. Since the study did not involve human participants, no human subject ethics approval was necessary.

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