

# Sustainability Statement

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Sustainability is embedded in the culture of Gamuda. As we grow our business, we also want to be catalysts of sustainable development.

We view our ability to contribute towards nation-building while meeting current and future societal demands as crucial to the growth of our business as a whole. We continue to uphold sustainable practices, embrace agility and innovation, and implement environmental and social resilience in everything we do.

We are seeing the benefits of narrowing the infrastructure gap and advancing socio-economic development in the wider economy.

As we embrace a more circular economy, we will further enhance the long-term benefits of our projects to all our stakeholders, and ensure our business is future-ready.

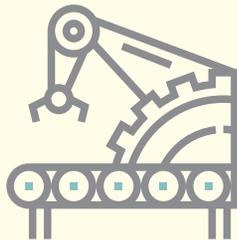
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## HIGHLIGHTS OF 2017



### EMPOWERED 1,078 SMEs FOR KVMRT LINE 1 AND LINE 2 THROUGH UNDERGROUND WORKS CONTRACTS WORTH RM11.8 BILLION

Gamuda's first automated robotic IBS factory in Malaysia has a maximum capacity of **3,000** property units per year



**180** Malaysian factory operators are being trained to use digital IBS at the Gamuda IBS factory



Gamuda Berhad Singapore branch office successfully secured the **Green and Gracious Builder Certificate** from Singapore's Building and Construction Authority (BCA)



**33%** of Board of Directors are Women

Awarded **43** Gamuda Scholarships worth **RM5.6 million**



Launched BIM Training Academy with **352** trainees



**20** Differently-Abled employees

Trained over **1,000** tunnellers on TBM technology



**Enabling Academy** for the training and placement of people with autism in Partner Companies

# Sustainability Statement

## Key Economic, Environmental and Social Aspects

### Highlights

#### Quality, Safety, Health and Environment

Improved measures to ensure adherence to the highest quality, safety, and environmental standards at our projects and their supply chain, including Work Package Contractors (WPCs), suppliers, sub-contractors and labourers.

#### Good Governance

In 2016, we improved our sustainability reporting process, and undertook a gap analysis to prepare the Group for entry into markets where sustainability reporting is compulsory.

#### Inclusivity

Inclusiveness is a business imperative that is measured internally:

- The state-of-the-art KVMRT has various disabled-friendly features.
- Our property projects are created and designed for multi-generational usage with township facilities and activities for residents of all ages.
- 33% of Gamuda's Board of Directors is represented by women and 34% of the total workforce consists of women. Exceeds the government's 30% quota for women and the "30% Club" global initiative.

#### Green Solutions

- The KVMRT system decreases congestion on roads, and is expected to increase public transport share from 18% to 40% by 2030 – resulting in lower vehicle emissions.
- We focus on green buildings to reduce our environmental footprint.
- Our recent buildings (The Robertson, HighPark Suites) and townships (Gamuda Gardens and Gamuda Cove) have achieved Green Building and Green Township with Green Building Index (GBI) Gold or Silver accreditation.

#### Yayasan Gamuda

- Provides scholarship and financial aid for deserving students from disadvantaged backgrounds and communities affected by poverty, inadequate infrastructure and natural disaster.
- Enabling Academy (EA) prepares individuals on the autism spectrum to be gainfully employed by partner organisations.
- Supporting the Star Golden Hearts Award (SGHA) since 2016. In addition, the Gamuda Inspiration Award 2016 worth RM50,000 was awarded to *Kedai Jalanan*, a street stall for the homeless and urban poor.

## SCOPE

This Statement provides the highlights of our approach and strategy to achieve sustainability across our operations together with our progress, key accomplishments during the financial year and plans in the pipeline. Where possible, we have also listed the qualitative and quantitative information and year-on-year comparison data. Our aim is to provide disclosure on our sustainability performance and management to stakeholders.

This Statement was prepared in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports of Listed Issuers. The disclosure is also guided by the Global Reporting Initiative's G4 Sustainability Reporting Guidelines. It details our non-financial performance and covers our operations in Malaysia, key projects in other countries and, where possible, information across our supply chain.

## MANAGING SUSTAINABILITY

Key sustainability aspects at Gamuda are managed across the organisation and overseen by different departments. Underlying all efforts is an overriding commitment towards good governance.

Good governance lies in sound business ethics, viable policies and product stewardship across all areas of the organisation. Our Code of Conduct outlines our commitment to the highest level of ethics and transparency. The Code is supported by our 'Whistleblowing Policy', 'Disclosure of Corporate Information', 'Involvement in Outside Business' and 'Gifts and Benefits Policy'.

Our Directors recognise that the long term viability of the Group requires making sustainability a priority.

The Board supervises the management of material risks, including sustainability risks like health and safety, environmental management, human capital, ethics and good conduct. We have implemented an enterprise risk management framework to help identify risks, to be managed in our business. For more information regarding Risk Management and Internal Control, please refer to page 128.

### Ethical Business

An ethical business is primarily built by its people. All employees are expected to recognise the culture that we share and thrive in an environment where high ethical business standards are expected.

# Sustainability Statement



## Deepening Our Commitment to Human Rights

To help ensure we respect human rights throughout our supply chain, we have strengthened our commitment to exemplary labour standards. We have reviewed and enhanced our Environment and Health and Safety policies. For all outsourced services, the Group adheres to its contractual requirements and conducts thorough site specific vetting to ensure construction contract workers have a valid Construction Industry Development Board (CIDB) Green Card and valid work permit before they can work at any of our sites. Routine inspections are conducted at all project sites to ensure compliance to this requirement.

One of the ways of supporting this commitment is through our whistleblower process, which provides a secure avenue for employees and any third party to report activities, which they suspect are in breach of codes and policies, or the laws and regulations that govern our businesses.

Moving ahead, we plan to enhance the management of all sustainability efforts by incorporating existing structures into a sustainability management framework.

## MULTI-STAKEHOLDER APPROACH

We value excellent working relationships with all relevant parties. Within the organisation, there must be clarity and consistency. At the same time, we need commitment and robust methods to check our progress and to constantly push ourselves to find ways to address the challenges and opportunities we face, which collectively may impact the nation.

Feedback and communication are important to us. We have a high regard for open and honest communication with all our stakeholders, comprising individuals, groups and communities we work and come in contact with. Hence, we continue to engage stakeholders and listen to their feedback, needs and concerns on matters relevant to us in all areas that we operate in. To do this, we have adopted various communication and engagement strategies for all segments and groups.

Stakeholder Groups	Key Matters Arising in 2017	Our Responses
<p><b>Employees</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Employee engagement survey</li> <li>• Town hall meetings</li> <li>• Internal communications</li> <li>• Interviews</li> <li>• Performance reviews</li> <li>• Safety, Health and Environment (SHE) Committee Meeting</li> <li>• Workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Health, safety and well-being</li> <li>• Talent, performance and rewards</li> <li>• Training and education</li> <li>• Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, Safety, Health and Environment (QSHE), page 93</li> <li>• Recruit, page 95</li> <li>• Retain, page 97</li> <li>• Replenish, page 100</li> <li>• Renew, page 101</li> </ul>
<p><b>Customers</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Surveys</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Trust and safety</li> <li>• Connectivity</li> <li>• Family-friendly facilities</li> <li>• Disabled-friendly facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Committed to Delivering Quality, page 80</li> </ul>
<p><b>Investors</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Investor briefings</li> <li>• Investor marketing roadshows</li> <li>• Teleconferences</li> <li>• Meetings</li> <li>• Media coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Financial viability</li> <li>• Accountability</li> <li>• Sustainability disclosure (entry into other markets where sustainability reporting is compulsory)</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Statements, page 144</li> <li>• Sustainability Statement, page 66</li> </ul>

# Sustainability Statement

Stakeholder Groups	Key Matters Arising in 2017	Our Responses
<p><b>Local Communities</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Community development programmes</li> <li>• Info Centres, Info Kiosks and Mobile Info Truck for KVMRT</li> <li>• Press releases</li> <li>• Surveys</li> <li>• Town hall meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Safety standards</li> <li>• Access to project information</li> <li>• Community efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, Safety, Health and Environment, page 93</li> <li>• Community Development, page 104</li> </ul>
<p><b>Government/Regulatory/Local Authority</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Press releases</li> <li>• Workshops</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• The National Key Economic Area (NKEA) aims to improve the liveability of the nation's political and commercial nucleus which is home to some six million people</li> <li>• Reduce dependency on foreign labour</li> <li>• Fully automated toll payment systems nationwide by 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Best-in-class Delivery Standards, page 75, 81</li> <li>• Total Customer Satisfaction and Road Safety, page 83</li> </ul>
<p><b>Road Users</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Ongoing project development and construction updates in order for public to be suitably updated.</li> </ul>	<ul style="list-style-type: none"> <li>• Key issues affecting the public or motorists including traffic congestion and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Total Customer Satisfaction and Road Safety, page 83</li> </ul>
<p><b>Suppliers</b></p> <p><b>How?</b></p> <ul style="list-style-type: none"> <li>• Transparent procurement system</li> <li>• Suppliers training programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Knowledge sharing and capacity building</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Supply Chain Practices, page 83</li> </ul>

A wide spectrum of stakeholders was engaged during the pre-construction and early construction stages of the KVMRT. As awareness of the project increased, we reduced direct sessions and focused more on targeted outreach.

#### KVMRT Line 1 and Line 2 Stakeholder Engagement

Year	2017	2016	2015
Number of stakeholders engaged	2,953	1,440	1,500
Engagement sessions	209	120	132



### Responsive Complaint Management System (CMS)

The Group has established among the most responsive and effective CMS for large-scale infrastructure projects in Malaysia. The system serves employees, customers and the public, covering all aspects of our developments and construction sites:

- KVMRT stakeholders have 24-hour access to the MRT Hotline. The hotline complies with Standard Operating Procedures, and the resolution statuses are reviewed by the Project Delivery Partner (PDP) and reported to Mass Rapid Transit Corporation Sdn. Bhd. (MRT Corp) monthly.
- Evaluation of WPCs' quality of work allows us to identify and rectify potential safety, health and environmental risks at MRT worksites.
- Real-time monitoring with SMS and email notifications are used for fast response times and efficient resolutions, which improve our stakeholder relationships. All complaints received are logged together with actions taken to resolve them.
- Record of complaints from MRT Hotline (from May 2012 to July 2017): 3,404

## MATERIALITY ASSESSMENT

A materiality workshop with our main internal stakeholders was conducted last year. It offered an avenue to refine our assessment of material issues, and to enhance our level of disclosure for this Statement. In addition to updating the status of previously identified material issues, the workshop also served to identify any additional issues that may have surfaced over the past year. We further refined the issues through an assessment of updated internal policies, strategies and comments by various departments. It was then discussed during interviews with the Board of Directors and senior management, as well as meetings with the working team and data owners.

# Sustainability Statement

## Economic Growth



## Environmental Management



## Social Contribution



### Engineering & Construction

- Best-in-Class Delivery Standards
- Responsive Complaint Management System

### Property Development

- Making Good Sustainable Towns
- Best-in-Class Delivery Standards
- Affordable Housing
- Responsible Marketing

### Infrastructure Concessions

- Total Customer Satisfaction and Road Safety

### Responsible Supply Chain Practices

- Project Delivery Partner
- Building Local SMEs

### Building Our Common Data Platform

### Green Development

- Certifications

### Pioneering Engineering Solutions

### Waste Management

- Project-based Waste Management
- Reduction of Construction and Material Waste with Industrialised Building System

### Energy and Water Management

### Noise Management

### Workplace

- Quality, Safety, Health and Environment
- Recruit
- Retain
- Replenish
- Renew

### Community Development

# ECONOMIC GROWTH



Our projects improve connectivity and spur new growth areas that enable communities, businesses and townships to function seamlessly in the Klang Valley and the country. Our foremost responsibility is ensuring safety in all our projects whilst enhancing the quality of life of our stakeholders.

We aim to deliver world-class infrastructure with best-in-class performance and standards. Infrastructure supports and creates economic growth. In order to benefit the current generation and make a contribution to the future, we will continue to use the best systems, on par with global standards, to optimise efficiency and quality. As nation building is close to our hearts, we will continue to empower our supply chain by providing contracts to small and medium enterprises (SMEs), creating jobs and upskilling our workforce so they can better serve the industry and the country.

## ENGINEERING AND CONSTRUCTION

### Best-in-Class Delivery Standards

#### Industrialised Building System (IBS)

IBS transforms our delivery model and construction practices by utilising a system that facilitates better efficiency, less material wastage and shorter delivery times. It contributes towards increased productivity and higher quality construction, as outlined by the national initiative known as the Construction Industry Transformation Programme (CITP) for 2016-2020. IBS is a key example of our move towards the circular economy as it is modular, reduces the use of raw materials and minimises wastage. IBS encourages the adoption of long-term design thinking, technology and innovation throughout the life cycle of a construction asset.

# Sustainability Statement



Gamuda is leading the way by building the first automated robotic digital IBS factory in Malaysia. Located in Sepang and completed in June 2016, it has a maximum output capacity of 3,000 property units per year. A second digital IBS factory is currently under construction in Banting and will be ready by the end of 2018.

Our investment in the two fully integrated digital IBS factories effectively disrupts the traditional method of construction through the use of this digital building system where components are prefabricated in a controlled environment and moved to the building site for installation.

IBS also improves worksite safety, reduces construction timelines by almost 50% and lessens the use of foreign labour by 63% – raising QSHE standards and minimising risks. For further details on how IBS reduces waste on-site, please refer to page 89.

By the end of 2018, Gamuda IBS factories will have a combined workforce of 500 with a capacity to produce 8,000 property units per year.

Digital IBS is mainly supported through the use of Building Information Modelling (BIM), a digital representation of the physical asset that allows the sharing of integrated data collaboratively during the entire construction process. The 'digital twin' afforded by BIM is beneficial to the asset owner/operator as it can extend the useful life of the asset while reducing the overall total cost of ownership.

All Gamuda Land's high-rise developments will be fully designed using BIM and digital IBS by 2020, with the prospect of expanding this further to other property segments. Our digitally integrated delivery system will deliver buildings in all market segments with the same superior quality – be it affordable homes or luxury mansions.

A total of 180 Malaysian plant operators are being trained to use IBS technology and we plan to hire and train another 320 operators for the upcoming factory in Banting.

## Building Information Modelling (BIM) – the Digital Twin

The integrated BIM design utilises a shared digital Common Data Environment that allows us to customise our designs. BIM in Gamuda IBS allows us to flexibly produce precast panels without resorting to fabricating new sets of moulds for each project. The Gamuda IBS moulds are configured through BIM for every new cast we make.

BIM's key benefit is the ability to build a "digital twin" of a proposed development. The outcome of BIM is a precise representation of the development that will be used by designers, planners, project managers and quantity surveyors before construction begins, allowing real-time changes and updates to be made that translates across the board to each respective person-in-charge. It serves as a tool for

clash detection, ensuring smoother operations during construction to avoid rework and delays to project timelines. Gamuda is set to be the industry frontrunner in the digital delivery system with the imminent adoption of BIM.

Manpower and time savings from BIM usage: In place of 10 quantity surveyors taking over two months to finalise the material cost assessment for 10 KVMRT stations, it will now require one quantity surveyor less than three weeks.



# Sustainability Statement

## PROPERTY DEVELOPMENT

### Making Good Sustainable Towns

As a town maker, Gamuda Land creates places that people will call home, want to be a part of, grow up and grow old in.

An important part of town making is listening to what the land tells us. Our land has blessed us with many resources – rolling terrain, hills, wetlands – so we are able to work with nature, preserving what was there before us and finding innovative ways to incorporate them into our masterplan. We bring the water that runs off the land and flow it into natural ravines to create lakes. We preserve the hills in our towns so we are able to have hilltop homes just as we have lakeside homes. The trees, we preserve and transplant only when required. As such, the essence of the place remains unchanged, only enhanced.

To make a town work, we need to get the places right. So we think of not only the home place but also the work place, play place, park place, shopping place, learning place. These need to be mindfully planned and thoughtfully put together. They need to be organised around a town square, often by a waterfront and having a promenade, to give the town a sense of place. Providing people with the means to connect with one another, with nature and with themselves.

The common ground for everyone is the community – where people know one another, live together and look out for each other. As a town maker, we are creating a place for everyone, from growing families, retirees to young married couples and singles.





# Sustainability Statement

Our planning principles, from the masterplan to architectural design, promotes connectivity to others and the community, as well as indoor and outdoor liveability.

Town making is not just about construction. To do it right, we have to think through the connectivity. There has to be an infrastructure masterplan that ensures easy connectivity, right from your home to the highway and all the neighbourhood stops in between. To virtually connect people to one another is just as important so the masterplan has to have the right technology and solutions.

A town must stand the test of time so in town making, we not only think of what was there before us. We also think about what is yet to come. It is about harmoniously bringing together elements that matter – the gathering places, the architecture and streetscapes, the parks and lakes that open up to each neighbourhood and the town square that draws everything and everyone together.

It is about using smart design principles that respect nature and better construction methods (IBS), to try to do things better and faster.

This is how we look at the details and how we plan for tomorrow to make the town work for the people who call it home.

## Committed to Delivering Quality

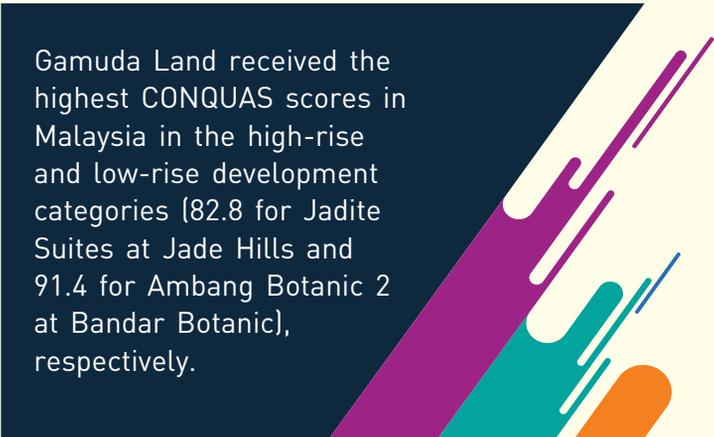
Gamuda Land is ISO 9001:2008 certified and is working towards achieving ISO 9001:2015. The value that we deliver to our customers through better quality of life and capital growth year after year is proven by The Edge-PEPS Value Creation Excellence Award, which we have won for five consecutive years. We are the only developer in the country to have done so.

## Design Innovation

The primary premise for every township is the community. Our planning principles – from master planning to architectural design – always nurture connectivity. The result of our holistic approach to town making continues to deliver value to our customers for a more wholesome quality of life and capital appreciation year-on-year.

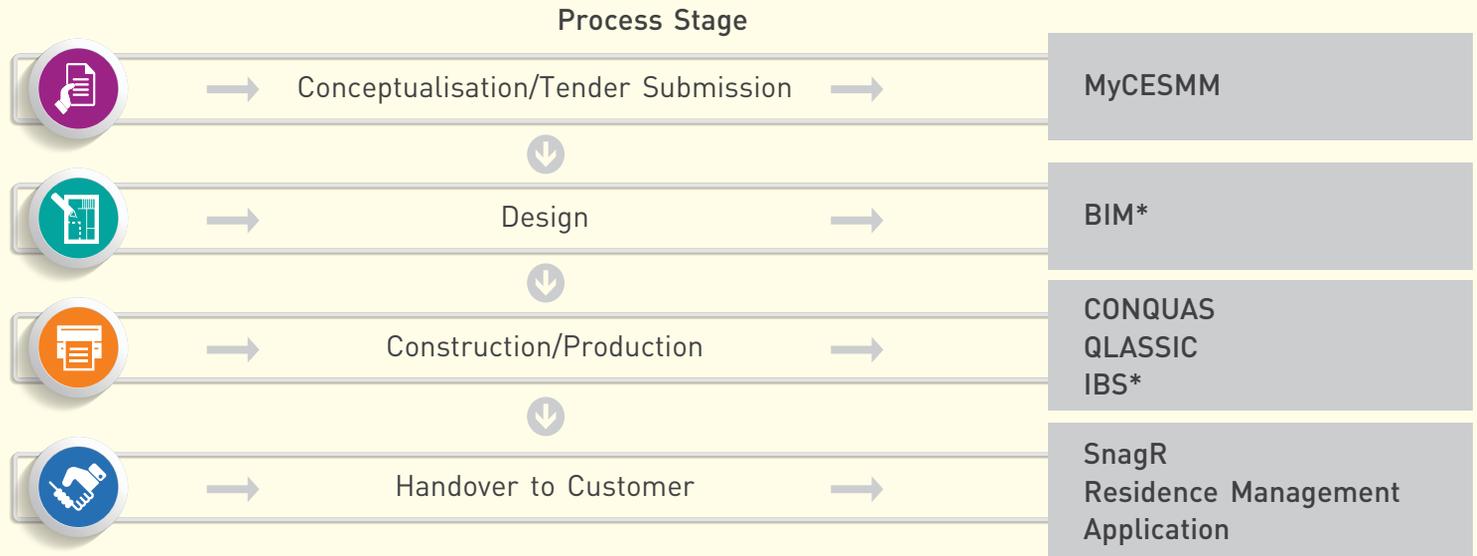
Our developments incorporate:

- Distinctive environmental architecture: We provide beyond the green ratio required for community and green areas in our living spaces, including vertical developments. Two of our township developments – Kota Kemuning and Gamuda Gardens – allocate an exceptional 45% and 51% allocation of land space for landscaping, lakes, parks and infrastructure.
- Community and amenities: Recreational facilities and leisure amenities such as clubhouses are provided to encourage community sharing and wellness. We also offer shuttle services to nearby transportation hubs. Our streets are designed with safety in mind, and shared by motorists, cyclists and pedestrians. Our towns feature walking and biking lanes.
- Flood prevention measures – Our towns are equipped with detention ponds, which conform to the Department of Irrigation and Drainage Malaysia's Urban Storm Water Management's (MSMA) design of 100 years Average Recurrence Interval (ARI).



Gamuda Land received the highest CONQUAS scores in Malaysia in the high-rise and low-rise development categories (82.8 for Jadite Suites at Jade Hills and 91.4 for Ambang Botanic 2 at Bandar Botanic), respectively.

## Best-In-Class Delivery Standards



\* IBS and BIM described on page 75 and 77 respectively.

Gamuda is a Committee Member of the **Malaysian Civil Engineering Standard Method of Measurement (MyCESMM)**, which is a standardised measurement system that handles project tender submissions and budgets.

**Construction Quality Assessment System (CONQUAS)** by the Building and Construction Authority (BCA) (Singapore) is a widely accepted international benchmarking tool to assess the overall quality of a building's workmanship during the various stages of construction.

*\*\* Effective June 2017, BCA International Pte Ltd no longer provides the CONQUAS Assessment service to projects outside of Singapore. Gamuda Land's last project to be assessed by CONQUAS is The Robertson, Tower 1, which was assessed in May 2017 and was certified on 14 July 2017.*

**Quality Assessment System in Construction (QLASSIC)** is a system adopted by CIDB to evaluate the workmanship quality of a building's construction based on the Construction Industry Standard (CIS 7:2006). This year, we attained a QLASSIC score of 85% for Phase 1 of The Robertson, awarded to Idaman Robertson Sdn. Bhd., and a QLASSIC score of 86% for our Gamuda IBS show unit.

**SnagR**, a Web and Mobile site inspection and defects management system, will allow our employees to manage workmanship during construction and defects during the defects liability period. With this system in place, laborious and error-prone paperwork can be eliminated, and communication of information between relevant parties will be more effective and efficient.

### Residence Management Application

To be rolled out to all townships, this app will be used to seamlessly manage township amenities and community living.

# Sustainability Statement



## Affordable Housing

Our affordable housing projects benefit from the use of Gamuda IBS. A shorter construction timeline translates to cost savings. Gamuda Land plans to build 8,072 affordable housing units, 714 of which will be at Jade Hills, which is part of Rumah Selangorku, an initiative by Lembaga Perumahan & Hartanah Selangor.

Together with our existing portfolio of 4,928 affordable units spread across our current developments, we aim to have a total of 13,000 units of affordable housing by 2028.

## Responsible Marketing

Gamuda ensures timely and accurate information is disseminated in the markets that it operates within. This is particularly important in our residential developments where marketing collaterals and “show unit” presentations are built as accurately as possible to avoid misleading potential homebuyers.

Gamuda Land’s Marketing and Sales, Sales and Administration, Township Management and Construction Management teams adhere to our Sustainable Service Standard – a set of customer-centric procedures that focuses on the continuous improvement of service delivery at every level.

Our sales force undergoes annual training to improve competencies and customer service quality. This includes quality assessments on marketplace knowledge as well as thorough briefings on product features, price, facilities, masterplan and surrounding amenities on all our projects.



### INFRASTRUCTURE CONCESSIONS

The network of highways and expressways has opened up growth corridors along Petaling Jaya, Puchong, Shah Alam and Klang, and has helped create many new townships along these routes such as Bandar Botanic and Kota Kemuning.

#### Total Customer Satisfaction and Road Safety

We are constantly looking at ways to improve the highways and to enhance motorists' travelling experience. Among them are:

- Traffic updates on Traffic Management Plan (including lane management).
- LDP electronic toll collection by November 2017.

For more details on the sustainability-related information of our Infrastructure Concessions, please refer to the Lingkaran Trans Kota Holdings Berhad (LITRAK) Sustainability Statement in the Annual Report 2017, page 24.

### RESPONSIBLE SUPPLY CHAIN PRACTICES

We are committed to transparency, and have in place an effective and fair business policy for our supply chain. For this purpose, Gamuda Trading, our independent trading entity, also acts as a third party to introduce potential vendors and suppliers for our projects and business partners.

Gamuda Trading ensures there is stringent compliance with specified contractual standards. It also facilitates the pre-selection of qualified vendors to be proposed to the Material Review Board (MRB) of Gamuda Land. We also source raw materials for our large infrastructure projects from rural areas, boosting the economy of rural communities. We assist and monitor suppliers' compliance through multiple channels including training, mentoring, workshops, regular Safety, Health and Environment (SHE) inspection and an online SHE Reporting System (Safetrack). These efforts are supported by an independent monthly audit regime. For the KVMRT Line 2, a higher weightage for SHE during the pre-qualification and tendering stage was enforced.

Gamuda Trading's supplier performance assessment ensures each supplier is appraised based on environmental management and life cycle perspectives. This helps us ascertain our vendors and suppliers follow ISO 14001 requirements.

#### Project Delivery Partner (PDP)

The PDP's main function is to take on all project risks and act as the single point of accountability to ensure timely and on-budget delivery of large scale projects. The success of the PDP model has enabled us to fully deliver the KVMRT Line 1 on time and within budget in July 2017.

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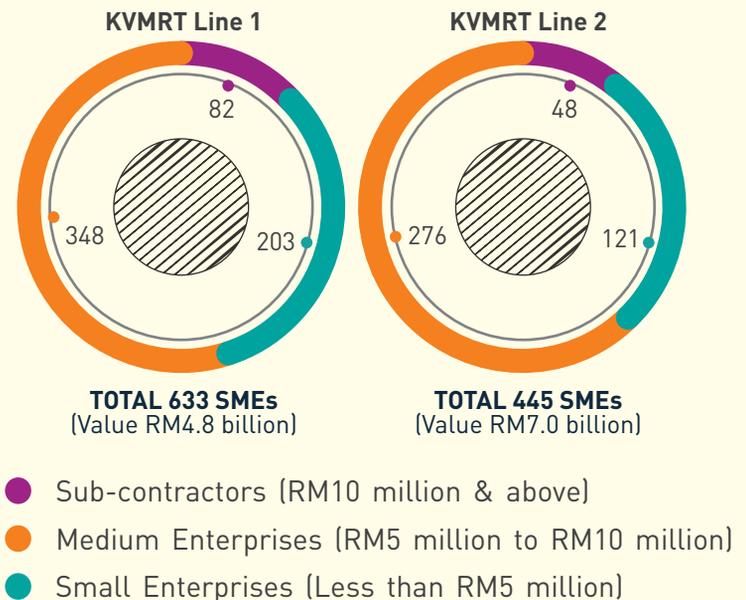
## Building Local SMEs

Gamuda believes in nurturing a robust SME ecosystem for the construction industry. The involvement of SMEs in KVMRT ensures the continuity of local participation in infrastructure projects. This enables SMEs to invest in upskilling, multi-skilling, and improving technology, equipment and automation. This commitment is in tandem with the Ministry of Works' CIP to enhance productivity under the P6 Initiative, which aims to heighten the capacity and capability of Bumiputera SMEs.

Around 98% of the tunnelling works in KVMRT were carried out by SMEs, while other specialised works – such as the manufacture of the Tunnel Boring Machine (TBM), TBM support systems and consultancy work – was assigned to foreign corporations. More than 900 skilled underground workers are required on the KVMRT Line 2 by the end of 2017.

## SMEs awarded KVMRT work packages

### UNDERGROUND KVMRT WORKS – LOCAL SUPPLY CHAIN/SMEs



### Enabling SMEs to Expand and Grow

Participating in public transportation projects such as the KVMRT has brought much innovation and progress for many SMEs like Worktime Engineering Sdn. Bhd.

“Being involved in the relocation works of power supply cables for the stations at Muzium Negara, Pasar Seni, Merdeka, Bukit Bintang (in KVMRT Line 1), and Hospital Kuala Lumpur and Kampung Baru North (in KVMRT Line 2) have presented us with the unique opportunity to be part of a national project. We are able to improve our technology and knowledge that directly moves us ahead of the competition in the long run.”

**Affendy Arifin**

Director, Worktime Engineering Sdn. Bhd.

In addition to our partnerships with SMEs, we have also started working with start-ups to tap into their innovation and creativity to help us capitalise on the digital economy and enhance data security for our organisation. This is part of our commitment to the Malaysian Digital Economy Corporation (MDEC) Value Innovation Platform (VIP) programme. We believe start-ups steer digital innovation, not just within the industry but across the board. Therefore, we choose to engage with them to collaboratively develop new digital solutions.

We are exploring the idea of creating Smart City Hubs with Gamuda Land. We want to attract more start-ups in the area of smart city solutions to set up their office in Malaysia so we can better harness their ideas. We are already seeing some tangible results through a new asset management system at Gamuda Walk.

## BUILDING OUR COMMON DATA PLATFORM

We want to be data driven. The availability of data will allow us to track and monitor the progress of our key indicators against targets, and enhance our disclosure and business performance. We can retain intellectual capital and refine business processes through time, making us more competitive. We are already working on enhancing our Common Data Platform, and standardising processes and practices to achieve improved coordination amongst subsidiaries and business units in the supply chain process.

We are institutionalising lessons learned; whether it is best practices, evaluation of risks, feedback or case studies. A digital catalogue enables us to continuously improve our business processes.

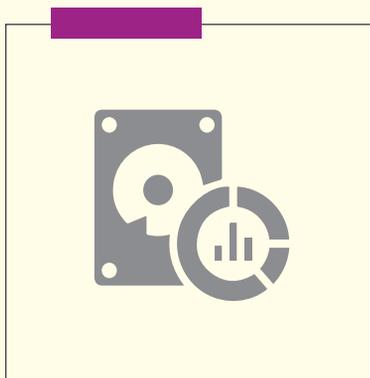
The Common Data Platform will be able to translate into tangible outcomes where we can be highly consistent in our methodology, faster in decision-making, and ultimately provide excellent service and

experience for our customers and business partners. To accelerate the digital adoption rate and effect a mindset change, we have become a signatory to MDEC's VIP programme, which offers engagement with start-ups to help us identify our pain points, strengths and opportunities for growth.

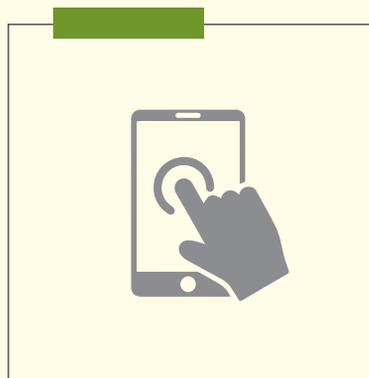
The programme is also designed to assist organisations such as ours to create a suitable ecosystem and structured approach to increase awareness and capabilities to spur innovation and inspire creativity through the use of IT in our digital transformation roadmap.

Under the VIP programme, the Township Management Department of Gamuda Land recently completed a pilot project with a start-up company, focusing on asset management and solutions. The project saw a reduction of inspection man-hours by more than 60% through process digitisation and deployment of sensors in Gamuda Walk.

## Supporting our 3C's strategy



**Capacity**



**Capability**



**Competitiveness**

# Sustainability Statement

## ENVIRONMENTAL MANAGEMENT

To keep pace with change and implement solutions that address environmental and related social challenges, we have identified opportunities to manage our property portfolio with a “green mindset”. This incorporates mitigating climate change risks in all projects, right from material choices to low-carbon engineering solutions.

In all our operations, we adhere to environmental compliance procedures governed by the Quality, Safety, Health and Environment (QSHE) policy as well as the ISO 14001 Environmental Management System, which has been implemented for almost 10 years. This is reinforced via our QSHE policy, training and ongoing programmes and campaigns.

### GREEN DEVELOPMENT

As a town maker, we aim to create a sense of place, where people and nature can come together and share a common ground to call home.



It's about mindful planning and being able to work with nature. Like how we try not to change the terrain and preserve the natural drainage. And how we allow the land to return to its natural state to encourage the spread of flora and fauna. When we work with the land in this way, there is respect for what was there before us, and a sense of balance between the natural things and those that we build.

### Certifications

Certification for green developments and incorporation of sustainable products and practices have become efficiency markers in building standards. They serve as benchmarking tools that translate to business profitability, operational cost savings, and environmental responsibility.

Recent audits and certifications:

- Gamuda Berhad and Gamuda Engineering have obtained revised certification on ISO 9001:2008 and ISO 14001:2004 to ISO 9001:2015 and ISO 14001:2015.
- Gamuda Berhad Singapore branch office obtained the latest ISO 9001:2015 certification from TÜV Rheinland Singapore on 6 March 2017. This compliance allows us to apply for all MRT job tenders from the Land and Transport Authority (LTA) Singapore.
- Gamuda Berhad Singapore branch office has also successfully secured the Green and Gracious Builder Certificate from Singapore's BCA on 30 March 2017. The BCA Green and Gracious Builder Scheme (GGBS), launched in 2014, encourages small and medium construction (SMC) firms to work in a smart and responsible manner. GGBS for SMC firms focuses on applying gracious (50%) and green (40%) practices, as well as innovative and exemplary practices (10%) to work smart and in a responsible manner to minimise the carbon footprint and address community concerns.



### Green Building Index (GBI) – Beyond Certification

Gamuda Land has adopted eco-friendly principles in all its developments with the GBI Rating System. Our aim is to excel beyond the minimum certification requirements. The GBI is a national green building rating tool localised to our tropical climate and adapted to the current social, infrastructure and economic development status in Malaysia. It focuses on increasing resource efficiency and reducing the impact on human health and the environment during the building's life cycle.

In total, we have four GBI ratings for our Gamuda Land developments; three Gold ratings (provisional) awarded to The Robertson, HighPark Suites and Gamuda Cove Core Business District, and a Silver rating (provisional) for Gamuda Gardens.

Under the GBI Index, we excelled in the category of innovation, with all four developments attaining maximum scores. A few examples of our exclusive features are the community food and herb gardens, green education, soil bioengineering, water sensitive urban design, charging points for electric cars and the use of regenerative drive elevators, an energy-efficient lift system.

### Landscape Architecture

Kundang Estates (89 acres, located in Sungai Buloh) received the Landscape Masterplan Awards (Honour Awards) in the Developer & GLC Category at the Malaysia Landscape Architecture Award, presented by the Institute of Landscape Architects Malaysia (ILAM). The award recognises large-scale landscape planning that contributes to the expansion of landscape architecture knowledge and values while benefiting the local community.

This development also received the Family-Friendly Award (Honours) at the StarProperty.my Awards 2017.

# Sustainability Statement

## PIONEERING ENGINEERING SOLUTIONS

Gamuda has a strong reputation as a regional pioneer and leader in tunnel boring, which is an aspect of green engineering that utilises underground spaces for infrastructure development.

After the success of our Tunnel Boring Machines (TBM) for the Stormwater Management and Road Tunnel (SMART) project in 2002, we have maintained our leadership in the field by utilising TBMs for the KVMRT projects.

We continuously evaluate and improve our tunnelling processes and have also set up a TBM refurbishment plant as part of the MRT Project Offset Programme. This involves collaborating and cooperating with foreign contractors and suppliers to develop high technology solutions in Malaysia. Tunnelling standards and equipment are controlled using the BS 6164:2011 Code of Practice. Compliance with this code ensures we meet the requirements of the International Tunnelling Insurance Group (ITIG) Risk Management Code of Practice.

The risks with TBM in karstic limestone formations are potential sinkholes, public injury, building damage and environmental disturbance. To mitigate these risks, we use the world's first Variable Density TBM, jointly designed by MMC Gamuda and world renowned TBM manufacturer Herrenknecht AG of Germany.

### Environmental Efficiency and Eliminating Waste through TBM Refurbishment

The TBM refurbishment plant was set up by MMC Gamuda in Perak in 2014. Refurbished TBMs offer savings in raw material and shipping costs as they reduce the need to buy new machines. 12 TBMs will be used to construct tunnels in KVMRT Line 2, eight of which are refurbished TBMs from KVMRT Line 1.

The eight refurbished TBMs achieved an estimated total cost savings of RM200 million (RM40 million per Variable Density TBM and RM28 million per Earth Pressure Balance TBM). This is equal to a savings of over 6,500 tonnes of steel and a reduction of over 12,000 tonnes of CO<sub>2</sub> emissions from the steel production alone.



## WASTE MANAGEMENT

At our project sites, we ensure that construction waste is managed in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. Towards this end, we ensure that all scheduled waste generated from our project sites is transported to approved treatment facilities or designated disposal sites by appointed licensed contractors.

### Project-based Waste Management

For the KVMRT Line 1 construction works, we had in place green goals and objectives to monitor concrete, rebar and waste generation as part of our efforts to achieve GGBS certification. Some on-site waste reduction practices for the construction of Line 1 included:

- Rejected precast tunnel rings were returned to the plant for crushing and reuse.
- Reduced paper usage with our online registration and examination software.
- Reuse of excavated materials to provide backfill for old mine mixing ponds, and low-lying areas.
- Reuse of demolition materials for site hard-core, temporary roads and backfill.
- Conducting trials on polycarbonate wall formwork to increase usage from 5 to 100 pours (temporary work structures).
- Use of recycled water for wheel wash facilities.
- Recycled steel for various uses around the site.

One energy-saving initiative implemented this year at Menara Gamuda was the installation of LED lighting across two floors of our basement carpark which effectively reduced the energy consumption by 52.5% over the course of seven months.

## Reduction of Construction and Material Waste with IBS

There is less wastage with the implementation of IBS in our construction and building projects. As IBS uses dry construction, the amount of water used at construction sites is much reduced. The timber formwork (temporary structures) that is used in conventional construction methods, and discarded after construction, is also reduced as IBS construction uses steel moulds that can be reused.

## ENERGY AND WATER MANAGEMENT

Construction-related activities are water and electricity intensive, resulting in environmental impact. We practise energy and water management for optimum usage and minimum consumption and wastage. In line with this, we will have energy-saving lights and solar-powered traffic warnings implemented during the construction phase in KVMRT Line 2.

From FY2016 to FY2017, there has been a decrease of 7% in average water and electricity consumption respectively at our headquarters, Menara Gamuda. This indicates that while our resource target was for an allowance of up to a 5% increase in our yearly average consumption of water and electricity, we have managed to effectively reduce our average consumption.

As part of our conservation efforts, waste water is used for watering plants and selected cleaning purposes.

Financial Year	FY2017	FY2016	% difference
Water (m <sup>3</sup> )	1,466	1,571*	-6.68%
Electricity (kWh)	239,108	255,858*	-6.55%

\* Restatement of FY2016 data as a result of improved internal tracking

# Sustainability Statement

## NOISE MANAGEMENT

The noise and vibration mitigation measures implemented at KVMRT Line 1 will be replicated for KVMRT Line 2. We also implement noise mitigation measures for our highways.

We mitigate noise pollution at all our construction and operational sites through various initiatives to comply with the Department of Environment (DOE) noise control requirements. Noise reduction strategies implemented for KVMRT include the construction of noise barrier walls and planting of shrubs to lessen the noise transmitted from our project to the surrounding communities. Noise reduction practices by our crew are guided by our internal procedures, night work permits and legal

requirements set within the Detailed Environmental Impact Assessments (DEIA) approval requirements for the project.

For the assessment and analysis of noise and vibration for KVMRT Line 1, MMC Gamuda appointed Universiti Teknologi Malaysia (UTM) Institute of Noise and Vibration as our Noise and Vibration Consultant. The institute conducted a detailed analysis of the noise levels along the entire line, and provided design recommendations for noise and vibration mitigation measures in the form of noise barriers, enclosures and track isolation systems. The noise barriers were also constructed from environmentally-friendly materials. KVMRT Line 1 had the largest and most technically-challenging noise barrier contract in the ASEAN region.



## REDUCING OFFICE WASTE

In our daily operations, we reduce our environmental footprint through concerted efforts to elevate energy efficiency, reduce wastage and recycle materials on a regular basis:

- All departments at our headquarters implement the “3R” Programme (Reduce, Reuse and Recycle) to manage and conserve resources at the workplace.
- Employees are encouraged to reduce the wastage of paper by re-using paper for non-crucial printouts. We sold 34.1% more recycled paper this financial year compared to last year.
- Employees are also encouraged to use their own food containers at the cafeteria to reduce and hopefully eliminate the use of disposable boxes.
- We encourage employees to uphold the Company’s commitment to waste management not just in the workplace, but also at home by raising awareness on the importance of waste separation for recyclable and non-recyclable waste.

### Nurturing Nature

Our annual Gamuda Environment Day was celebrated at Zoo Negara in November 2016 with the theme “Nurture the Nature, For a Better Future”. The event was conducted in collaboration with Zoo Negara, which coordinated the site preparation and planned the activities. The day centred around three types of activities: Grow, Glow and Green.

#### Grow

Assisted zoo personnel with horticulture and landscaping.

#### Glow

Assisted zoo personnel with exhibit modifications and upgrading the perimeter.

#### Green

Assisted zoo-keepers in caring for animals.

Our goal is to make Environment Day an annual event to enhance our commitment to environmental conservation.

## SOCIAL CONTRIBUTION



We are committed to building talent for the Group and for the nation. We provide a conducive workplace for our employees, and we offer pragmatic support for the communities that we live and work with. Beyond building a business, we believe in building relationships and strengthening bonds with stakeholders.

The synergy created from matching the needs of the business with that of our workforce is premised on five core values of the Group – **Take Personal Ownership; Walk the Talk; Adopt Open, Honest Communication; Demonstrate Real Teamwork; and Develop our People.** This culture has proven to be a winning formula in our employee retention and satisfaction.

Today, we are proud to have a sizeable pool of long-serving talents. We attribute this to our active employee engagement and strong employer brand

that delivers. We aim to meet the ambitions and aspirations of our employees by providing them access to the tools needed to achieve their personal and career development goals. This, coupled with an open, communicative and collaborative relationship with the organisation, has resulted in productive and rewarding careers for our people.

### WORKPLACE

Our workplace sustainability approach is two-fold. Firstly, we maintain stringent health and safety standards for our workforce and sub-contractors as the nature of our business operations necessitates. Secondly, we support future business needs through our 4R talent management philosophy – Recruit, Retain, Replenish and Renew.

## Quality, Safety, Health and Environment (QSHE)

To greatly improve the construction industry's safety record, the government, through CIDB, implemented the CIP 2016-2020. The 11th Malaysia Plan also aspires to raise the overall standards in the industry and halve worksite fatalities and injuries by 2020.

In line with that, a Memorandum of Understanding (MOU) was signed in 2015 between MRT Corp, MMC Gamuda KVMRT PDP SSP Sdn. Bhd., CIDB Holdings Sdn. Bhd., and the National Institute of Occupational Safety and Health (NIOSH), setting the stage for research and development of standards and policies for occupational health and safety (OSH).

### The Role of a Specialist (Safety) Instructor for KVMRT Line 1

“As a specialist safety instructor, it is my job to train all site employees working underground on the KVMRT Line 1. Employees are coached in flashover firefighting and tunnel firefighting. The training focuses on providing realistic firefighting environments in addition to experiencing the signs, symptoms and backdraft phenomenon.

We often also provide these training programmes to higher education students and other professional bodies, including the Fire & Rescue Department, in the hope that the collaboration can be mutually beneficial. This training is very important for all employees as it teaches us how to study and understand the behaviour of smoke, prevent fires and prepare ourselves in the event of an emergency.”

#### Arziah Mohd Ahsim

Specialist (Safety) Instructor, MMC Gamuda

### Key Safety and Health Initiatives at Gamuda:

- Gamuda Wellness Campaign
- SHE Reward Programme
- On-site and HQ training campaigns
- QSHE Knowledge Sharing
- Building Safety Certification Scheme
- HQ QSHE inspections on project sites
- Setting and reviewing QSHE Key Performance Indicators (KPIs) on a monthly basis
- Safety taskforce at project sites
- Development of training centres (with CIDB and NIOSH)
- Emergency Preparedness Training
- Basic First Aid, cardiopulmonary resuscitation (CPR) and Automated External Defibrillators (AED) training at the workplace
- Awareness Briefing by CIDB on the Regulation of Construction Materials (CIDB Act 520)
- Introduction to TBM Operations at the Tunnelling Training Academy (TTA)

One of our earliest missions was to put in place a robust safety and health framework, which led to Gamuda's successful award of OHSAS 18001 and MS 1722 certifications by SIRIM in January 2008. Since then, we have continued improving our QSHE management system to ensure that we maintain the highest standards in the industry and this is reflected in our various international and national certifications.

# Sustainability Statement



Our QSHE Policy Statement, which was revised in January 2017, is available on our website. Our QSHE performance is reviewed annually by the headquarters (HQ) to ensure that all matters comply with our standards. It is reviewed bi-monthly for projects under Gamuda Engineering, and annually for KVMRT tunnelling and PDP.

## **KVMRT Line 2: 9 million Lost Time Injury (LTI) free-hours**

The KVMRT Line 2 uses the SHE Enhancement Model with a focus on revamping the SHE model from enforcement to self-regulation. This encourages leadership and ownership, motivating employees to make safety and environment their personal priority, and not just the company's responsibility.

The SHE Enhancement Model's features are:

- Pain & Gain approach
  - KPI & measurement criteria *(In the event of any Class 1 (fatality) or Class 2 (permanent disability) incident, the total SHE KPI score becomes zero)*
- SHE performance score
- A monthly KPI evaluation
- Entitlement for monthly payment & incentive based on monthly KPI evaluation result
- Achievement measured monthly and linked to payment/fee

Target:

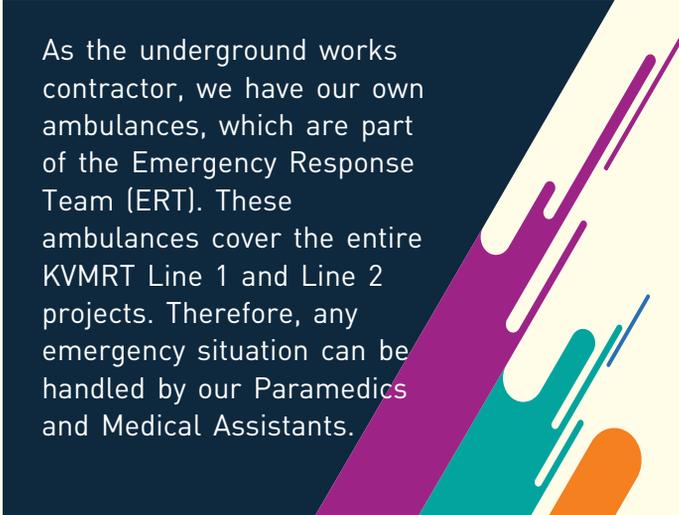
- Zero fatality
- Form a Steering Committee between the Department of Occupational Safety and Health (DOSH), DOE, MRT Corp and LRT 2 to share experiences and knowledge, and update news from enforcement bodies

## KVMRT Safety and Health Initiatives

### *Safety Passport Scheme*

In order to work on site, construction workers are required to possess valid construction personnel registration cards, also known as Green Cards. To enhance security on the KVMRT project sites, workers who enter our sites need to carry a Safety Passport, with the most basic being a Blue Card. To be eligible for a Safety Passport, workers must have a valid Green Card. The Blue Card system bypasses the problem of undocumented or illegal workers. During inspections, those with safety passports are easily identified with a QR code, which can be conveniently read using a mobile phone. Those without valid safety passports can also be identified immediately and refused entry.

An estimated 20,580 KVMRT Line 2 workers are targeted for this scheme. These workers undergo continuous safety training to prevent or reduce fatalities and accidents.



As the underground works contractor, we have our own ambulances, which are part of the Emergency Response Team (ERT). These ambulances cover the entire KVMRT Line 1 and Line 2 projects. Therefore, any emergency situation can be handled by our Paramedics and Medical Assistants.

## Communication of QSHE Policy

The QSHE Policy is communicated through a one-day awareness course followed by a formal examination two weeks later. All parties working on our projects are subject to the Construction Skills Certification Scheme with tests for different job roles (including operatives, specialists, managers and professionals) and multiple categories (legal and management, health and welfare, general safety, high-risk activities and environment). To ensure better understanding and compliance, these tests are available in six languages.

## 4R Talent Management

### Recruit

Talent acquisition is the first step to securing the right skills and knowledge to meet the requirements of the company's various business divisions. While sourcing for experienced talent is important for the advancement of our company, recruiting and grooming young talent is equally imperative. Our candidates are sourced through various channels including online job boards and social networking sites.

# Sustainability Statement

Gamuda has various avenues and programmes to ensure we enlist the best talents and develop the most promising leaders:

## Gamuda Graduate Programme (GGP)

Every year, we take in an average of 30 graduates. They undergo an intensive three-year programme of on-the-job training in various functions.



## Gamuda Scholarship

We aid outstanding young Malaysians to pursue their tertiary education in subjects relevant to our businesses at the best local and foreign universities.

## Collaboration Programmes with Institut Kemahiran Belia Negara (IKBN), Akademi Binaan Malaysia (ABM) and Kolej Komuniti (KK)

Interns from local and foreign universities are provided with exposure to a dynamic work environment in preparation for employment upon graduation.



## TalentCorp

We have employed scholars from the Public Service Department (JPA), providing an avenue for them to fulfil their government bond in the private sector.



## Skim Latihan 1Malaysia (SL1M)

We participate in this national talent development programme to improve the employability and marketability of Malaysian graduates by re-skilling and up-skilling them in areas relevant to the industry.



## Internship

Interns from local and foreign universities are provided with exposure to work experience in preparation for employment upon graduation.

Programme	2017	2016
<b>Gamuda Graduate Programme (GPP)</b> <b>(143 graduates to date hired and 92 in service with the Group)</b>		
Number of participants	39	30
<b>Gamuda Scholarship</b> <b>(Over 311 have been sponsored by Gamuda as of July 2017)</b>		
Number of scholars	43	32
Amount of scholarships disbursed	RM5.6 million	RM4.7 million
Number of scholars working in the Group	106	104
<b>IKBN, ABM and KK</b>		
Number of recruits trained	127	58
Number of recruits hired (not from training programme)	112	NA
<b>SL1M-Gamuda</b> <b>(Since 2012, we have trained 336 graduates and hired 92 for executive roles)</b>		
Number of participants	56	43

The Gamuda Scholarship offers mentoring during the course of study and a career opportunity to participate in nation building. It serves to build talent and create more Malaysian professionals working with Gamuda on public infrastructure and property development projects.

Scholarships are offered to those pursuing Engineering, Quantity Surveying, Township & Urban Planning, Architecture, Property & Real Estate Management, Accounting, Business IT, Human Resources and Psychology.

In 2017, we received over 1,600 applications and offered 34 scholarships amounting to RM5.2 million. Additionally, in collaboration with the Ministry of Higher Education, we provided grants worth RM421,000 to 9 polytechnic graduates to complete their degree programme. Since 1996, 345 scholarships valued at RM39.6 million have been awarded.

## Retain

Recognising the needs and concerns of our employees, we constantly engage our people to promote a sense of belonging to the company and motivate them to take ownership of their roles and responsibilities while respecting the need for work-life balance.

The annual overall attrition rate has been on the decline since 2012; the Group attrition rate was approximately 8% in FY2017, significantly lower than the industry average of 15%. Over the last three years, the attrition rate has been consistently below

10% due to our efforts in improving policies that support work-life balance and the creation of a harmonious work environment. The policies, based on feedback from our Employee Engagement Surveys, have kept many staunchly loyal to the Group.

We believe that our commitment to developing our people through training and learning programmes has also contributed to the low turnover. Recently, we relocated the Gamuda Learning Centre (GLC) from our business headquarters in Menara Gamuda to a new building in Damansara Jaya.

# Sustainability Statement



The RM5 million standalone centre, which was opened in July 2017, houses the Enabling Academy, Construction Training Centre, BIM Training Academy and English Language Unit.

GLC is the in-house training arm of the Group and it provides staff access to a variety of courses for personal and professional development. The courses include in-house and external programmes covering Management and Leadership; Personal Development; Business Communication; Contract Administration; Finance; Information Technology Applications; and Quality, Safety, Health and Environment.

One of the highlights is the Gamuda Graduate Programme (GGP), which is a 3-year development course where Gamuda Scholars, former SL1M trainees and direct hires undergo an induction curriculum covering soft skills, computing proficiency, teamwork, decision-making and communication.

In addition, graduates who are recruited as Trainee Supervisors can attend the Construction Management Programme (CMP) courses accredited by the Construction Industry Development Board (CIDB) for Civil and Structural or Building and Architectural Works.

## • Employee Engagement

We embarked on our Employee Engagement Survey last year and received our highest employee satisfaction rate of 85% this year, 1% higher than the global construction and engineering sector rate. We believe this is the culmination of our constant engagement over the



last few years, which has allowed us to adjust our policies and approaches to suit the needs of our workforce based on the feedback from our employees.

A total of 987 out of 1,623 invited employees took part in the first survey, which was one of many measures taken to achieve open, honest and transparent communications within the Group.

## • Competitive Remuneration and Attractive Benefits

Gamuda offers some of the best remuneration and compensation packages in the country. Employees in top or specialised roles receive top quartile remuneration while fresh graduates, as well as those who provide general and support skills, are paid very competitive salaries benchmarked within the industry.

Employees are also provided with wide ranging pro-health, relevant, flexible and innovative benefit schemes that cater to different needs. Available to all Gamuda employees, the benefits framework promotes a sense of equality amongst the ranks in the workplace. Our Sports Club encourages healthy living with sporting activities, annual trips and social activities at subsidised rates.

## • Work-life Integration

Our flexi-wellness benefits for all employees include medical entitlements and an array of health-promoting activities. The scheme is updated annually to ensure our benefits are well received by a greater proportion of our workforce.

- Parental Leave

Year	2017	2016
Paternity leave	52	24
Maternity leave	40	28
Childcare leave	60	45

- Flexible-Retirement Plans

Flexible Retirement Plans are also offered where employees can opt for early retirement at ages 50 and 55 (against the national official retirement age of 60) and retiring employees are offered retirement benefits based on the number of years served. This year, three employees chose to opt for this plan.

- Gamuda Long Service Awards

As a gesture of appreciation, loyal employees who have been with us for at least a decade are recognised at the annual Awards Night. It continues to inspire employees to stay motivated and grow with the company.

#### Gamuda Long Service Awards

Year	2017	2016
Total awards presented	237	219

- Living the Values Award

We truly believe that our core values are critical to achieving our long-term goals towards building a sustainable business. Thus, we introduced our Living the Values Award in 2014 as an annual event to celebrate employees who exemplify these values. To date, we have recognised 61 employees who have consistently integrated these principles into their work.

- Talent Week

Introduced in 2016, Talent Week is an engagement programme for employees to seek advice, guidance and support from peers and leaders on their personal and career development. Various activities were planned during Talent Week held in May last year, including talks and forums by reputable speakers from within and outside the organisation.

- Centralised Labour Quarters (CLQ)

We also care for the welfare of our contractors' employees. Our CLQ's are equipped with adequate living, food and medical facilities to accommodate up to 18,000 foreign workers, hired to work on the construction of the KVMRT.

Similar CLQ standards are applied in our other major infrastructure works such as the Pan Borneo Highway in Sarawak.



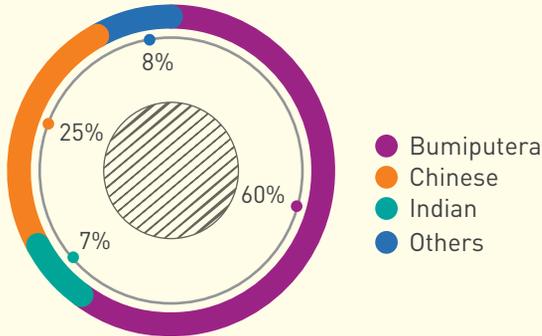
# Sustainability Statement

## Replenish

Gamuda's inclusivity policy cuts across race, gender, religion, age, socio-economic status and neuro diversity. We have a young and enthusiastic team with half our employees aged below 35.

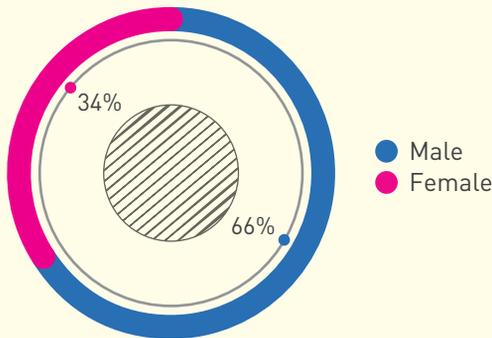
### Employee composition by race

Year 2017



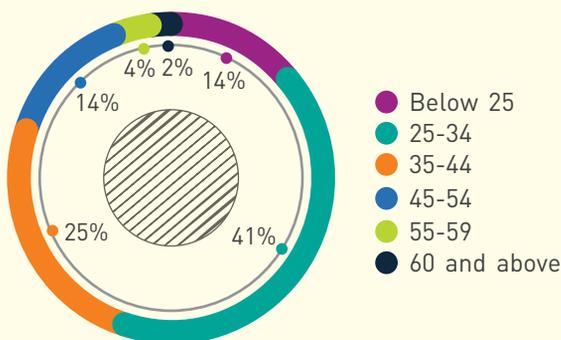
### Employee composition by gender

Year 2017



### Employee composition by age group

Year 2017

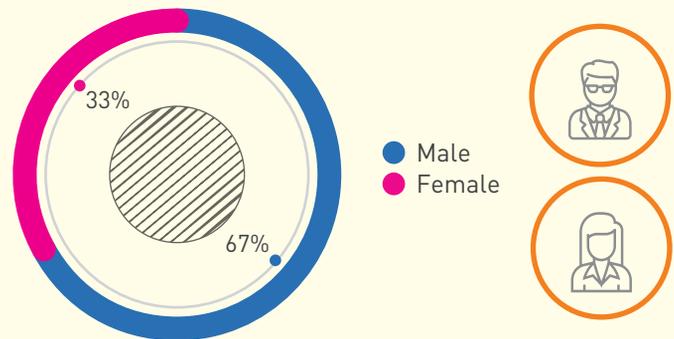


## Women@Work

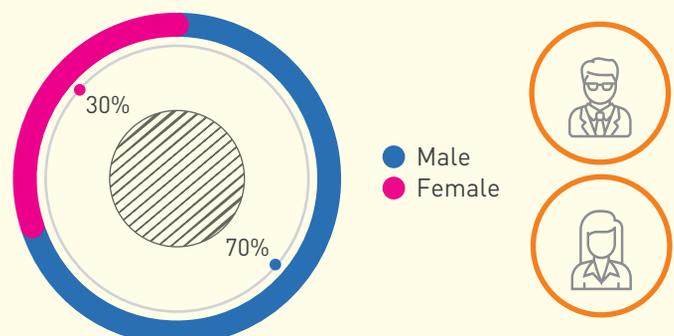
Our talent strategy encourages and supports the participation of women in the workforce in line with the national initiative to triple the percentage of women on companies' boards to 30% by 2016 ("The Malaysian 30% Club"). While we aim to increase female participation in our workforce, equal effort is placed in providing a supportive environment for them to reach their full potential in their career and their life at home. Various benefit packages are available for our female employees such as childcare subsidies; childcare leave; extended maternity leave; support and care facilities in the workplace as well as additional pre and post-natal support and guidance.

### Board of Directors' diversity rates

Year 2017



Year 2016



### Women Empowerment in Engineering

Not only did Noor Affida fulfil her dream to become an engineer, she also became one of the youngest engineers to manage part of the KVMRT. She has been serving as KLCC East underground station section head since last year.

“There is nothing a male or female staff does that requires different qualities or achievements. I set very high goals for myself and my focus is to achieve my targets. This drives me to go beyond my comfort zone. How often do you get to tell your friends that you were part of a mega project, which is set to change the course of public transportation in the country? It still feels very surreal to me. I feel very humbled by this experience and I sometimes still ask myself, was I really a part of this?”

**Noor Affida**  
Section Underground Head for KVMRT Project, MMC Gamuda

### Renew

Our employees are given skill-enhancing opportunities in order to remain industry relevant and dynamic. We train our frontline staff so that they are capable of performing more than one job function at any one time. Taking on multiple job functions and roles gives them a competitive edge to better their career development and personal progression. Succession planning is in place for top management and also for senior site supervisory positions.

We continue to drive our organisational culture and values to be responsive to the changing business environment and growing needs of our people, communities and country.

Our career development blueprint consists of a three-pronged strategy: 70% on-the-job training; 20% mentoring and guided learning; and 10% formal training.

We provide training for different career levels and job streams. Skills-based work training is conducted at project sites while supervisory and management training is conducted at the Gamuda Learning Centre. Gamuda’s Infrastructure Concessions’ implementation of Electronic Toll Collection (ETC) reduced the need for manned toll booths. These employees will be re-trained and re-deployed.

Career Level	Skilled Workers	Supervisors	Management
Entry Level	<p>TTA and BIM Training Academy are open to college graduates.</p> <p>Deployed to Underground Works (UGW) &amp; Gamuda IBS (GIBS) factories for roles as:</p> <ul style="list-style-type: none"> <li>- Factory Operation Technicians</li> <li>- Electricians</li> <li>- Mechanics</li> <li>- Specialised Tunnel Personnel</li> </ul>	<p>College graduates recruited as Trainee Supervisors can attend CMP courses accredited by CIDB for Civil and Structural or Building and Architectural Works.</p>	<p>The Gamuda Graduate Programme (GGP) is a 3-year development programme.</p> <p>Gamuda Scholars, former SL1M trainees and direct hires (all new recruits in the management stream) undergo an induction programme covering soft skills; computing skills; teamwork; decision making; communication, and other skills.</p>

# Sustainability Statement

Career Level	Skilled Workers	Supervisors	Management
In-Career Training	N/A	<p>Management and Leadership courses to develop various skills such as communication and software usage (IT/Digital Literacy Programme).</p> <p>By the end of 2019 we will complete the Digital Literacy Programme for all knowledge workers.</p> <p>English Language Unit to enhance the language proficiency of identified employees.</p> <p>Career Development Unit will provide support to employees in taking ownership of their careers in their current and future roles.</p>	<p>Technical and Management courses are provided, which includes soft skills and professional training.</p> <p>Selected employees are sponsored on special professional courses while study loans are available for post graduate programmes.</p>
Others (non-Gamuda employees)	<p>Gamuda Plant Operator School (GPOS) is the largest and only one-stop centre for crane and plant operation and competency training assessed by DOSH and CIDB.</p> <p>KVMRT Training Centre provides an opportunity for every contractor and worker involved in the KVMRT project to develop the required skills to deliver the project efficiently, with a strong focus on workers' safety and health standards.</p> <p>Construction Training Centre is a non-profit initiative that facilitates the training of skilled labour, and equips sub-contractors and industry players with internationally-benchmarked construction skills.</p>		

Year	2017	Cumulative up to 2016
<b>Tunnelling Training Academy (TTA)</b>		
Number of workers trained	Over 200	Over 800
<b>KVMRT Training Centre</b>		
Number of workers trained	9,097	6,111
<b>Gamuda Plant Operator School (GPOS)</b>		
Number of people trained	957	38,728
<b>Construction Training Centre (CTC)</b>		
Number of people trained	111	109
<b>BIM Training Academy</b>		
Number of BIM trainees	352	N/A*

\* BIM Training Academy was established in 2017

### Tunnelling Training Academy (TTA)

The TTA is the world's first academy that provides training in tunnel-related work using TBM technology. It was set up in December 2011 to equip the Malaysian workforce with highly-specialised technical skills and knowledge in order to develop a sustainable pool of specialists, technicians and skilled labour for the tunnelling industry in Malaysia.

Outstanding trainees have been promoted to positions of electrician, mechanic, operator and supervisor. On 16 May 2017, 100 students received their certificates and employment letters to join the 1,000 employees needed for tunnelling works on the KVMRT Line 2. This is in addition to the 1,000 employees, who were trained since 2011, and have worked on the underground alignment of KVMRT Line 1.

Role of TTA:

- Develop a highly-skilled workforce in Malaysia for future infrastructure projects.
- Produce a talented and exportable Malaysian workforce.
- Reduce dependence on foreign labour.
- Fulfil the need for more TBM specialists/experts who are able to manage and supervise tunnel boring activities.



#### Case Study of a TTA student:

“ When I first learned about TTA from friends, I was attracted to the idea of working in the tunnelling industry as it was new to me. Today, I am proud to be part of the workforce behind the KVMRT project. Thanks to the quality and relevance of the training provided at TTA, I'm able to upgrade my knowledge, skills and performance to bolster my career prospects in the local construction industry. I truly appreciate the opportunity, knowing that demand for specialised skills is on the rise. ”

**Zul Fazreen Azhar**

TTA Graduate and Trainee, MMC Gamuda KVMRT (T) Sdn. Bhd.

# Sustainability Statement

## COMMUNITY DEVELOPMENT

We believe in uplifting the lives of families and communities, as well as bridging the divide between marginalised and mainstream societies.

We want to transform corporate giving efforts into strategies for community empowerment.

Yayasan Gamuda was set up in 2016 to house the charitable programmes of the Group. The Foundation focuses primarily on aid for education, and community improvement.

Guiding Principles:

<b>Transformative</b>	Able to uplift our beneficiaries with real, effective change that would otherwise not have been possible.
<b>Sustainable</b>	Activities that are sustainable in itself as well as promote self-sustainability in the lives of the beneficiaries for the longer term.
<b>Empowering</b>	Beneficiaries are able to become independent and empowered to take control of their own destiny.
<b>Inclusive</b>	Activities to promote inclusivity in the community.
<b>Focus</b>	Target activities where we have the knowledge and commitment to make a meaningful difference.
<b>Partnership</b>	Being co-participants with the beneficiaries in the change process will encourage and promote mutual ownership.

Our initiatives include hosting festive celebrations annually, sponsoring Teach For Malaysia (TFM) and TFM fellows during their training programme to prepare them for their prospective teaching placements, and sponsoring operating costs for DiB (Deaf in Business) Coffees of Hawaii Café in Menara Gamuda.

### Enabling Academy

In 2013, Project Differently-Abled (Project DA) was launched at Gamuda Berhad. To-date, Gamuda has employed 20 employees with autism via Project DA. To tap the potential of people with autism and to train them to be gainfully and sustainably employed, we scaled up our Project DA by establishing the Enabling Academy.

The Enabling Academy collaborates with Partner Companies that share a similar vision: enabling and empowering people with autism to have meaningful careers and personal independence. Partner Companies contribute by offering appropriate employment to graduates of the Enabling Academy, helping create a more inclusive society.

Two key objectives of the Enabling Academy are:

To provide pre-employment training and a transition programme to enable people with autism to achieve sustainable white collar positions such as administrative assistant, data entry officer, document controller, researcher, IT assistant, IT programmer, accounts assistant and other roles.

To collaborate with Partner Companies to create gainful and sustainable employment for more people with autism nationwide by training and developing an organic circle of support in respective Partner Companies.



“ We are proud to be a corporate partner of Yayasan Gamuda in this project as it supports CIMB’s belief in an inclusive economy, in which everyone has the opportunity and access to an enabling framework to realise their true potential and participate in the nation’s wealth-building initiatives. The CIMB Group strongly believes that to live up to our corporate-with-a-heart mantra, we need to truly embrace various core values including “Enabling People” and “Strength in Diversity”, which are also aptly reflected in Yayasan Gamuda’s Enabling Academy for people with autism. ”

**Dato’ Hamidah Naziadin**  
Group Chief People Officer, CIMB Group

“ I believe the Enabling Academy underscores the fact that hiring people with autism no longer falls under the CSR [corporate social responsibility] initiative. I know many companies are starting to realise that having a diverse workforce can give them a competitive edge, but they do not have the resources or know-how to train differently-abled persons. We are happy to take this significant step in creating a more diverse workforce at GM Klang by hiring two Enabling Academy trainees for our HR and Leasing & Marketing Department. ”

**Datuk Lim Seng Kok**  
Managing Director, GM Klang Wholesale City

# Sustainability Statement



## School Outreach Programme

We believe in the importance of Science, Technology, Engineering and Mathematics (STEM) education as it offers knowledge and skills to gain a competitive advantage. Through high-quality STEM education initiatives, students are exposed to fast-growing fields like computers and I.C.T to help them integrate knowledge across subjects and encourage them to think in a more logical and holistic way.

We reached out to eight schools this year, namely:

- SBP Integrasi Gombak, Kuala Lumpur
- SMK Damansara Jaya
- SMK Jalan Empat Bangi
- Sekolah Sultan Alam Shah, Putrajaya
- SMK (P) Sri Aman, Petaling Jaya
- SMJK Chong Hwa, Kuala Lumpur
- SMK Dato' Usman Awang, Johor
- SMK Medini Iskandar Puteri, Nusajaya, Johor

## QSHE@School Programme

This programme was initiated after the success of our SHE initiatives, conducted in the workplace since 2012 (the SHE Reward Programme includes SHE Inspections, SHE Corner, SHE Trainings & Events). The goal of this programme is to increase students' health and safety knowledge and to create positive attitudes toward their own well-being as well as to promote healthy and safe behaviour to avoid accidents and injuries.

The one-day interactive workshop comprises the following activities:

1. QSHE Awareness Talk – Representatives from our QSHE Departments conduct talks on QSHE tailored to the school's environment and school activities.
2. Demonstration on basic personal protective equipment (PPE).
3. Hazard and Quality Hunt – Interactive walk-about on school grounds to identify hazards or quality issues and to discuss possible solutions or control measures to be implemented to mitigate risks.

This year, we carried out the programme at Sekolah Kebangsaan Sungai Serai (April 2017) and Sekolah Kebangsaan Bukit Cheeding (September 2017).



### Embracing Malaysian Designs

Seven of the KVMRT Line 1 underground stations have incorporated murals and designs that symbolise Malaysia's diversity of cultures.

Entrances to stations at Muzium Negara, Pasar Seni, Merdeka, Bukit Bintang, Tun Razak Exchange, Cochrane and Maluri all incorporate the multi-faceted quartz form in various ways through transparent, reflective and angular structures.

### Greenhouse Project

In November, we designed and constructed greenhouses for the Orang Asli community in Ulu Gumum, Pahang, in partnership with Yayasan Kajian dan Pembangunan Masyarakat (YKPM).

The project, one of our many community initiatives, had employees from different professional backgrounds participate in DIY construction projects around Malaysia. A total of 27 volunteers constructed two greenhouses to help boost planting on the farm.

We plan to further support this project to include livestock and aquaculture while also developing a teaching farm for other rural farming projects.



### Hari Alam Sekitar

Project teams from KVMRT initiated an Environment Day, which included an art competition and gotong-royong activity, for primary schools and resident associations along the alignment. Held in October, it was aimed at increasing the understanding on the need to protect the environment, including sustainable practices to help avoid damaging or harming the ecosystem.

**Sustainability continues to be a top priority. It is a business imperative and an opportunity to develop stronger capabilities and resilience for the future.**