Sustainability Statement

Introduction to Sustainability

Sustainable and inclusive development continue to be our core focus in order to remain resilient in today’s dynamic business landscape. To future-proof our business and create inclusive economic growth for all stakeholders, we continuously refine our strategic alignment with the National Development Plan, tap on future market trends and strive to be the forerunner in innovative construction technologies and customer solutions.

This year, we further integrate the principles of sustainability across our businesses by delivering value through innovation, building sustainable cities and communities while developing our human capital. Our initiatives aim to achieve broader value creation for our key stakeholders, while aligning ourselves to the United Nations Sustainable Development Goals.

Our leading track record in infrastructure construction is a testament to our capable human capital, which we have nurtured in our many construction projects. Echoing the 11th Malaysia Plan of strengthening human capital, it remains our priority to develop a multi-skilled local workforce with competitive expertise in underground construction work and high technology construction.

We embrace the circular economy by taking advantage of our ability to maximise our resources and minimise our environmental footprint, using novel processes afforded by technology. Our sustainable township development is underpinned by holistic environmental planning, which integrates the ecosystem and land use planning to connect our local communities with nature and improve liveability. We are officially the first developer in Malaysia to publicly pledge biodiversity audits for our new townships.

Moving forward, we believe that our sustainability strategy, human capital development and focus on innovation will underpin our growth in the region.
## OUR SUSTAINABILITY HIGHLIGHTS AND CONTRIBUTIONS TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

### DELIVERING VALUE THROUGH INNOVATION
- **Sustainable Cities and Communities**
  - 1,800 apartment units completed using digital IBS
  - 280 staff trained in BIM modelling
  - Provided RM7.8 billion worth of underground-related contracts to 665 SMEs in KVMRT Line 2

### SUSTAINABLE CITIES AND COMMUNITIES
- **Sustainable Cities and Communities**
  - 5,847 trees and 676,438 shrubs planted across our development
  - 5,181 of advanced tree planting

### HUMAN CAPITAL DEVELOPMENT
- **Sustainable Cities and Communities**
  - Recorded 11 million man-hours without lost time injuries for PDP
  - Awarded 34 Gamuda Scholarship worth RM3.1 million
  - 13.3 training hours per employee
  - 43% women in Board of Directors

### Our Initiatives
- Digital Industrialised Building System (IBS)
- Building Information Modelling (BIM)
- Innovative Design in Our Property Development
- Mobile Digital Platform (Viewpoint)
- Group Digital Procurement Platform (SAP Ariba)
- Smart Cities and Green Buildings
- Biodiversity Conservation Efforts
- Infrastructure and Empowering Local SMEs
- Local Sourcing
- Quality, Safety, Health and Environment (QSHE) Policy
- 4R Talent Management
- Yayasan Gamuda
- Enabling Academy (EA)
- Project Differently-Abled (DA)
REPORTING PERIOD AND SCOPE
This is our third Sustainability Statement in our journey towards becoming a leader in sustainability advocacy. It highlights our economic, environmental and social efforts, progress and commitments to our various stakeholder groups.

A full year’s data from 1 August 2017 to 31 July 2018 is included unless otherwise specified. The reporting period aligns with the Group’s financial year.

Unless otherwise specified, all information provided refers to initiatives undertaken by all our business operations and employees in Malaysia which we have direct managerial control over, excluding the below:

- Our expressway concessions, Kesas Holdings Berhad
- Our water concession, Gamuda Water Sdn Bhd
- Our joint ventures and associate companies

We are putting in place the required systems and processes to progressively improve our ability to monitor, collect, analyse and report quantitative data, to enhance the integrity and accuracy of our statements over the years.

REPORTING FRAMEWORK
This statement has been developed in accordance with Bursa Malaysia Securities Berhad’s Main Market Listing Requirements relating to Sustainability Statements in Annual Reports of Listed Issuers, with reference made to the Global Reporting Initiative (GRI) Standards. Going a step further, this year, we have mapped our sustainability strategies to the United Nations Sustainability Development Goals (SDGs).

INDEPENDENT ASSURANCE
We have not sought any external assurance for the current statement. However, we recognise the added value of an independent assessment and will consider such assurance as our reporting matures.

FEEDBACK
In line with our efforts to continuously engage with stakeholders and improve our sustainability reporting, we welcome your valuable feedback at gcc@gamuda.com.my.
DURING THE YEAR, WE ENHANCED OUR SUSTAINABILITY AGENDA BY DEVELOPING A SUSTAINABILITY FRAMEWORK (THE FRAMEWORK), WHICH FOCUSES ON THE 3C’S OF OUR CORPORATE STRATEGY, NAMELY CAPACITY, CAPABILITY AND COMPETITIVENESS. THE 3C’S ALIGN OUR FOCUS TOWARDS DRIVING SUSTAINABLE GROWTH AND ULTIMATELY ACHIEVING OUR VISION AND MISSION.

Within the Framework, initiatives to manage our 18 material matters have been categorised according to their impact on the Sustainability Pillars of Economic Growth, Environmental Management and Social Contribution. Our initiatives are shaped by the targets in place for high priority material matters to achieve sustainability goals. These initiatives reflect the greater call by the United Nations to achieve sustainable development globally through the 17 SDGs.

Driving the entire Framework are our five core values that have helped us develop into the leading infrastructure and construction organisation that we are today. These values are further outlined in our Value Creation Strategy, on page 20 to 21 of this Annual Report. Adherence to these values, as well as with our Code of Ethics and Business Conduct and Whistleblowing Policy, ensures all our operations and dealings are conducted ethically.

For details of our Directors’ Code of Conduct and Whistleblowing Policy, please refer to Section 5 (Corporate Governance) of this Annual Report.
VISION
We aim to lead the region in innovative breakthrough solutions for large scale public infrastructure and property development.

MISSION
We reliably deliver innovative world-class infrastructure and premier lifestyle properties for our customers through our businesses core in infrastructure development and construction, operation of infrastructure facilities and property development.

STRATEGY
To achieve sustainable growth through our 3C’s approach – Capacity, Capability and Competitiveness.

SUSTAINABILITY PILLARS

- Economic Growth
  Achieving economic growth through effective innovation, improved productivity and reliability.

- Environmental Management
  Incorporating green mindset across our value chain.

- Social Contribution
  Enhance human capital and building talent for the nation.

MATERIAL MATTERS

- Customer Satisfaction
- Supply Chain Management
- Innovation
- Governance
- Economic Performance
- Indirect Economic Impacts

- Biodiversity
- Effluents and Waste
- Emissions
- Energy Management
- Water Management
- Materials
- Land Remediation, Contamination or Degradation

- Employee Management
- Health and Safety
- Stakeholder and Community Relations
- Customer Privacy
- Marketing and Labelling

GOALS AND TARGETS

- Take Personal Ownership
- Walk The Talk
- Adopt Open and Honest Communication
- Demonstrate Real Teamwork
- Develop Our People

Figure 1: Our sustainability framework
Sustainability Governance

Our sustainability governance model provides a foundation and a formal structure that ensures our sustainability strategies are implemented and integrated into our business, delivering long-term value to our stakeholders.

The Board of Directors drives our sustainability agenda by ensuring that our goals are met through actions taken at the management and operational levels. Our Group Managing Director, mandated by the Board of Directors, has the overall responsibility over our strategic direction while the Sustainability Committee is responsible for the implementation of sustainability strategy.

The Sustainability Committee, represented by heads across business units and Group function, is tasked to drive governance and delivery of the Group’s sustainability agenda. Overseeing the functions in robustness of system and sustainability management, the Committee will champion the incorporation of sustainability into long-term strategic planning and our key business processes. To ensure quality and accuracy of reporting, the Sustainability Committee will also ensure that data integrity is upheld, driving accountability among our teams.

Figure 2: Our sustainability governance

<table>
<thead>
<tr>
<th>BOARD OF DIRECTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ultimate responsibility over sustainability</td>
</tr>
<tr>
<td>• Ensures business strategies consider sustainability</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP MANAGING DIRECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sets the strategic direction and implementation of the Group’s sustainability agenda</td>
</tr>
<tr>
<td>• Approves Sustainability Strategy and Framework</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUSTAINABILITY COMMITTEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Develops Sustainability Strategy</td>
</tr>
<tr>
<td>• Evaluates key risks and opportunities</td>
</tr>
<tr>
<td>• Oversees functions in robustness of system of sustainability management</td>
</tr>
<tr>
<td>• Reports on management targets and performance of processes and controls</td>
</tr>
</tbody>
</table>

Figure 2: Our sustainability governance
ETHICAL BUSINESS CONDUCT
We recognise the importance of ethical business conduct across our operations to maintain our stakeholders’ trust. We conduct business with integrity through good governance as guided by our corporate governance framework and terms of reference. The Group’s corporate governance framework is supported by comprehensive guidelines, policies and procedures formulated by the Board. We have zero-tolerance towards misconduct and encourage transparency and accountability within the Group. Our Whistleblowing Policy outlines the internal reporting procedure for employees to raise genuine concerns regarding wrongdoings.

RISK MANAGEMENT
We have a robust risk management framework in place to safeguard our business interest and that of our stakeholders. The framework is embedded in the Group’s management systems, with clearly defined responsibilities, authorities and accountability for implementing our risk management processes and internal control system. To ensure compliance with these guidelines, our internal audit department regularly reviews the integrity and effectiveness of the Group’s system of internal controls.

COMPLIANCE
Strong governance enables effective oversight of business compliance. With sound policies, systems, processes and internal controls in place, we adhere to all applicable laws and regulatory requirements, including environmental and social related regulations. We also strive to go beyond regulatory requirements, whenever possible.

In FY2018, there were zero reported incidents of major non-compliance with laws and regulations. No significant fine or non-monetary sanction was imposed on the Group.

Further information on our corporate governance and risk management can be found in:
- Corporate Governance Statement: pages 100 to 109
- Statement on Risk Management and Internal Control: pages 112 to 114
- Risk Management Committee Report: pages 115 to 117
We have a wide range of stakeholders, whom we identify as groups that have a significant impact on, and keen interest in our operations. We seek to develop strong relationships based on trust with each group through engagement on different platforms. The aim is to understand our stakeholders’ needs and expectations for us to communicate in a transparent manner.

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Engagement Methods</th>
<th>Frequency</th>
<th>Topics of concern and interest</th>
<th>Our Responses</th>
<th>Material Matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>• Town hall meetings, workshops, focus group discussions, SHE Committee meetings, surveys, events, internal communications and newsletter</td>
<td>On-going</td>
<td>Company direction and performance</td>
<td>• Town hall sessions to share company’s direction and performance</td>
<td>• Economic Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Career development and training opportunities</td>
<td>• Provision of job-related training and workshops</td>
<td>• Employee Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Workplace health and safety</td>
<td>• Career planning discussions</td>
<td>• Health and Safety</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Well-being of employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>• Social media</td>
<td>Weekly</td>
<td>Customer service</td>
<td>• Launch of Customer Portal</td>
<td>• Customer Satisfaction</td>
</tr>
<tr>
<td></td>
<td>• Newsletter</td>
<td>Quarterly</td>
<td></td>
<td></td>
<td>• Health and Safety</td>
</tr>
<tr>
<td></td>
<td>• Circulars</td>
<td>As needed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Electronic direct mail</td>
<td>As needed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Customer experience</td>
<td>• Implementation of Residence Management Application</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Product quality</td>
<td>• Adherence to quality performance standards (QLASSIC, ISO, OHSAS certification and MyCESMM)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Application of industry best practices</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Innovative technology (IBS and BIM)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Implementation of SnagR</td>
<td></td>
</tr>
<tr>
<td>Investors and Financiers</td>
<td>• Annual general meeting</td>
<td>Annually</td>
<td>Operational and financial performance</td>
<td>• Provide timely updates of business performance e.g. well-attended quarterly and annual financial statements briefing session</td>
<td>• Economic Performance</td>
</tr>
<tr>
<td></td>
<td>• Investor briefings and marketing roadshows</td>
<td>On-going</td>
<td></td>
<td></td>
<td>• Governance</td>
</tr>
<tr>
<td></td>
<td>• Corporate website</td>
<td>On-going</td>
<td>Shareholder returns</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Business sustainability, risk management and corporate governance</td>
<td>• Regular engagement with investors, potential investors and providers of capital</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Communicate EES strategies</td>
<td></td>
</tr>
<tr>
<td>Stakeholder Group</td>
<td>Engagement Methods</td>
<td>Frequency</td>
<td>Topics of concern and interest</td>
<td>Our Responses</td>
<td>Material Matters</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>---------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| **Local Communities** | • Community development programmes  
• Social media  
• Info centres, info kiosks and mobile info truck for KVMRT Line 1 and Line 2 | • On-going  
• On-going  
• On-going | Community development and support | • Provision of scholarships and sponsorships  
• Upskilling individuals with autism | • Stakeholder and Community Relations  
• Health and Safety  
• Environmental Management and Biodiversity |
|                   |                                                                                     |           | Quality, safety, health and environment                              | Adherence to health and safety regulations  
Operational health and safety practices on site and in townships  
Improvement in product quality and environmental preservation |                                                                                   |
|                   |                                                                                     |           | Communication on our development plans and projects                      | Regular project updates through corporate website, media and roadshows |                                                                                   |
| **Government and Regulators** | • Industry workshops  
• Meetings and consultations  
• Reporting | • On-going  
• On-going  
• On-going | Regulatory compliance | Reliable reporting and marketing communications  
Monitoring of compliance through legal checklist | Customer Satisfaction  
Innovation  
Governance |
|                   |                                                                                     |           | Improving construction sector productivity                             | Workforce upskilling  
Leveraging IT solutions  
Application of new engineering and construction technologies |                                                                                   |
| **Suppliers**     | • Procurement system  
• Supplier training programmes | • On-going  
• On-going | Transparency in procurement processes | Implementation of robust supplier assessment, appointment and management system | Supply Chain Management |
|                   |                                                                                     |           | Knowledge sharing and capacity building                               | Workforce upskilling  
Leveraging IT solutions  
Application of new engineering and construction technologies |                                                                                   |
| **Media**         | • Press conferences  
• Press releases  
• Networking events | • On-going  
• On-going  
• On-going | Company direction and performance  
Timely and transparent communication  
Complaints on products and services | Direct engagement and press statements | Economic Performance |

Table 1: Our stakeholder engagement
Materiality assessment provides the foundation of our sustainability direction, determining matters that have significant economic, environmental and social (EES) impacts on the Group and those that are considered important to our stakeholders.

**MATERIALITY ASSESSMENT**

In 2018, we set out to refine and improve our approach towards sustainability reporting. We engaged an external consultant to conduct a materiality assessment workshop to prioritise our EES matters. Our materiality assessment involved a structured process comprising the four steps below:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Determine scope and boundary</td>
</tr>
<tr>
<td>2.</td>
<td>Identification</td>
</tr>
<tr>
<td>3.</td>
<td>Prioritisation</td>
</tr>
<tr>
<td>4.</td>
<td>Validation and approval</td>
</tr>
</tbody>
</table>

**Stakeholder Engagement**

- **1. Determine scope and boundary**: We defined our scope of reporting to cover our business in Malaysia. Kindly refer to page 64 for details on our scope and boundaries.

- **2. Identification**: A list of sustainability matters were identified from Bursa Malaysia Sustainability Reporting Guide, GRI Standards, desktop research, best practices, media reviews and other internal and external sources.

- **3. Prioritisation**: A materiality assessment workshop was conducted with senior management of the Group to prioritise the sustainability matters through a voting session.

  The senior management were also required to identify the key stakeholders to the Group. Kindly refer to pages 69 to 70 for more details on our stakeholder engagement.

- **4. Validation and approval**: The materiality matrix generated from the workshop was validated by the business division heads and presented to the Group’s Managing Director for approval.

  The Board of Directors is updated regularly on our sustainability journey.

*Figure 3: Materiality assessment process*
The seven high priority material matters indicated in the matrix above (top right quadrant) are seen to be key to our sustainability and form the focus of this year’s reporting. Moving forward, we will enhance our sustainability reporting disclosures to include the remaining medium and low priority matters progressively.
## OUR MATERIAL MATTERS

<table>
<thead>
<tr>
<th>Themes</th>
<th>Material Matters</th>
<th>Definition</th>
<th>Topic Boundary*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering Value through Innovation</td>
<td>Innovation</td>
<td>New ideas to create value which includes new design, technology, services or processes</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction</td>
<td>Measures in place to deliver and meet customer’s needs and expectations</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td></td>
<td>Governance</td>
<td>Board and management oversight, ethics and transparency, anti-corruption</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td></td>
<td>Supply Chain Management</td>
<td>Creating value, efficiencies and competitiveness by developing a robust supply chain</td>
<td>Gamuda Group including MMC Gamuda</td>
</tr>
<tr>
<td></td>
<td>Economic Performance</td>
<td>Economic value generated and distributed to stakeholders</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td>Sustainable Cities and Communities</td>
<td>Biodiversity</td>
<td>Identification, assessment and management of risk associated with natural systems</td>
<td>Gamuda Land</td>
</tr>
<tr>
<td>Human Capital Development</td>
<td>Employee Management</td>
<td>Management of employees in terms of fair treatment, training, career development and diversity</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td></td>
<td>Health and Safety</td>
<td>Anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers</td>
<td>Gamuda Group including MMC Gamuda</td>
</tr>
<tr>
<td></td>
<td>Stakeholder and Community Relations</td>
<td>Contribution to local communities’ needs and mitigating impact on local communities</td>
<td>Gamuda Group</td>
</tr>
</tbody>
</table>

* Gamuda Group refers to all business operations in Malaysia excluding our concessions, associate companies and joint ventures

Table 2: Our list of material matters
Delivering Value through Innovation

THE GROUP IS COGNISANT OF THE NEED TO EMBRACE INNOVATION IN LIGHT OF CURRENT SHIFTS IN THE BUSINESS LANDSCAPE. OUR FOCUS ON INNOVATION GIVES US A COMPETITIVE ADVANTAGE IN DELIVERING QUALITY PRODUCTS AND SERVICES.

CUSTOMER SATISFACTION

Customer satisfaction is essential to uphold our reputation as a leader in delivering innovative world-class infrastructure and premier lifestyle properties. We strive to deliver innovative designs, high standards of workmanship and value to meet our customers’ rising expectations.

We adopt the following best-in-class standards as part of our commitment towards delivering quality products and services.

<table>
<thead>
<tr>
<th>Engineering and Construction</th>
<th>Property Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Responsive Complaint Management System (CMS)</td>
<td>• Residence Management Application</td>
</tr>
<tr>
<td>• ISO and OHSAS Certification</td>
<td>• Customer Response Portal</td>
</tr>
<tr>
<td>• QLASSIC</td>
<td></td>
</tr>
<tr>
<td>Digital Tools</td>
<td></td>
</tr>
<tr>
<td>• BIM • IBS • SnagR</td>
<td></td>
</tr>
<tr>
<td>Management Tool</td>
<td></td>
</tr>
<tr>
<td>• Project Delivery Partner (PDP)</td>
<td></td>
</tr>
</tbody>
</table>

Figure 5: Our approach towards meeting customer’s expectation
ENGINEERING AND CONSTRUCTION

Responsive Complaint Management System (CMS)

The Group has established among the most responsive and effective CMS for large-scale infrastructure projects in Malaysia. The CMS functions not only as a tool to gauge public satisfaction, but it is also used to evaluate Work Package Contractors’ (WPCs) quality of work as well as their ability to identify and rectify potential safety, health and environmental risks at our current KVMRT Line 1 and Line 2 worksites.

As the CMS works on real-time monitoring, it allows for quicker response and effective management of complaints, which eventually improves our overall performance and relationship with all affected stakeholders.

KVMRT Stakeholder Engagement

<table>
<thead>
<tr>
<th>KVMRT Stakeholder Engagement</th>
<th>FY2018</th>
<th>FY2017*</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of stakeholders engaged</td>
<td>623</td>
<td>2,953</td>
<td>1,440</td>
</tr>
<tr>
<td>Engagement sessions</td>
<td>187</td>
<td>209</td>
<td>120</td>
</tr>
</tbody>
</table>

* KVMRT Line 1 was fully completed in July 2017

Table 4: KVMRT Line 1 and Line 2 stakeholder engagement

We engage with relevant stakeholders affected by the KVMRT Line 1 and Line 2. Stakeholders are engaged before construction starts, and continuously throughout the construction period. Line 1 engagements ceased in July 2017 as the project was fully completed and started operating. Line 2 engagements were initiated in 2016. This is reflected in the table above which shows high engagement in 2017 and 2016 when both Line 1 and Line 2 were under construction.

QUALITY PERFORMANCE STANDARDS

<table>
<thead>
<tr>
<th>Quality Performance Standards</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MyCESMM</td>
<td>MyCESMM is a standardised measurement system that handles project tender submissions and budgets.</td>
</tr>
<tr>
<td>Certifications</td>
<td>ISO certification is a quality management system standard. Gamuda Berhad, Gamuda Engineering and Gamuda Land is ISO 9001 Quality Management System certified and has recently achieved ISO 9001:2015 standard. The Group has also achieved the ISO 14001 Environmental Management System and the OHSAS 18001 Occupational Health and Safety Management System.</td>
</tr>
<tr>
<td>QLASSIC</td>
<td>Quality Assessment System in Construction (QLASSIC) is used by Construction Industry Development Board (CIDB) to evaluate the workmanship of a building’s construction based on the Construction Industry Standard (CIS7:2014).</td>
</tr>
</tbody>
</table>

Table 3: Best-In-Class Standards

The value that we created year-on-year, through mindful planning has resulted in capital appreciation for our developments as attested by The Edge and The Association of Valuers, Property Managers, Estate Agent and Property Consultants in the Private Sectors Malaysia (PEPS) in the yearly The Edge-PEPS Value Creation Excellence Award. Gamuda Land has been the recipient of this award for 6 consecutive years, the only developer in the country to have achieved this feat.
PROPERTY DEVELOPMENT

This year, we embarked on a series of new customer-centric digital platforms in order to enhance customer experience.

<table>
<thead>
<tr>
<th>Customer Services</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SnagR</td>
<td>A web and mobile site inspection tool that allows management of issues and defects during the defect liability period.</td>
</tr>
<tr>
<td>Gamuda Land Residence Management Application</td>
<td>Enables residents to engage with our Township Management team on a single platform. Offers a variety of functions such as pre-registration of visitors, reporting of common facility defects, booking of common facilities, community chat and a home panic button.</td>
</tr>
<tr>
<td>Gamuda Land Customer Portal</td>
<td>A one-stop user-friendly platform for customers with features such as e-feedback and e-queries, property details, personal information and making seamless payment.</td>
</tr>
</tbody>
</table>

SUPPLY CHAIN MANAGEMENT

We are committed to enhancing our processes and engaging with our suppliers to identify and manage risks, increase productivity and efficiency within the supply chain, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers. Our procurement processes are guided by Group Procurement Policies and Procedures (G3P) as well as Our Procurement Code of Conduct (GPCC) which, together, ensure effective and fair business with the ultimate objective of obtaining the best products and services in the most cost effective and ethical manner.

E-Procurement

In 2018, we embarked on a digital platform provided by SAP Ariba to improve our procurement and supply chain management which will be fully implemented in FY2019. The system will enable us to announce open tenders on a cloud-based supplier marketplace, through which suppliers submit their bids electronically.

This will improve the quality of data, speed of processing and visibility across our supply chain. In addition, it will allow for efficient management of our large supplier database while promoting our efforts to go paperless.
Supplier Management

We build fair, ethical and lasting relationships with our suppliers. We have an assessment system to ensure our suppliers comply with local as well as international management system standard such as ISO 9001, ISO 14001, MS 1722 and OHSAS 18001. Our suppliers’ performance is monitored through regular Safety, Health and Environment (SHE) inspection, independent monthly audits and an online SHE Reporting System – Safetrack (that is used in KVMRT Line 1 and Line 2).

We emphasise on training and mentoring our suppliers to enhance their competency and competitiveness in the marketplace. Suppliers are invited to participate in related training programmes such as BIM and other operational efficiency related programmes.

As the PDP of the KVMRT Line 1 and Line 2, one of our primary roles is to manage the procurement process for all construction work packages jointly with the Government. Given that KVMRT Line 1 and Line 2 represent the largest infrastructure undertaking in the country to date, we have made a conscious effort to award as many packages as possible to local companies. In addition, we source our raw materials from local supply chain, boosting the local economy.

Work on the KVMRT Line 1 and Line 2 does not merely benefit local small and medium enterprise (SMEs) financially, but also increases their technical competency and capabilities, through the experience gained from underground tunnelling works which employ the latest, cutting edge systems. In addition, local companies stand to benefit from heightened awareness of best safety practices, and the ability to comply with the highest safety standards as a result of training provided through the KVMRT Training Centre, in collaboration with CIDB.

INNOVATION

Innovation for our products, solutions and services provides opportunities for our businesses to continuously differentiate ourselves and keep us ahead of the curve. It is this mindset that drives our business to adopt new technologies and solutions, making us pioneers in areas such as using digital IBS to provide differentiated housing products and the creation of the Variable Density Tunnel Boring Machine (VD TBM) designed to bore through Klang Valley’s unique geological conditions.
Industrialised Building System (IBS)

IBS represents an advanced digital construction technology through which building components are prefabricated at a factory. It utilises an integrated BIM design which thrives on a Common Data Environment (CDE) that allows the sharing of integrated data among the project team during the entire construction process. IBS encourages the adoption of long-term design thinking, technology and innovation throughout the life cycle of a construction project.

We are the first engineering and construction organisation in Malaysia to have constructed a fully robotic IBS factory. Our first IBS factory in Sepang commenced operations on 15 June 2016. A second IBS factory is being constructed in Banting which will be ready by end 2018. Our investment in the two fully integrated digital IBS factories has allowed us to transition from the conventional construction method to a digital building system where components are prefabricated in a controlled environment and moved to the building site for installation.

As at July 2018, some 1,800 apartment units have been completed using our digital IBS. By the end of 2018, our IBS factories will have a combined capacity to produce 8,000 property units per year.

All Gamuda Land’s high-rise developments will be fully designed using BIM and digital IBS by 2020, following which the innovative systems will be expanded to other property segments. Our digitally integrated system will enable us to deliver buildings in all market segments with the same superior quality, be it affordable homes or luxury developments.

Building Information Modelling (BIM)

Building Information Modelling (BIM) is a computerised system that integrates multi-stakeholder coordination while allowing for greater precision and speed in the design and implementation of projects. It functions as a platform with real-time access to all design information coupled with 3-D visualisation and animated walkthroughs.

We believe the implementation of BIM will enhance our competitiveness in the market by delivering innovative design and construction solutions.

![Benefits of BIM](image)

Training and Development

Recognising the importance of BIM, we established the BIM Training Academy in 2017. The training modules upskill our employees and those of our contractors to enhance our capabilities in line with the latest construction industry standards.

<table>
<thead>
<tr>
<th>BIM Training Academy</th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of personnel trained</td>
<td>610</td>
<td>352</td>
</tr>
</tbody>
</table>

*Table 5: Number of personnel trained by BIM Training Academy*
**Viewpoint**

We have enhanced our on-site data sharing platform by introducing a digital data collection and field management platform, Viewpoint, for better coordination among our subsidiaries and business units in the supply chain process.

Going forward, we will roll out Viewpoint to all our business units to improve productivity and enable better decision-making.

**ECONOMIC PERFORMANCE**

Our financial growth is supported by our stakeholders confidence in our ability to deliver differentiated value through innovative product offerings and infrastructure solutions.

In FY2018, we registered revenue of RM7,169 million, core profit before tax of RM1,036 million, and core net profit of RM818 million. We have been delivering consistent results to our key stakeholders, as illustrated below:

In FY2017, we participated in the Malaysia Digital Economic Corporation (MDEC)’s Value Innovation Programme (VIP). The programme enables established companies to engage with technology start-ups to help identify pain points and opportunities for growth within the digital space.

Under this programme, Gamuda Land’s Township Management Department completed a pilot project with a start-up, Amtiss, 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.

**Further information on our economic performance can be found in:**
- Statement from the Group Managing Director: pages 10 to 18
- Five Years Group Financial Highlights: page 33
- Group Segmental Performance: page 35
- Statement of Value Added and Distribution: page 38
- Financial Statements: pages 126 to 323
Sustainability Statement (Cont’d.)

Sustainable Cities and Communities

SMART CITY

There is a marked trend globally towards the development of smart cities as a response to the needs and desires of citizens. This has been reflected in the 11th Malaysia Plan. We recognise the role we play in the Plan and we work towards achieving these goals by integrating smart city features in our property developments.

Through Gamuda Land, we aim to deliver sustainable value to communities underpinned by three key principles that guide the creation of all our property developments.

SMART SOLUTIONS FOR A MORE LIVEABLE ENVIRONMENT

Smart cities incorporate design, data and digital technologies into infrastructure and services with the goal of making the urban environment more liveable, sustainable and productive. This year, we embarked on the development of a Smart City Model which encompasses two main segments – Smart Living and Smart Resource Management. This model will be piloted at Gamuda Cove to bring smart cities to life and create a self-sustaining township.

Figure 12: Our smart city model
A self-sustainable, connected and green smart township

**CONNECT WITH NATURE**
- Water Features (Lakes)
- Wetlands And Woodlands
- Landscape Design Rich With Flora And Fauna
- Biodiversity Conservation Efforts - Gamuda Parks And Biodiversity Audit

**MOBILITY**
- Tram
- Shuttle Bus
- Walking/Jogging/Cycling Paths
- Placemaking Nodes
- Smart Traffic System
- Electric Vehicle Charging Station

**GREEN CERTIFIED TOWNSHIP**
- Green Building Index (GBI) Gold rating for Gamuda Cove Central Business District

**Energy Management**
- Sensors
- Energy efficient fittings
- Solar panels
- Smart parking
- Solar powered and energy saving street lights

**Green Buildings for Sustainable Cities**
Integral to smart cities, green buildings are efficient buildings in terms of energy, water and materials usage, with reduced impact on human health and the environment.

Green Building Index (GBI) is a recognised industry standard for sustainable built environment in Malaysia. Our developments have obtained GBI certification as illustrated in Table 6.
We ensure our developments have in-built energy and water savings mechanisms, are landscaped, provide good connectivity with public transport and infrastructure to ensure convenient accessibility.

<table>
<thead>
<tr>
<th>Development</th>
<th>Award level</th>
<th>Key features</th>
</tr>
</thead>
</table>
| The Robertson                      | Gold        | • Energy efficient materials to reduce heat absorption  
|                                    |             | • Rainwater harvesting                              
|                                    |             | • Material reuse                                    
|                                    |             | • Recycling points                                  |
| HighPark Suites                    | Gold        | • Rainwater harvesting                              
|                                    |             | • Landscape waste composting                        
|                                    |             | • Herb garden                                       |
| Gamuda Cove Central Business District | Gold      | • Sustainable biodiversity planning and design     
|                                    |             | • Sustainable stormwater design and management      
|                                    |             | • Green transport                                   |
| Gamuda Gardens                     | Silver      | • Sustainable biodiversity planning and design     
|                                    |             | • Sustainable stormwater design and management      |

Table 6: Green Building Certification of our projects

Our aim is to excel beyond the minimum certification requirements for all our developments.

**BIODIVERSITY**

"LISTENING TO WHAT THE LAND HAS TO TELL US.  
A PHILOSOPHY OF DESIGNING FOR NATURE WITH NATURE"

We have always sought to protect the natural environment of areas that we develop and are committed to creating more liveable environments for our communities. We listen to the land to be able to preserve the hills, wetlands, water rolling terrain and water quality. Guided by this philosophy, our developments have matured over the years to encompass healthy green lungs that not only support the existence of plant and animal life but also create a sense of well-being for residents."
Environmental Compliance

Environmental Impact Assessment (EIA) serves as an environmental management tool to evaluate and minimise environmental damage resulting from our developments through timely, adequate, corrective and protective mitigation measures.

Recent developments for which we have conducted EIAs are Gamuda Cove, Gamuda Gardens and twentyfive.7. In the process, we have identified a number of endangered species within our developments. Table 7 lists a summary of the endangered species on the International Union for Conservation of Nature (IUCN) Red List found at our project areas and our conservation efforts to protect local biodiversity.

<table>
<thead>
<tr>
<th>Class</th>
<th>Types of species</th>
<th>Our conservation initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mammals</td>
<td>• Tree shrew</td>
<td>• Established a biodiversity manual that will be adhered to during construction</td>
</tr>
<tr>
<td>Birds</td>
<td>• Pink-necked pigeon</td>
<td>• We will monitor the natural ecosystem during construction and for a minimum of two years after completion</td>
</tr>
<tr>
<td></td>
<td>• White-rumped munia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Magpie robin</td>
<td></td>
</tr>
<tr>
<td>Reptiles and Amphibians</td>
<td>• Common flying lizard</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Paradise tree snake</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Grass whip snake</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Common rat snake</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Malayan pond frog</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Green tree frog</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Monitor lizard</td>
<td></td>
</tr>
</tbody>
</table>

Table 7: Our initiatives to conserve IUCN Red List species in Gamuda Gardens
Enhancing Biodiversity through Gamuda Parks

Conscious efforts to design a township that reflects its natural surroundings encourage people to explore the outdoors and take part in activities together with family and friends for a healthier lifestyle. With this in mind, in 2018 we established Gamuda Parks in collaboration with Wetland International Malaysia and Forest Research Institute Malaysia (FRIM).

Its main role is to monitor and coordinate measures to protect the biodiversity within a development while implementing design and maintenance standards to enhance the quality of living. In carrying out its function, Gamuda Parks takes into consideration three ecosystems which is softscape, waterscape, materials and resources.

Improving Green Spaces

Green spaces are integral to creating a holistic sense of well-being and providing natural habitats for wildlife that helps to conserve biodiversity. In designing our landscapes, our green coverage exceeds the minimum requirement of 10%.

Tree Planting Programme

<table>
<thead>
<tr>
<th>Project</th>
<th>% of Green Spaces</th>
<th>Trees Planted</th>
<th>Shrubs Planted</th>
</tr>
</thead>
<tbody>
<tr>
<td>HighPark Suites</td>
<td>15%</td>
<td>512</td>
<td>168,138</td>
</tr>
<tr>
<td>Jade Hills</td>
<td>14%</td>
<td>1,907</td>
<td>343,023</td>
</tr>
<tr>
<td>twentyfive.7</td>
<td>19%</td>
<td>1,180</td>
<td>82,938</td>
</tr>
<tr>
<td>Gamuda Gardens</td>
<td>17%</td>
<td>997</td>
<td>45,178</td>
</tr>
<tr>
<td>Kundang Estates</td>
<td>15%</td>
<td>1,251</td>
<td>37,161</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>–</strong></td>
<td><strong>5,847</strong></td>
<td><strong>676,438</strong></td>
</tr>
</tbody>
</table>

Table 8: Green spaces, trees and shrubs planted across our developments

Advanced Tree Planting (ATR)

ATR involves the procurement of standard-sized young trees measuring 50mm to 75mm in diameter, nurturing them in an in-house nursery for at least two years before planting on site. We ensure an optimum mix of different plant species, including those that are native to the particular environment, in order to enhance the local ecosystem. ATR has been carried out in Gamuda Gardens, Gamuda Cove and Kundang Estates. Since 2016, we planted nearly 5,000 trees.

Retention Lakes and Ponds Design

Gamuda Land townships are well known for their parks and lakescapes. While these form part of planning compliance and play an important role in flood mitigation that is part of the Urban Stormwater Management Manual (MSMA), we sought to creatively transform this utilitarian necessity into unique landscape features that will be integral to the community.

Jade Hills, Kota Kemuning and Valencia are testaments of good masterplan designs which won numerous awards such as the Gold Award in Infrastructure Planning by the Singapore Institute of Planners. Please refer to Awards and Achievements on pages 124 to 125 in this report for more information.
In May 2018, Yen So Park was awarded the World Gold Award in the Environmental (Rehabilitation/Conservation) category at the FIABCI World Prix d’Excellence Award 2018.

Gamuda Land completed the rehabilitation of Yen So Park and Yen So Lakes surrounding Gamuda City from a wasteland into a scenic parkland, in April 2013.

Yen So Park had been highly contaminated and the area was deemed inhospitable with growing public health concerns. To bring this wasteland back to life, we built a state-of-the-art sewage treatment plant to treat the highly polluted wastewater-plagued land in the eastern part of the Yen So Park township. Today, the plant treats up to 40% of Hanoi’s total wastewater discharge daily, greatly enhancing the quality of the city’s lakes and waterways. This has led to improved health and quality of life of the residents.
ENSURING SUSTAINABLE BIODIVERSITY AND ADVOCACY

In our commitment to the long-term maintenance of our new parks, we actively engage with our residents. Our Gamuda Parks Biodiversity Policy (GBP) outlines standards and guidelines for the management and maintenance of the softscape, waterscape, materials and resources to ensure the sustainability of our township developments.

To enhance general awareness of the importance of biodiversity, we organised a public biodiversity workshop on 26 to 27 May 2018 across our towns and developments in various states. We have also carried out a biodiversity audit as a scientific measurement of liveability and habitability of the environment in Gamuda Gardens and Gamuda Cove, which will help us in our future targeted conservation measures.

Gamuda Cove, a sprawling 1,530-acre mixed development in the Southern Klang Valley was previewed in September 2018. Surrounded by a forest reserve, the development when completed will encompass 153-acre of lush landscaped green spaces including parks as well as 97-acre of water features. In selecting the tree species to be planted, we will be guided by the surrounding forest and adjacent Paya Indah Wetlands. As they grow, these plants will support an increasingly broad range of birds, insects and butterflies that will enhance overall biodiversity.

To measure the biodiversity impact of Gamuda Cove, a conservation consultant, ESC Environ Solution Consultant was appointed to conduct a baseline flora and fauna audit of the site, prior to commencement of works, and will continue to monitor as the project develops. The team intends to engage residents and park users in the process as part of an educational and interpretive programme in future.
STAKEHOLDER AND COMMUNITY RELATIONS

We uplift the wellbeing of local communities through our corporate social responsibility initiatives. In line with SDG 4 - Quality Education, we invest in capacity-building of our local communities by offering both scholarships and development programmes to the underprivileged.

Yayasan Gamuda

Yayasan Gamuda, our foundation arm, was set up in 2016 to oversee the Group’s charitable activities. The Foundation focuses on the provision of educational aid and community enhancement programmes.

In FY2018, a total of RM5,508,000 was donated to various worthy causes, including Gamuda Scholarship, our Enabling Academy and the Star Golden Heart Awards as detailed in the following sections.

Gamuda Scholarship

A significant portion of Yayasan Gamuda funds is channelled towards Gamuda Scholarship. Since 1996, the scholarship programme has enabled more than 340 academically outstanding Malaysian students to pursue tertiary education at international and local higher education institutions. Aside from construction industry related courses, scholarships are also awarded for Accounting, Business, Information Technology and Human Resources. The scholarship covers full tuition fees and living allowance as well as employment upon graduation.

100% employment rate of scholars
34 scholars awarded in FY2018
33 scholars awarded in FY2017
Targeting 40 scholarships for FY2019
Enabling Academy

Globally, individuals with autism spectrum disorder (ASD) face employment challenges. In view of the untapped potential of these individuals, the Group launched the Enabling Academy (EA) in 2017 through funding by Yayasan Gamuda. EA provides an end-to-end sustainable career development path while promoting inclusivity and diversity at the workplace.

EA provides a learning platform through the Employment Transition Programme (ETP) which is designed to equip those with ASD with relevant soft skills and practical job training that are essential for white-collar jobs. We collaborate with partner companies to provide sustainable employment to the EA graduates. To date, we have trained 19 persons with autism, of whom 17 have gained internship and employment in 15 partner companies.

EA conducts awareness seminars and job coaching workshops to prepare partner companies in developing a skilled team to support their differently-abled employees.

List of partner companies with Enabling Academy

- Brick Dotcom Sdn Bhd
- Macro Dimension Concrete Sdn Bhd
- Lafarge Shared Services Sdn Bhd
- LafargeHolcim Regional Service Centre
- Gamuda GM Klang Sdn Bhd
- Feruni Ceramiche Sdn Bhd
- Hap Seng Land Sdn Bhd
- CIMB Bank Bhd
- A & A Architects
- Ringo Low & Associates
- DRB-HICOM Bhd
- Agrifert Malaysia Sdn Bhd
- Thistle Hotel Port Dickson
- Golden Screen Cinema Sdn Bhd
- Gamuda Group (Gamuda Land and Gamuda Engineering)

We are progressing towards registering EA as a Practical Assessment Centre for Accreditation of Prior Achievement. This programme is offered by the Department of Skills Development under the Ministry of Human Resources. With this accreditation, our EA graduates could take their existing ETP qualification further by obtaining industry-recognised certificates, diplomas or advanced diplomas. This would assist them to move up the value chain from their existing administrative roles.

Project Differently-Abled

We hire individuals with ASD through the Enabling Academy as well as our in-house recruitment programme, the “Project Differently-Abled (DA)”. This project is a forerunner of EA and was initiated back in 2013 as part of the Group’s effort to embrace diversity and inclusiveness in the workplace.

To date, we have recruited 20 DA full-time employees in administration, engineering, research and IT programming across various departments in the Group.

Each DA employee is assigned an experienced supervisor and buddy who provides psychological and functional support. DA colleagues undergo the same career and training development as other Gamudians.
**Upskilling Local Communities**

We collaborate with external partners in several training programmes that focus on construction-related skills and competencies.

### Programmes and Objectives

<table>
<thead>
<tr>
<th>Programmes and Objectives</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tunnelling Training Academy (TTA)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training on tunnelling related skills to support the rollout of the KVMRT Line 1 and Line 2 and other similar projects around the world</td>
<td>213</td>
<td>225</td>
<td>800*</td>
</tr>
<tr>
<td><strong>KVMRT Training Centre</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To upskill KVMRT Line 1 and Line 2 workers and contractors, with a strong focus on safety, health and enviromental protection standards</td>
<td>7,500</td>
<td>6,808</td>
<td>8,047</td>
</tr>
<tr>
<td><strong>Gamuda Plant Operator School (GPPOS)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competency training assessed by Department of Occupational Safety and Health (DOSH) and CIDB for crane and plant operators</td>
<td>802</td>
<td>957</td>
<td>950</td>
</tr>
<tr>
<td><strong>Collaboration with Institut Kemahiran Belia Negara (IKBN)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled graduates for the construction industry</td>
<td>–</td>
<td>–</td>
<td>44</td>
</tr>
<tr>
<td><strong>Collaboration with Kolej Komuniti (KK)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IBS Production Technicians for the IBS factory</td>
<td>12</td>
<td>15</td>
<td>–</td>
</tr>
<tr>
<td><strong>Gamuda IBS Training Centre</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reskill graduates from technical and vocational training institutions in IBS application</td>
<td>110</td>
<td>175</td>
<td>80</td>
</tr>
</tbody>
</table>

* Cumulative since year 2012

*Table 9: Number of trainees benefitted from various partnered training programmes*
EMPLOYEE MANAGEMENT

Our talents, or “Gamudians”, are our most important assets as their level of engagement and productivity are key to the Group’s overall performance in delivering quality work and innovative solutions. We place great importance in providing a work environment that inspires our people and allows them to realise their true potential. This is achieved through effective Human Resources (HR) policies guided by our talent management 4R approach.

Recruit

We seek to attract the right skills and talents to meet the various business needs of the Group. While we source for experienced hires, we also place emphasis on recruiting and grooming young talents into promising leaders for the Group. They are sourced and developed through various tailored programmes and initiatives such as Gamuda Graduate Programme, Graduate Internship Programme and partnership with various academic and governmental institutions.

- **Figure 16:** The Group’s new hires rate
- **Figure 17:** The Group’s new hires headcount

<table>
<thead>
<tr>
<th>Employee New Hires</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>By age group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 25</td>
<td>384</td>
<td>143</td>
<td>42</td>
</tr>
<tr>
<td>25-34</td>
<td>200</td>
<td>316</td>
<td>198</td>
</tr>
<tr>
<td>35-44</td>
<td>72</td>
<td>95</td>
<td>65</td>
</tr>
<tr>
<td>45-54</td>
<td>32</td>
<td>48</td>
<td>20</td>
</tr>
<tr>
<td>55-59</td>
<td>3</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>60 and above</td>
<td>1</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td><strong>By gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>199</td>
<td>233</td>
<td>117</td>
</tr>
<tr>
<td>Male</td>
<td>493</td>
<td>387</td>
<td>211</td>
</tr>
<tr>
<td><strong>By region</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>690</td>
<td>618</td>
<td>328</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

* New hire rate is calculated based on number of new hires divided by headcount at the end of the year

*Figure 10: The Group’s number and rate of new hires*
Retain

We retain our employees by offering a dynamic work environment and attractive remuneration package. Through town halls and regular engagements, we promote a sense of belonging while respecting our employees’ work-life balance needs.

Given the emphasis on employee retention, we have maintained a stable turnover rate, with Group attrition rate of 9% in FY2018. Our turnover rate for the past three years has been consistently below 10%, which is also below the industry average of 15%.

In Figure 18, we present the Group’s turnover rate for FY2018, FY2017, and FY2016, with values of 9%, 6%, and 7% respectively.

In Figure 19, we show the Group’s turnover headcount for the same years, with values of 280, 167, and 162 respectively.

EMPLOYEE ENGAGEMENT

We keep our employees updated on corporate developments through newsletters, intranet, town hall meetings and Workplace by Facebook. We are able to maintain open, two-way dialogue and engender a feeling of connectedness among each other and with the Group.

Complementing these communication platforms, we also organise various engagement activities among employees across all levels. Through our in-house Sports Club, employees take part in sporting activities, annual trips and social activities at subsidised rates.

In Figure 20, we present a photograph of a recreation trip at Siem Reap, Cambodia, in July 2018.
COMPETITIVE REMUNERATION

We offer a competitive compensation package and attractive benefits within the industry that help reward and retain our talents.

We adopt a flat benefit structure where most of the benefits are provided to all employees regardless of grade or position. The key benefits offered to all full-time permanent employees are listed below, but not limited to:

<table>
<thead>
<tr>
<th>Types of benefits</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>Annual Leave, No Pay Leave, Sick or Hospitalisation Leave, Marriage Leave, Paternity Leave, Maternity Leave, Childcare Leave, Examination Leave, Compassionate Leave, Prolonged Illness Leave, Replacement Leave</td>
</tr>
<tr>
<td>Flexi-Wellness</td>
<td>Outpatient, additional Pre and Post Natal expenses, Annual Medical Check-up, Wellness Membership, Optical, Dental, Vaccination</td>
</tr>
<tr>
<td>Subsidy</td>
<td>Childcare Subsidy</td>
</tr>
<tr>
<td>Insurance</td>
<td>Group Term Life Insurance*, Surgical and Hospitalisation Insurance, Personal Accident Insurance</td>
</tr>
<tr>
<td>Flexi-Work Arrangement</td>
<td>Staggered Working Hours, Flexi Time, Seasonal Flexi-Time, Flexi Place, Flexi Lunch Hours, Replacement Hours</td>
</tr>
<tr>
<td>Others</td>
<td>Car Park Facility, Retirement benefits, Bona Fide benefits, Employee Education Assistance</td>
</tr>
</tbody>
</table>

* In FY2018, we have extended the Group Term Life Insurance to contract employees

Table 11: Summary of the Group’s key benefits to full-time employees

We have set up Centralised Labour Quarters (CLQ) in recognising the well-being of our foreign construction workers. These gated-and-guarded quarters provide labourers working on the KVMRT Line 1 and Line 2 and Pan Borneo Highway projects clean accommodation complete with amenities for workers’ safety and comfort.
**Family-friendly Employer**

As a family-friendly employer, we provide additional paternity leave and childcare leave to entitled employees, beyond regulatory requirements. With these policies in place, these entitled employees are able to fulfil their family duties with a peace of mind while balancing their work life. This has resulted in a high retention rate among our employees as shown below:

<table>
<thead>
<tr>
<th>Family Leave</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paternity Leave</td>
<td>72</td>
<td>52</td>
<td>24</td>
</tr>
<tr>
<td>Maternity Leave</td>
<td>54</td>
<td>40</td>
<td>28</td>
</tr>
<tr>
<td>Childcare Leave</td>
<td>95</td>
<td>60</td>
<td>45</td>
</tr>
</tbody>
</table>

*Table 12: Number of employees who utilised parental and childcare leave*

<table>
<thead>
<tr>
<th>Post Paternity and Maternity Leave</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Return to work rates</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Retention rates</td>
<td>96%</td>
<td>89%</td>
<td>85%</td>
</tr>
</tbody>
</table>

*Table 13: Gamudians’ post-parental leave return to work and retention rate*

**Gamuda Long Service Awards**

Loyal employees who have served the Group for at least a decade are recognised at the annual Long Service Awards Night. We are pleased to have recorded an average length of service of more than 10 years especially among our management level employees.

<table>
<thead>
<tr>
<th>Gamuda Long Service Awards</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees awarded</td>
<td>220</td>
<td>237</td>
<td>219</td>
</tr>
</tbody>
</table>

*Table 14: Number of employees who received Gamuda Long Service Awards*

<table>
<thead>
<tr>
<th>Employee Category</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>20</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>Senior Management</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Middle Management</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Executive</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

*Table 15: Average years of service by employee category*
Replenish

By ‘replenishing’, we seek to strengthen our human capital through a diverse workforce. We believe that a diverse and inclusive workforce enriches our knowledge base by allowing us to harness the various perspectives of our people. We therefore nurture an environment that does not discriminate against race, gender, religion, age, socio-economic status or physical/neural ability. We employ based on merit and not background.

The racial composition within the Group is fairly representative of that of the nation. We are pleased to have a young and enthusiastic workforce, with 56% of our employees aged below 35.

* All diversity data covers headcounts of the Group’s local and overseas operations and joint ventures.

* Figure 21: Gender diversity

* Figure 22: Ethnic diversity

* Figure 23: Age diversity
**Women @ Work**

Our policy on gender equity is exemplified through our Women @ Work programme. This programme aims to encourage and support the participation of women in our workforce, which is in line with the national initiative of achieving 30% women representation on public-listed Boards by 2020 (“The 30% Club Malaysia Chapter”).

We recognise that young working mothers face additional commitment of having to care for their children. Thus, a women-centric benefits package is offered to our working mothers which include 90-day maternity leave, childcare leave, childcare subsidy, day care centre, stork parking, nursing room as well as pre and post-natal expenses support.

These efforts have resulted in a fairly good gender mix within the Group, with female employees currently making up 30% of the total. At our Board level, female diversity has increased in FY2018, with 43% being female directors as compared to 33% in FY2017.

**Gamuda Women’s Empowerment Network (GWEN)**

We have launched GWEN this year to advance careers of women by providing a support network. GWEN aims to empower our women through a broader scope covering three pillars: Career Development, Engagement and Wellbeing.

We have kicked off the first initiative under GWEN that fine-tunes our existing mentorship programme by having a panel of external mentors in leadership positions from different sectors.

**Leadership Development**

We have adopted the Korn Ferry Hay Leadership Tool to measure current leadership style and future leadership potential within the organisation. The assessment has provided us a perspective to identify areas of improvement for succession planning and leadership development.

In line with our effort to develop our leaders, two leadership programmes have been introduced this year, namely “First-time Managers” and “Managerial Evolution”. Both programmes are designed to assist newly promoted managers as well as experienced managers to better transition into their new leadership roles.
Most of the eligible employees have undertaken the CMP training within two years since its launch in 2016. In FY2018, the trainees mostly are new hires and employees that have previously deferred their training.

<table>
<thead>
<tr>
<th>CMP Training</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees trained</td>
<td>40</td>
<td>111</td>
<td>109</td>
</tr>
</tbody>
</table>

Table 16: Number of employees trained in CMP

By ‘renewing’ our talent, we seek to develop multi-skilled employees by encouraging exposure to a range of functions, which gives our people a competitive edge and enables the Group to stay dynamic in the industry.

Career Development

The Career Development Unit (CDU) has been set up to provide internal career guidance and coaching to enhance employees’ competencies in current and future roles. The Strengths-Development-Opportunities-Career (SDOC) Staller tool is used to discover Gamudians’ personal strengths and development needs. With this, employees are able to identify and map out individualised career development plans.

Training and Capability Building

Our in-house Gamuda Learning Centre (GLC), the Group’s dedicated training arm utilises the career development plan to conduct Training Need Analysis. We provide skills-based and technical training for staff from all career levels and job streams.

Skills-based Training

The Construction Management Programme (CMP) was introduced to train our young site supervisors and engineers through real site work exposure. This annual programme focuses on internationally benchmarked construction skills adopted from best practices in Australia, Europe and Singapore. CMP courses are accredited by CIDB for Civil and Structural or Building and Architectural Works.

Performance Management and Reward

Performance reviews are conducted for all Gamudians at least once a year to assess the quality of their work as well as to guide their career development. Our employees’ job performance and development potential are evaluated systematically based on respective team and personal Key Performance Indicators (KPIs). Rewards and compensation are offered on a merit basis, according to employees’ performance.
HEALTH AND SAFETY
We place health and safety as a top priority in our operations as we strive to safeguard all our employees, contractors, customers, suppliers, local communities, and other stakeholders. Steered by a robust Quality, Safety, Health and Environment (QSHE) management system, we strive to achieve zero fatality through continuous management, monitoring and improvement of the Group’s health and safety performance.

Safety and Health Management System
Our safety and health policies outline the relevant processes and procedures to continuously improve the sustainability of our operations by providing high-quality, cost-effective, reliable, safe and environment-friendly services. Policy reviews are done regularly to ensure that they remain relevant, appropriate and aligned with our business objectives.

The policies are supported by an effective management system to manage and continuously eliminate hazards and minimise safety and health risks. All our key business units have in place safety and health management systems that are certified to local and international standards. These certifications are renewed periodically to remain relevant with the latest industrial standards. For instance, Gamuda Berhad and Gamuda Engineering are certified by the Integrated Management System (IMS) which covers safety and health related standards, OHSAS 18001:2007 Occupational Health and Safety, and MS 1722:2011 Occupational Safety and Health Management Systems. We are also currently transitioning to ISO 45001:2018 Occupational Health and Safety Management System.

Hazard Identification, Risk Assessment and Determining Control
As part of our safety and health management system requirements, all activities must undergo the Hazard Identification, Risk Assessment and Determining Control (HIRADC) process before the commencement of any project.

All employees and workers shall promptly report all work-related hazards and hazardous situations encountered. Employees and workers shall remove themselves from work situations that may cause injury or ill health. Should they fear reprisals on account of their actions, they may report the matter directly to the Head of Project or SHE personnel for further investigation. Employees and workers shall discuss with their superiors to mitigate the risks before resuming work.

Reported incidents will be handled in accordance with our Incident Investigation and Reporting procedures. Analysed data and trends compiled from these incidents are reviewed critically and used to enhance existing strategies and procedures.

Figure 26: Key steps in the Group’s HIRADC process
Workers Participation, Consultation and Communication on Safety and Health related issues

Employees and workers are provided with the opportunity and platform to actively participate in the consultation, review and improvements in safety and health at the workplace. Employees may provide feedback to management through the following channels:

- Toolbox and pre-task briefing
- Involvement in HIRADC during Job Safety Analysis and Method Statement review
- During incident investigation process
- Discussions during corporate and project level SHE Committee meetings

Safety and Health Management for Contractors under Gamuda Engineering

As we work with a significant number of subcontractors, we conduct pre-qualifying screening to ensure standards on safety and health performance are met. In addition, continuous training, periodic inspections and audit are carried out throughout the construction period of a project.

Safety and Health Performance

With zero fatality as the ultimate goal, we strive to reduce the number of accidents throughout our operations through monitoring and constant process improvement.

In FY2018, we recorded improvement in safety performance at our PDP project site for KVMRT Line 2 (Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line), and hit a milestone of 11 million man-hours without lost time injury (LTI).

Our underground team for KVMRT Line 2 Line has recorded 2.6 million man-hours without LTI, since commencement of the project while Gamuda Building Unit recorded 7.9 million man-hours without LTI to-date at their project sites.

In FY2018, our manufacturing factory, Gamuda IBS recorded 1.6 million man-hours without LTI while Gamuda Land recorded 1.1 million man-hours without LTI across project sites.

Raising Safety and Health Awareness

We regularly engage and educate our employees to inculcate a culture of safety and compliance through safety and health training and initiatives.

In FY2018, the key safety and health training conducted at respective business units include Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training, chemical hazard risk control, scheduled waste handling training. At Gamuda Engineering, we have also rolled out several safety schemes to enhance safe working environment such as the Gamuda Construction Safety Passport (GCSP), which is accredited by CIDB that is equivalent to CIDB green card. Additional safety schemes include the KVMRT Line 1 and Line 2 PDP’s SHE Passport Scheme and Underground Construction Skills Certification Scheme.

Table 17: Number of employees and workers who attended safety and health training in FY2018

<table>
<thead>
<tr>
<th>Safety and Health Training</th>
<th>Gamuda Engineering</th>
<th>Gamuda Land</th>
<th>Gamuda IBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees and workers attended</td>
<td>437</td>
<td>33</td>
<td>107</td>
</tr>
</tbody>
</table>
Our Safety and Health Activities Highlights:

World Occupational Safety and Health (OSH) Day Campaign

In conjunction with the World OSH Day 2018, MRT Corporation (MRTC) and MMC Gamuda KVMRT (PDP) Sdn Bhd conducted our second OSH campaign in April 2018. The theme this year was “Injury Incident and Prevention Programme”.

The programme aimed to increase awareness among workers on how to prevent incidents that could cause injuries. The two-day campaign took place at our KVMRT Training Centre.

More than 250 participants from over fifteen Work Package Contractors joined the programme.

QSHE In Construction Seminar 2018

Our inaugural QSHE In Construction Seminar 2018 was held on 29-30 January 2018. It was officiated by the then Deputy Director General of DOSH, Tuan Haji Omar B. Mat Piah (now the Director General of DOSH).

The event attracted a total of 120 participants. The seminar served as a platform for the sharing of knowledge and experiences among QSHE practitioners, subcontractors and related government agencies.