

Sustainability Statement

Build Right. For Life.

THE INDUSTRY IS EVER EVOLVING IN THE WAKE OF DISRUPTIONS IN TWO MAIN SPHERES; DIGITAL REVOLUTION AND CLIMATE CHANGE. THOUGH WE HAVE BEEN AGILE TO ANTICIPATE AND RESPOND TO THESE CHANGES, NOW, MORE THAN EVER, WE ARE AMPLIFYING OUR EFFORTS TO CONTINUE TO LEAD IN THE INDUSTRY, INCORPORATING SOCIAL AND ENVIRONMENTAL RESILIENCE INTO EVERYTHING WE DO.

We build right, for life.

We are constantly exploring new and better ways to maintain and enhance the liveability of our cities as they grow. Our urban developments and infrastructure projects continue to harness innovative construction technologies to positively impact the surrounding communities and reduce environmental impact. This is achieved through understanding the underlying sustainability impact, including climate change at the onset.

Our defined key targets and performance indicators of our three sustainability themes: delivering value through innovation, building sustainable cities and communities, and developing our human capital; drive performance improvement that will refine our strategic priorities and communicate our long-term value creation to our stakeholders.

Our unique position as the frontrunner in the industry enables us to contribute on a larger scale, towards nation building through strategic partnerships. Together we make informed decisions in our operations, contributing towards the achievement of the Sustainable Development Goals 2030 and the Paris Agreement.

OUR SUSTAINABILITY HIGHLIGHTS AND CONTRIBUTIONS TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

DELIVERING VALUE THROUGH INNOVATION	SUSTAINABLE CITIES AND COMMUNITIES	HUMAN CAPITAL DEVELOPMENT
 <p>10,000 annual production capacity using digital IBS</p>	 <p>264,427 trees and 1,602,380 shrubs planted across our developments</p>	 <p>awarded 410 Gamuda Scholarship worth RM41.6 million since 1996</p>
 <p>604 staff trained in BIM modelling</p>	<p>>2,005 acres of parks developed</p>	<p>over RM5.9 million training and development expenditure</p>
<p>RM140 million cost savings after implementation of digital procurement</p>	<p>11% dedicated landscape area</p>	<p>43% women in Board of Directors</p> <p>29% women in the workforce</p>
 <p>Community Engagement Award Ground Engineering Award 2019</p>	<p>432 acres waterbodies in Gamuda Developments</p> <p>154 fauna and 228 flora species</p> <p>70% native tree species</p>	<p>Distinction Score British Safety Council International Safety Awards 2019</p> <p>40 Enabling Academy graduates to date</p>

Our Initiatives

- ✓ Digital Industrialised Building System (IBS)
- ✓ Building Information Modelling (BIM)
- ✓ Common Data Environment (CDE)
- ✓ Group Digital Procurement Platform
- ✓ Innovative Design in our Property Development

- ✓ Smart Cities and Green Buildings
- ✓ Climate Action Initiatives
- ✓ Gamuda Parks
- ✓ Waste and Effluent Management

- ✓ 4R Talent Management
- ✓ Leadership Competency Framework
- ✓ Gamuda Women Empowerment Network (GWEN)
- ✓ Quality, Safety, Health and Environment (QSHE) Policy
- ✓ Yayasan Gamuda
- ✓ Enabling Academy (EA)
- ✓ Project Differently-Abled (DA)

Sustainability Statement (Cont'd.)

About This Statement



REPORTING PERIOD AND SCOPE

Our 4th Sustainability Statement covers our sustainability efforts and performance data for the financial year 2018 / 19 from 1 August 2018 to 31 July 2019. All information published herein covers our main activities, and key business operations in Malaysia, mainly the engineering and construction, and property division for which we have direct managerial control, unless otherwise specified. Accordingly, the following entities have been excluded:

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

We strive to continuously improve the integrity and accuracy of our sustainability statement. We are progressively working to enhance monitoring, collection, analyses and reporting of relevant data, to provide our stakeholders with better insights into our sustainability management and performance.



REPORTING FRAMEWORK

This statement has been prepared in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements, with reference to the 2nd edition of Bursa's Sustainability Reporting Guide and the Global Reporting Initiative (GRI) Standards. We also mapped our sustainability strategies to the United Nations Sustainability Development Goals (SDGs) to support Malaysia's commitment in implementing The 2030 Agenda for Sustainable Development.



INDEPENDENT ASSURANCE

We have not sought any external assurance for the current statement. We acknowledge the credibility of an independent verification and are committed to obtain assurance on selected key sustainability indicators in FY2020.



FEEDBACK

We value our stakeholders' feedback to continuously improve our reporting and sustainability practices. You are welcome to contact us at:

✉ gcc@gamuda.com.my

☎ +603 7491 8288

Sustainability Governance

A strong and effective governance framework is essential to further strengthen the trust and confidence of our diverse stakeholders.

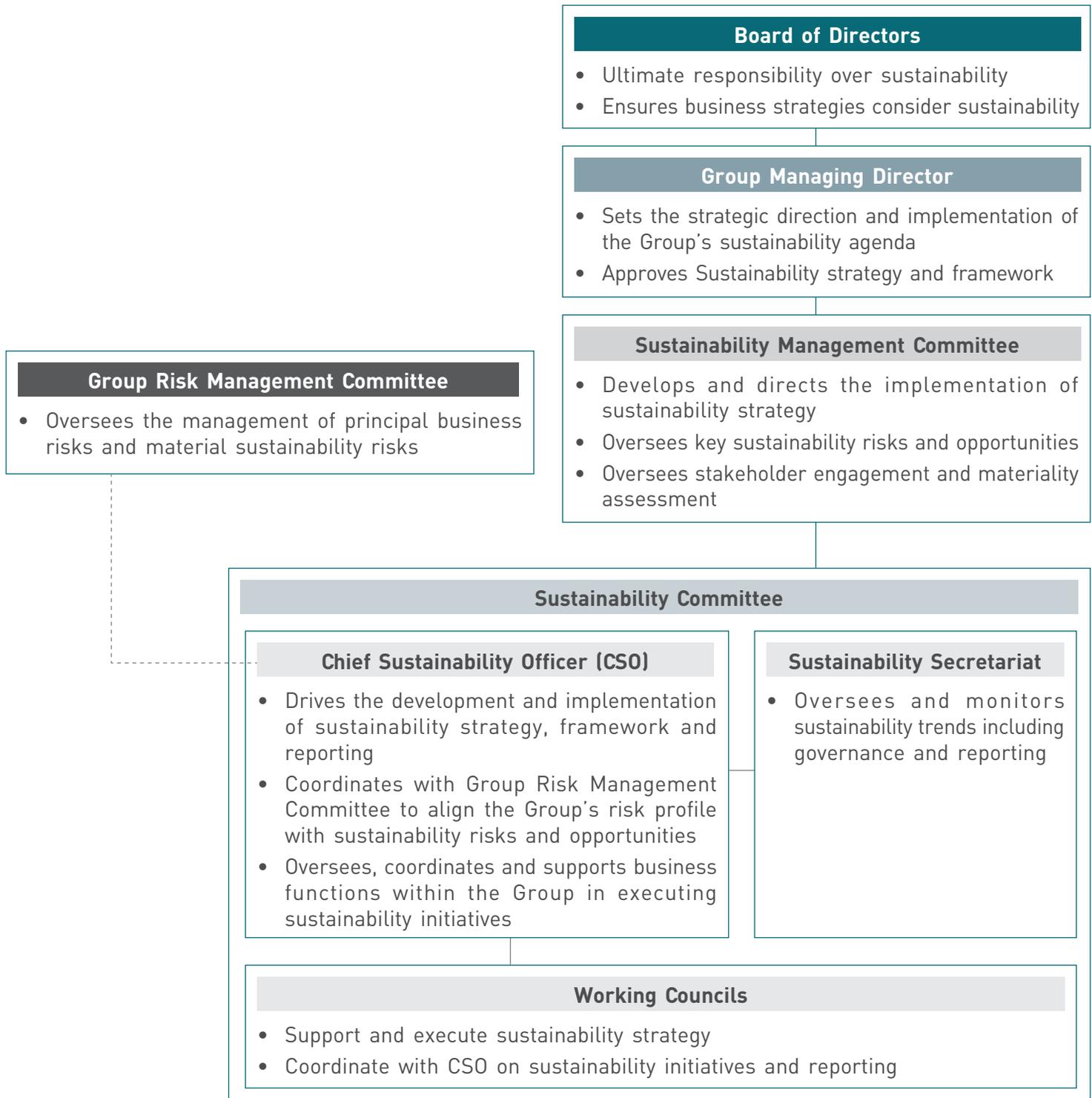
This year, we are working towards advancing how we govern sustainability across all our business operations. Our refined sustainability governance structure reflects the expansion of the Sustainability Committee to include and define more specified roles that embody shared responsibility amongst its members, as depicted in Figure 1. This aligns with our Sustainability Framework, which calls for greater accountability within the Sustainability Committee to manage our sustainability performance and achieve the set Key Performance Indicators (KPIs) and targets.

Our Board of Directors shoulders the primary responsibility as the driver of the Group's sustainability efforts and has mandated the Group Managing Director to set the strategic direction of the Group. The Sustainability Management Committee, supported by the Sustainability Committee, champions the incorporation of sustainability into the long-term strategic plans and key business processes. The Sustainability Committee will work in unison to oversee sustainability management and ensure the robustness of the systems, improving the quality of sustainability-related data for reporting and analysis. Management of sustainability risks and opportunities is integrated into the multi-disciplinary, group-wide risk management process.



Sustainability Statement (Cont'd.)

GAMUDA SUSTAINABILITY GOVERNANCE STRUCTURE



Monthly reporting through the Sustainability Committee meetings.

Figure 1: Our Sustainability Governance Structure



ETHICAL BUSINESS CONDUCT

We uphold integrity in the way we conduct our business, guided by good governance practices outlined in our corporate governance framework and terms of reference. Our Code of Ethics and Business Conduct sets the behavioural standards and provides a communicable and understandable guide for all employees on ethical and compliance issues.



WHISTLEBLOWING

We ensure that the Group's zero-tolerance stance towards any form of misconduct is strictly adhered to. Our Whistleblowing Policy and procedures encourages our employees including contractors, suppliers and customers to raise genuine concerns of any malpractices or misconduct. Our whistleblowing mechanism allows us to deal with such allegations in a confidential manner, providing appropriate protection to the whistleblower against any form of reprisals.

All malpractice or misconduct shall be raised to the Legal & Company Secretarial and Internal Audit, which subsequently needs to be reported to any Executive Directors, or Chairman of the Audit Committee. Appropriate disciplinary action will be taken against the responsible individual(s) if the claim of malpractice or misconduct is substantiated. More information about our Whistleblowing Policy can be found on our website at <https://gamuda.com.my/2019/05/whistleblower-policy/inv-corpgov/>



ANTI-BRIBERY AND ANTI-CORRUPTION

We are resolute in our commitment to conducting our business free from any acts of bribery or corruption in upholding high standards of ethics and integrity. All our employees, contractors and suppliers are required to adhere to all anti-bribery and anti-corruption legislations. The Group's 'No Gift' Policy refrains all employees from accepting gifts in any circumstances.



REGULATORY COMPLIANCE

Robust governance consisting of sound policies, systems, processes and internal controls allows us to have an oversight in ensuring strict adherence to laws and regulations, including those that concern environmental and social-related issues. Our aim is to surpass minimum regulatory requirements, wherever possible.

We view training as an essential component of our risk management, governance and compliance framework. We provide mandatory ethics and compliance training for all employees to reinforce their understanding of the relevant policies, standards, and practices such as fraud, health, safety and environment, anti-bribery and anti-corruption.



RISK MANAGEMENT

Our Risk Management Framework (RMF) has been built against the backdrop of our good governance practices, underpinned by a set of key risk principles and strategies which serve as the foundation in driving strong risk management culture and practices across the Group. Our RMF is embedded within the Group's management systems and clearly outlines the responsibilities and accountability in implementing our risk management processes and internal control system.

Our Risk Management Committee oversees the Group's risk management, including sustainability risks while our Internal Audit function monitors and conducts regular reviews of the Group's system of internal controls. An effective risk governance and management framework not only safeguards our business operations, but also reinforces the confidence of our stakeholders.

 Further information on our corporate governance and risk management can be found in:

- Corporate Governance Statement on pages 132 to 141
- Statement on Risk Management and Internal Control on pages 144 to 146
- Risk Management Committee Report on pages 147 to 149

Sustainability Statement (Cont'd.)

Sustainability Framework

GAMUDA'S APPROACH TO SUSTAINABILITY IS SUPPORTED BY POLICIES, PROCEDURES AND OUR CORE VALUES AS REFLECTED IN OUR SUSTAINABILITY FRAMEWORK THAT WAS DEVELOPED IN FY2018. OUR SUSTAINABILITY FRAMEWORK DIRECTS OUR APPROACH TO MANAGE OUR MATERIAL MATTERS WITHIN OUR BUSINESS STRATEGY ACROSS ALL UNITS.

This year, we focused on aligning the evaluation of our sustainability performance and approach across our key business segments – engineering & construction, and property development. The Sustainability Committee reviewed and updated KPIs to provide clarity and assign accountability to enhance the management of our material matters in an effective manner. These KPIs have recently been approved by the Group Managing Director and our performance against these set KPIs will progressively be reported.



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 core businesses 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

Delivering Value Through Innovation



Achieving economic growth through effective innovation, improved productivity and reliability

Sustainable Cities and Communities



Incorporating green mindset across our value chain

Human Capital Development



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
- Climate Action
- Water Management
- Materials
- Land Remediation, Contamination or Degradation

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

OUR VALUES

Take Personal Ownership

Walk The Talk

Adopt Open and Honest Communication

Demonstrate Real Teamwork

Develop Our People

Goals and Targets

Governance

United Nations Sustainable Development Goals

Sustainability Statement (Cont'd.)

Stakeholder Engagement

Stakeholder engagement is essential to ensure business sustainability. We consider our stakeholders to be any group that have a significant impact on, and a keen interest in our operations. We prioritise fostering a strong relationship with our key stakeholder groups through regular engagements to allow us to gain insights into matters they are most concerned with. The outcome of these engagements will progressively inform and outline our sustainability strategic priorities and guide the implementation of our sustainability initiatives.

Stakeholder Group	Engagement Methods	Frequency	Topics of Concern and Interest	Our Responses	Material Matters
Employees	<ul style="list-style-type: none"> Town hall Meetings SHE committee meetings Trainings and workshops Focus group discussions Surveys Internal communications Newsletter Workplace by Facebook 	<ul style="list-style-type: none"> On-going 	<ul style="list-style-type: none"> Company direction and performance 	<ul style="list-style-type: none"> Town hall sessions to share company's direction and performance 	<ul style="list-style-type: none"> Economic Performance Employee Management Safety and Health Climate Action
			<ul style="list-style-type: none"> Career development and training opportunities 	<ul style="list-style-type: none"> Provision of job-related training and workshops Career planning discussions 	
			<ul style="list-style-type: none"> Workplace safety and health Well-being of employees 	<ul style="list-style-type: none"> Conduct safety and health related training and activities Provision of centralised quarters for workers 	
			<ul style="list-style-type: none"> Effective communication between employees 	<ul style="list-style-type: none"> Increase communication platforms and engagement frequency 	
			<ul style="list-style-type: none"> Fair and competitive remuneration practices Work-life balance 	<ul style="list-style-type: none"> Provision of remuneration and various employee benefits 	
			<ul style="list-style-type: none"> Climate action 	<ul style="list-style-type: none"> Leading Urban Sustainability Labs 	
Customers	<ul style="list-style-type: none"> Social media Newsletter Circulars and email SnagR / FieldView Gamuda Land Mobile Application Customer portal Events and campaigns Loyalty programme 	<ul style="list-style-type: none"> Weekly Quarterly As needed As needed On-going On-going On-going On-going 	<ul style="list-style-type: none"> Product quality 	<ul style="list-style-type: none"> Adherence to quality performance standards (QLASSIC and ISO certification) Application of industry best practices Innovative technology (IBS and BIM) 	<ul style="list-style-type: none"> Customer Satisfaction Safety and Health
			<ul style="list-style-type: none"> Customer service and experience 	<ul style="list-style-type: none"> Timely response towards customer's concerns and interests 	
			<ul style="list-style-type: none"> Home purchase 	<ul style="list-style-type: none"> Gamuda Land Home Ownership Made Easy 	
			<ul style="list-style-type: none"> Smart and sustainable cities 	<ul style="list-style-type: none"> Gamuda Land Smart City Framework Gamuda Land Smart Initiatives 	

Stakeholder Group	Engagement Methods	Frequency	Topics of Concern and Interest	Our Responses	Material Matters
Investors and Financiers	<ul style="list-style-type: none"> Annual General Meeting Investor briefings and marketing roadshows Corporate website Site visits and meetings Annual Report Quarterly report 	<ul style="list-style-type: none"> Annually On-going 	<ul style="list-style-type: none"> Operational and financial performance Shareholder returns 	<ul style="list-style-type: none"> Provide timely updates of business performance e.g. well-attended quarterly and annual financial statements briefing session 	<ul style="list-style-type: none"> Economic Performance Governance
		<ul style="list-style-type: none"> On-going On-going Annually Quarterly 	<ul style="list-style-type: none"> Business strategy, risk management and corporate governance Sustainability performance 	<ul style="list-style-type: none"> Regular engagement with investors, potential investors and providers of capital Communicate economic, environmental and social (EES) strategies 	
Local Communities	<ul style="list-style-type: none"> Community development programmes Info centres, info kiosks and mobile info truck for KVMRT Line 2 Company website and social media Collaborations with partners for community development Events and roadshows 	<ul style="list-style-type: none"> On-going 	<ul style="list-style-type: none"> Community development and support 	<ul style="list-style-type: none"> Provision of scholarships and sponsorships Upskilling individuals with autism Conduct employment transition programme that trains young adults with autism Star Golden Hearts Awards 	<ul style="list-style-type: none"> Stakeholder and Community Relations Safety and Health
			<ul style="list-style-type: none"> Quality, safety, health and environment (QSHE) 	<ul style="list-style-type: none"> Adherence to local authority and regulations Operational safety and health practices on site and in townships Improvement in product quality and environmental preservation Conduct QSHE@School Programme to inculcate QSHE awareness to primary school students 	
			<ul style="list-style-type: none"> Communication on our development plans and projects 	<ul style="list-style-type: none"> Regular project updates through corporate website, media and roadshows 	

Sustainability Statement (Cont'd.)

Stakeholder Group	Engagement Methods	Frequency	Topics of Concern and Interest	Our Responses	Material Matters
Government and Regulators	<ul style="list-style-type: none"> Industry workshops Meetings and consultations Reporting Inspections Collaboration and partnerships Events 	<ul style="list-style-type: none"> On-going 	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Reliable reporting and marketing communications Monitoring of compliance through legal checklist 	<ul style="list-style-type: none"> Innovation Climate Action Governance Stakeholder and Community Relations Customer Satisfaction
			<ul style="list-style-type: none"> Improving construction sector productivity National Housing Policy 	<ul style="list-style-type: none"> Workforce upskilling Leveraging IT solutions Application of new engineering and construction technologies (e.g. IBS and BIM) Housing 4.0 Competition 	
			<ul style="list-style-type: none"> Climate action 	<ul style="list-style-type: none"> Leading Urban Sustainability Labs 	
			<ul style="list-style-type: none"> Smart and sustainable cities 	<ul style="list-style-type: none"> Gamuda Land Smart City Framework Gamuda Land Smart Initiatives 	
			<ul style="list-style-type: none"> Community development and support 	<ul style="list-style-type: none"> Provision of scholarships and sponsorships Upskilling individuals with autism for sustainable employment Partnerships in community development programmes or awards (e.g. Star Golden Hearts Awards) 	
Suppliers	<ul style="list-style-type: none"> E-procurement system Supplier training programmes Supplier evaluation Email 	<ul style="list-style-type: none"> On-going 	<ul style="list-style-type: none"> Transparency in procurement processes 	<ul style="list-style-type: none"> Implemented SAP Ariba 	<ul style="list-style-type: none"> Supply Chain Management
		<ul style="list-style-type: none"> As needed 	<ul style="list-style-type: none"> Knowledge sharing and capacity building 	<ul style="list-style-type: none"> Workforce upskilling Leveraging IT solutions Application of new engineering and construction technologies 	
		<ul style="list-style-type: none"> Annual/ Bi-annual As needed 	<ul style="list-style-type: none"> Implementation of e-procurement (SAP Ariba and BuildSpace) 	<ul style="list-style-type: none"> Communication of user guide on SAP Ariba and BuildSpace 	
Media	<ul style="list-style-type: none"> Press conferences Press releases and interviews 	<ul style="list-style-type: none"> On-going 	<ul style="list-style-type: none"> Company direction and performance 	<ul style="list-style-type: none"> Direct engagement and press statements 	<ul style="list-style-type: none"> Economic Performance Sustainable Cities and Communities
			<ul style="list-style-type: none"> Timely and transparent communication 		

Our Material Matters

Materiality assessment is a critical mechanism in ensuring we channel our sustainability efforts and focus on what matters most to our business and stakeholders. Through our materiality assessment workshop conducted last year, we identified 18 significant matters which led to the creation of our sustainability strategy.

MATERIALITY ASSESSMENT

We aim to review our materiality matrix every year against the changing business landscape, emerging trends, regulatory development, as well as insightful stakeholder feedback to ensure we are responding to the issues that have the greatest impact on our business and stakeholders.

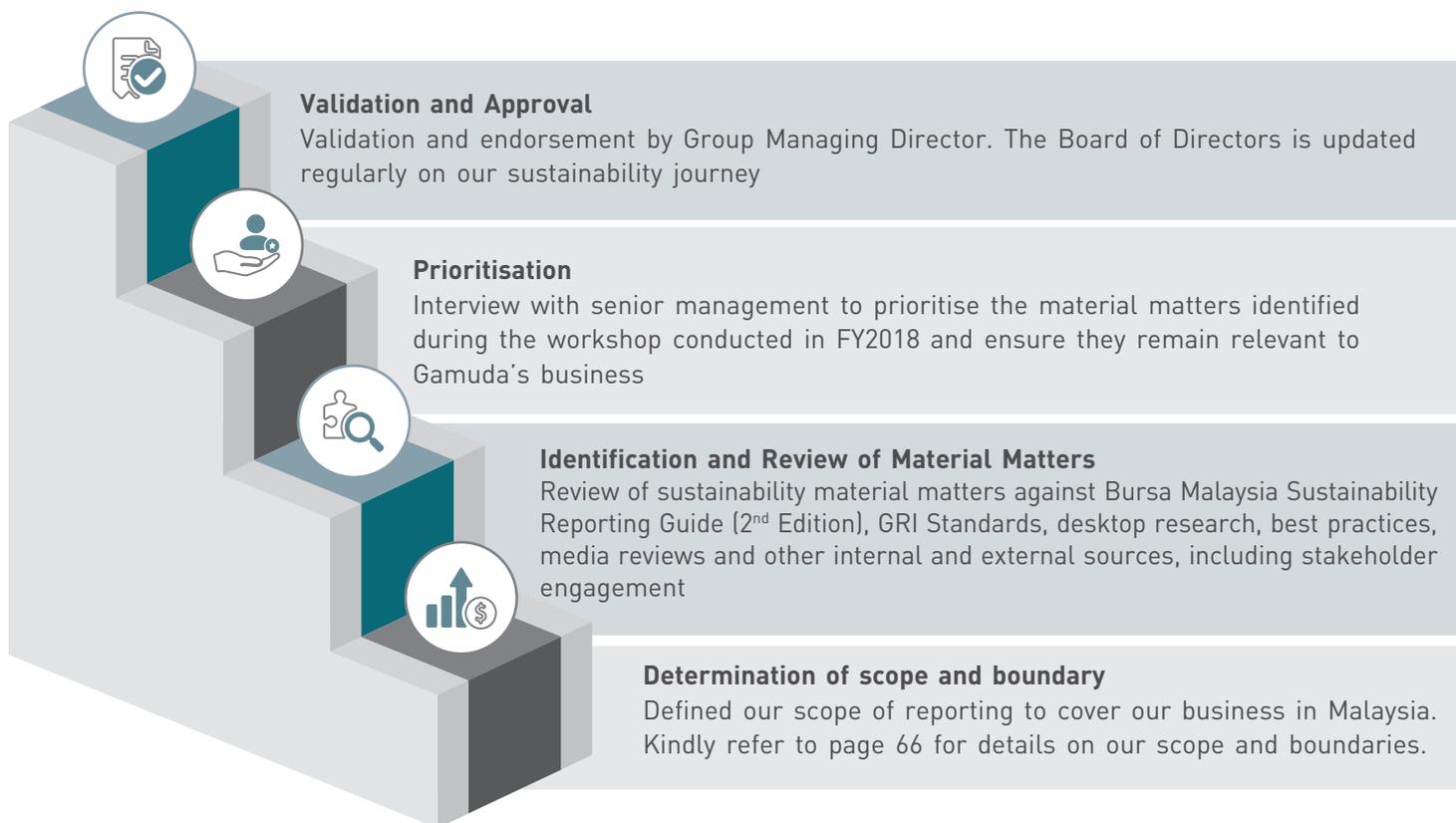
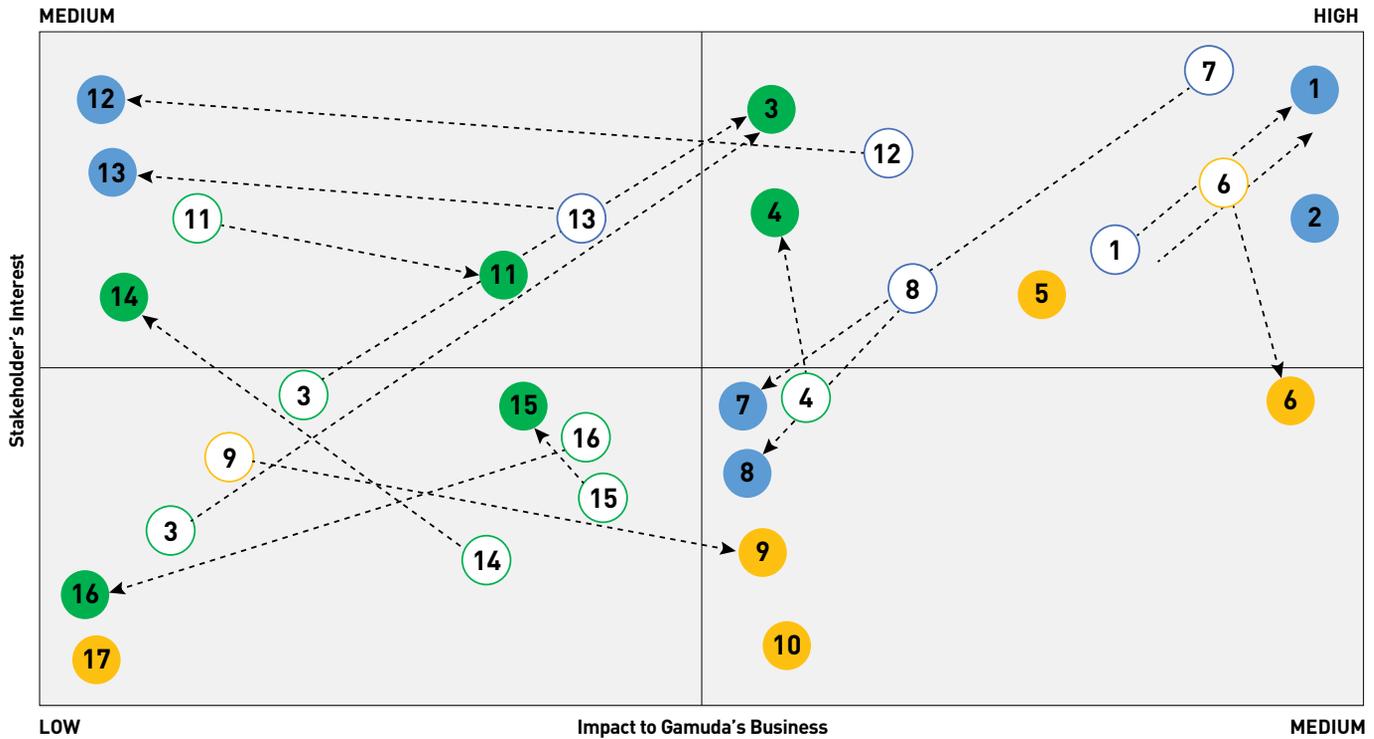


Figure 2: Materiality assessment process

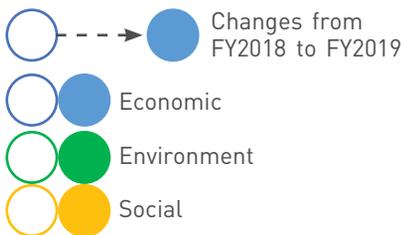
Sustainability Statement (Cont'd.)

MATERIALITY MATRIX

In our 2019 assessment, our 18 material matters remain unchanged while “emission” and “energy management” were consolidated as “climate action” to better reflect the management of these material matters. In addition, there have been key shifts in the positioning of our material matters where each matter’s position in the matrix is indicative of its relative importance to stakeholders and potential for business impact. These shifts are clearly reflected in the matrix below:



Legend:



Material Matters:

1. Economic Performance
2. Innovation
3. Climate Action
4. Biodiversity
5. Safety and Health
6. Employee Management
7. Customer Satisfaction
8. Supply Chain Management
9. Stakeholder and Community Relations
10. Customer Privacy
11. Effluents and Waste
12. Governance
13. Indirect Economic Impacts
14. Water Management
15. Materials
16. Land Remediation, Contamination or Degradation
17. Marketing and Labelling

Figure 3: The shift in the positioning of material matters between FY2018 and FY2019

Our revised materiality matrix for 2019 is illustrated below:

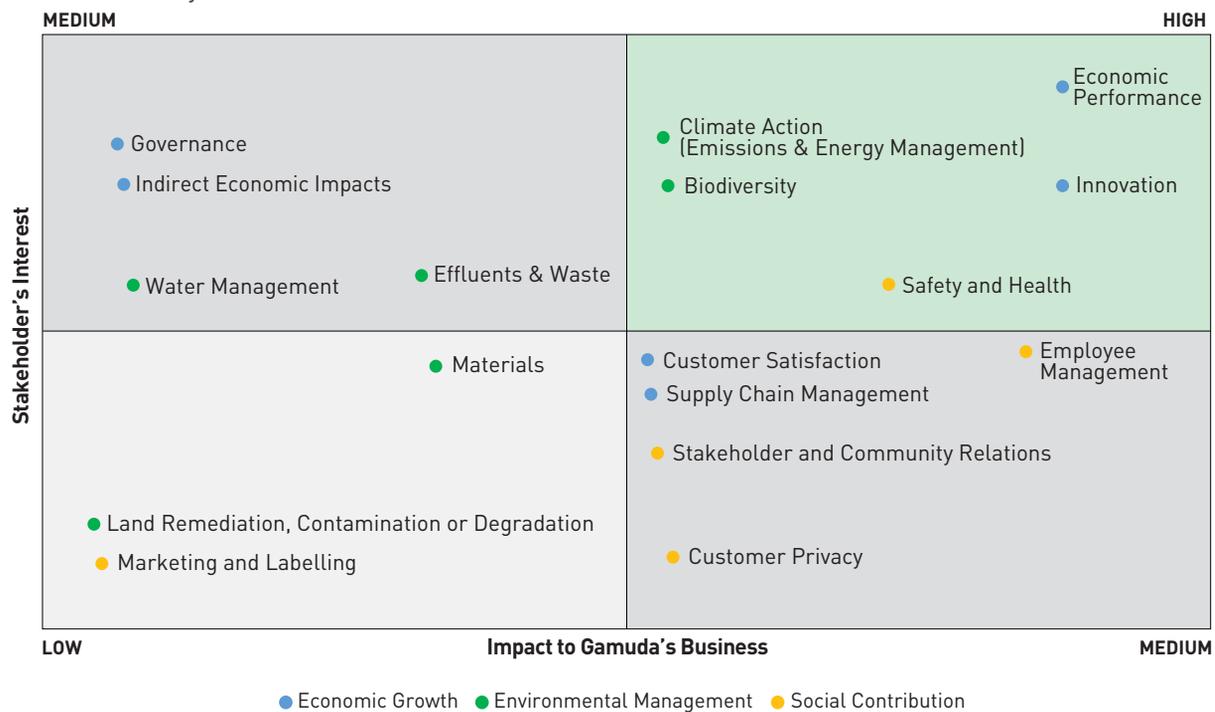


Figure 4: Gamuda's FY2019 materiality matrix

The high priority matters remain the core focus of our FY2019 sustainability reporting. Moreover, this year, we have expanded our reporting disclosures to include an additional medium priority matter – effluents and waste. Our heightened focus on environmental sustainability is driven by our aspiration to go beyond compliance and managing our impact towards nature, as well as commit and align with the national and international commitments outlined by the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) and United Nations Development Programme (UNDP).

Moving forward, we will enhance our reporting to include the remaining material matters progressively.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

In 2018, we aligned our material matters to the global sustainable development agenda, the UN SDGs. We identified eight SDGs where Gamuda could likely play a significant role in contributing to the global and national agenda through the construction of sustainable

urban infrastructure and property development and management in Malaysia.

This year, in line with our revised materiality matrix, we identified an additional SDG 13, Climate Action to support the global efforts in combating climate change. Among the 9 identified SDGs, we further prioritised SDG 9, SDG 11 and SDG 13 in driving our sustainability agenda forward. Our initiatives and activities in contributing towards these SDGs are reflected throughout this report.



Figure 5: Gamuda's commitment towards the UN SDGs

Sustainability Statement (Cont'd.)

OUR MATERIAL MATTERS

Themes	Material Matters	Level of Priority	Definition	Topic Boundary*
Delivering Value through Innovation	Economic Performance	High	Economic value generated & distributed to stakeholders	Gamuda Group
	Innovation	High	New ideas to create value which includes new design, technology, services or processes	Gamuda Group
	Customer Satisfaction	Medium	Measures in place to deliver and meet customer's needs and expectations	Gamuda Group
	Governance	Medium	Board and management oversight, ethics and transparency, anti-corruption	Gamuda Group
	Supply Chain Management	Medium	Creating value, efficiencies and competitiveness by developing a robust supply chain	Gamuda Group including MMC Gamuda
Sustainable Cities and Communities	Climate Action	High	Tackling climate change through management of greenhouse gas emissions and energy consumption	Gamuda Group
	Biodiversity	High	Identification, assessment and management of risk associated with natural systems	Gamuda Land
	Effluents and Waste	Medium	Management of effluents, hazardous and non-hazardous waste	Gamuda Group
	Water Management	Medium	Efficient consumption of water resource	Gamuda Group
Human Capital Development	Safety and Health	High	Anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the safety, health and well-being of workers	Gamuda Group including MMC Gamuda
	Employee Management	Medium	Management of employees in terms of fair treatment, training, career development, diversity and well-being	Gamuda Group
	Stakeholder and Community Relations	Medium	Contribution to local communities' needs and mitigating impact on local communities	Gamuda Group including MMC Gamuda

* Refers to all business operations in Malaysia excluding our concessions, associate companies and joint ventures.

OUR PROGRESS AGAINST KPIS AND TARGETS

Sustainability Pillars	Material Matters	KPIs and Targets	Financial Year	Scope	FY2019 Performance
Delivering Value through Innovation   	Innovation	All developments to be fully designed using BIM and digital IBS	2020	Gamuda Land	In progress New developments are designed using BIM and digital IBS
		100% adoption of BIM Level 2	2020	Gamuda Engineering	In progress Aim to obtain PAS:1192-2 certification for KVMRT Line 2 by December 2019 and ISO 19650 certification by FY2020 Details are available on page 84
		Provide BIM trainings to all employees in technical capacities	Annually	Gamuda Group	In progress Putting in place the required measures to manage and monitor the roll-out of the programmes. Currently 604 employees trained
	Customer Satisfaction	80% QCLASSIC score for selected projects	2022	Gamuda Land	In progress Aim to improve quality built by optimising our internal procedures, processes and the utilisation of technology Details are available on page 86
	Supply Chain Management	100% implementation of SAP Ariba	2019	Gamuda Group	Achieved SAP Ariba was fully implemented since October 2018, and expecting 100% adoption by Q1, 2020 Details are available on page 90
		100% adoption of all E-Procurement platforms	2020	Gamuda Group	In progress Details are available on page 90
		Contract award to major suppliers who are ISO 14001 certified	2021	Gamuda Group	In progress Currently advocating and building awareness through knowledge transfer trainings to assist our suppliers in obtaining ISO14001 certification Details are available on page 90

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Sustainability Pillars	Material Matters	KPIs and Targets	Financial Year	Scope	FY2019 Performance
Sustainable Cities and Communities    	Green Buildings and Smart Cities	Obtain GBI certification for selected new developments	2020	Gamuda Land	In progress
	Climate Action	Reduce energy consumption for Menara Gamuda and selected construction site	2021	Gamuda Group	In progress Setting energy baseline for our construction sites Details are available on page 97
		Reduce GHG emissions for Scope 1 and 2	2020	Gamuda Group	In progress Currently putting in the required systems and processes to manage GHG emissions, setting baseline and targets
	Biodiversity	Formulate Gamuda Parks Policy	2020	Gamuda Land	Achieved Gamuda Parks Policy has been finalised in 2019 Details are available on page 100
		Develop a Biodiversity Policy	2021	Gamuda Engineering	In progress Gamuda Parks Policy is used as a reference to develop the Biodiversity Policy
		Minimum of 11% landscape area for all Gamuda Land developments	Annually	Gamuda Land	Achieved Details are available on page 102
		Allocate minimum 50% of native tree species out of the overall softscape proposed in each Gamuda Land development	2020	Gamuda Land	In progress Currently, total of 70% native species has been planted in all townships collectively
		Preserve and transplant at least 5% of valuable IUCN tree species in all new Gamuda Land townships, where feasible	2020	Gamuda Land	In progress Details are available on page 100
	Effluents and Waste	Reduce waste disposal to landfill at our construction sites by 10%	2020	Gamuda Engineering and Gamuda Land	In progress Established a preliminary waste baseline for all construction sites
		Recycle 100% of the unusable steel bars	2020	Gamuda IBS	Achieved
	Recycle 80% of lubricating oil, hydraulic oil and mold oil empty containers	2020	Gamuda IBS	In progress	

Sustainability Pillars	Material Matters	KPIs and Targets	Financial Year	Scope	FY2019 Performance
Human Capital Development     	Safety and Health	To maintain accident rate <2.5 (commit and align with Department of Occupational, Safety and Health Malaysia)	Annually	Gamuda Engineering Gamuda Land	Achieved Accident rate at 2.01 Accident rate at 0.84
		To maintain Lost Time Injury Frequency Rate (LTIFR) <8.8 (commit and align to Construction Industry Standard, Australia)	Annually	Gamuda Engineering Gamuda Land	Achieved LTIFR 1.94 LTIFR 0.44
	Employee Management	Average 10% of management staff to participate in leadership programmes	Annually	Gamuda Group	Achieved
	Stakeholder and Community Relations	To train a total of at least 20 Enabling Academy (EA) trainees	Annually	Gamuda Group	Achieved
		To recruit at least 12 EA partner companies	Annually	Gamuda Group	Achieved
		At least 15 EA graduates to earn sustainable employment at partner companies	Annually	Gamuda Group	Achieved 15 EA graduates earned employment from 10 partner companies
		Provision of 40 scholarships	2019	Gamuda Group	Not achieved 34 scholarships offered with preference given for specific fields in engineering studies

Sustainability Statement (Cont'd.)

Delivering Value through Innovation

WE BELIEVE INNOVATION IS CRUCIAL IN DRIVING BUSINESS SUCCESS AND IS THE KEY TO STAYING COMPETITIVE IN THIS CHALLENGING MARKET ENVIRONMENT. WITH QUALITY AND OPERATIONAL EFFICIENCY BEING OUR HIGHEST PRIORITY, WE AIM TO EMBRACE DIGITAL TRANSFORMATION AND THE UTILISATION OF CONSTRUCTION TECHNOLOGY TO CREATE LONG-TERM VALUE FOR OUR KEY STAKEHOLDERS AND ACHIEVE OUR STRATEGIC OBJECTIVES AND OUTCOMES.

ECONOMIC PERFORMANCE

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

In FY2019, we registered revenue of RM7,181 million (include share of joint ventures' revenue), core profit before tax of RM909 million, and core net profit of RM706 million. We have been delivering consistent results as illustrated below:

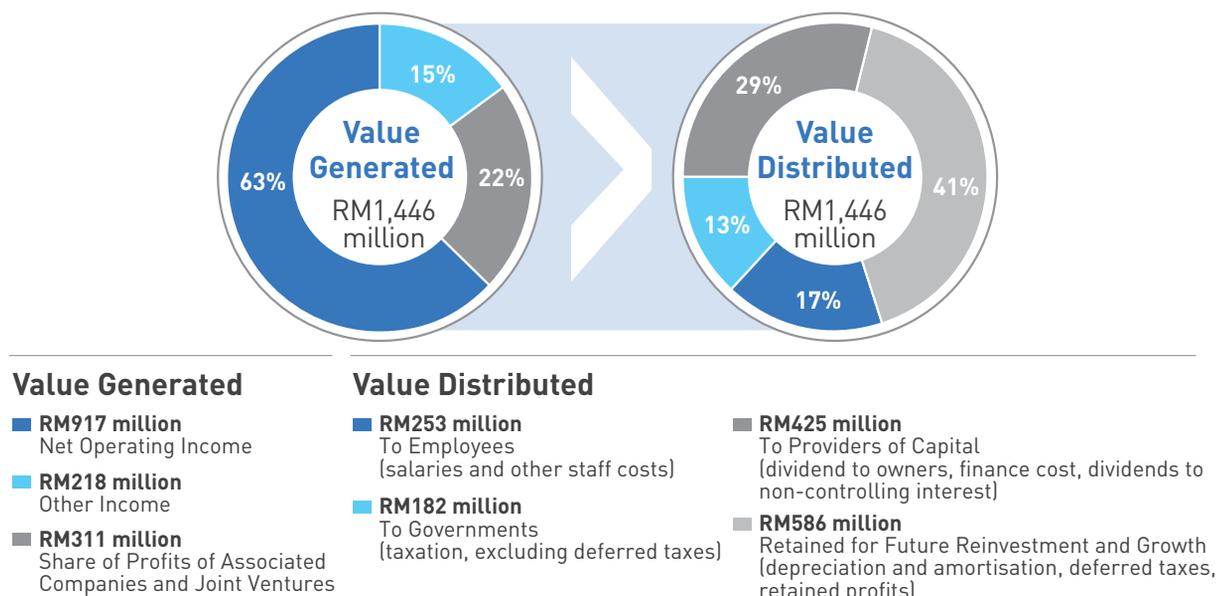


Figure 6: Our direct economic value distributed to stakeholders in FY2019

Further information on our economic performance can be found in:

- Statement from the Group Managing Director on pages 10 to 18
- Five Years Group Financial Highlights on page 34
- Group Segmental Performance on page 36
- Statement of Value Added and Distribution on page 39
- Financial Statements on pages 160 to 381

INNOVATION

We are now in the age of the Fourth Industrial Revolution (Industry 4.0) where big data and new enabling technologies are transforming project delivery in the construction and property industry. The technology and evolution of manufactured homes will now become a mainstay of this industry. To keep up with the rapid proliferation of technology, we continue to prioritise innovation, integrating it into our business strategy to create differentiated solutions that keeps us ahead of the curve.

Gamuda Industrialised Building System (IBS) – Building for the Future

The construction and property industry are currently facing tremendous pressure to deliver high quality and affordable products while reducing project delivery time. At Gamuda, we have embraced the adoption of IBS, which is an advanced digital construction technology where building components are prefabricated off-site, in a controlled factory environment prior to installation

on-site. Gamuda’s significant accomplishment is pioneering Malaysia’s first fully digital IBS factory in Sepang which began operations in 2016. In FY2018, we further invested in a second IBS facility in Banting which was opened by Prime Minister Tun Dr Mahathir Mohamad on 2 May 2019.

Our IBS factories are powered by Building Information Modelling (BIM), an online design system which thrives on a Common Data Environment (CDE), and therefore are able to provide a more sustainable construction solution without compromising product quality whilst offering a wide range of precast products that cater to diverse building applications. With a total capacity of producing 10,000 homes and 16,000 bathroom pods per year, Gamuda is equipped to remain resilient and competitive in this dynamic environment.

Further details of Gamuda IBS’s precast products are available at <https://gamuda.com.my/our-expertise/engineering-construction/gamuda-ibs/>

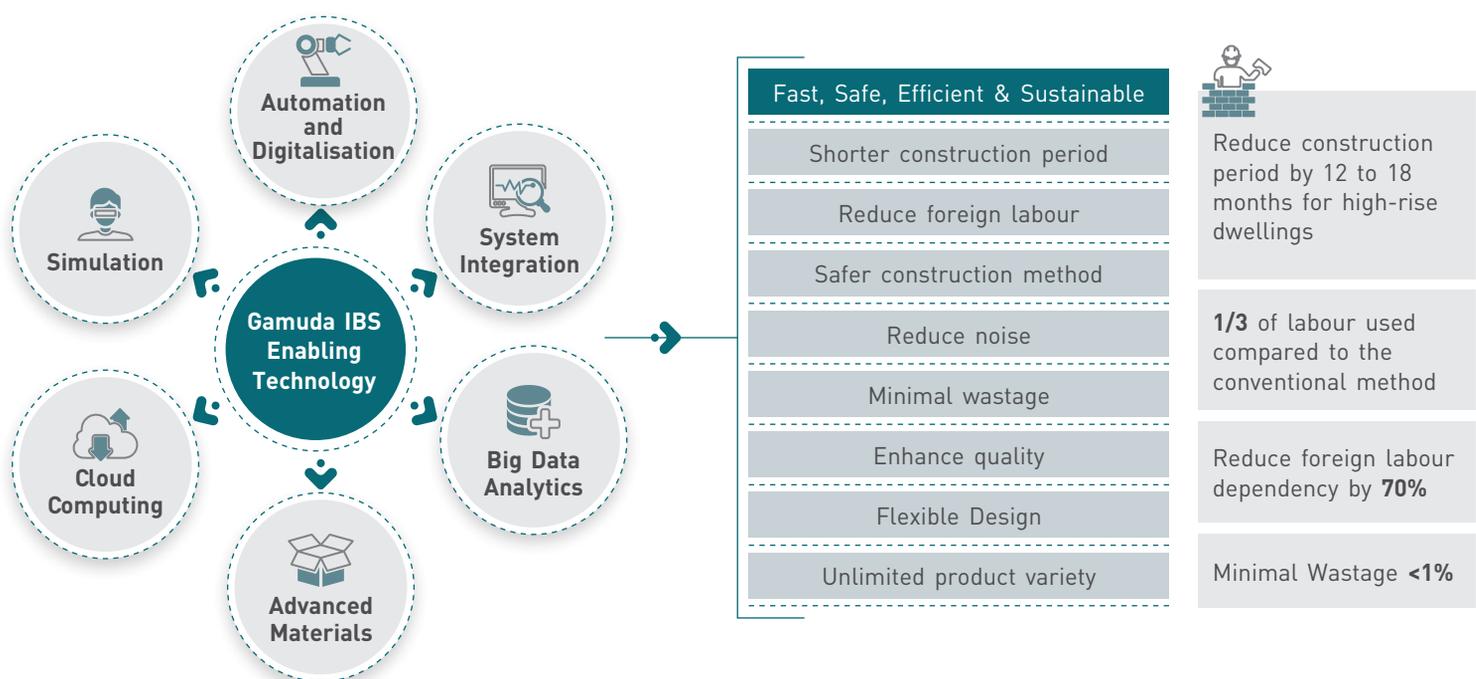


Figure 7: Gamuda IBS Enabling Technology and the benefits that it brings

Sustainability Statement (Cont'd.)

Recognising the potential of digital technology, Gamuda is actively supporting the Construction Industry Transformation Programme (CITP), which is the national agenda to transform the construction industry to be equipped with highly productive, environmentally sustainable and with globally competitive players while focusing on safety and quality standards. In line with the CITP, Gamuda IBS collaborated with the Construction Industry Development Board (CIDB) to increase awareness, promote and enhance IBS and BIM adoption in the housing industry in Malaysia by providing several knowledge sharing sessions and presentation in workshops and seminars.

Gamuda IBS also recently signed a Memorandum of Understanding (MoU) with CIDB, through its subsidiary Construction Research Institute of Malaysia (CREAM) on 6 September 2019 for a strategic partnership on data sharing and information research to help improve construction productivity in Malaysia. This collaboration will produce significant benchmarks for future policy-making and implementation schemes, further supporting the likes of CITP and Industry 4.0.

BIM Technology

BIM is a computerised system that integrates multi-stakeholder coordination while allowing for greater precision and speed in the design and implementation. BIM integrates information and communicates real-time changes where all design data is captured online on a collaborative platform and all design clashes are resolved before construction. It creates a model which contains digital descriptions for every aspect of the project, providing various benefits throughout the entire project lifecycle.

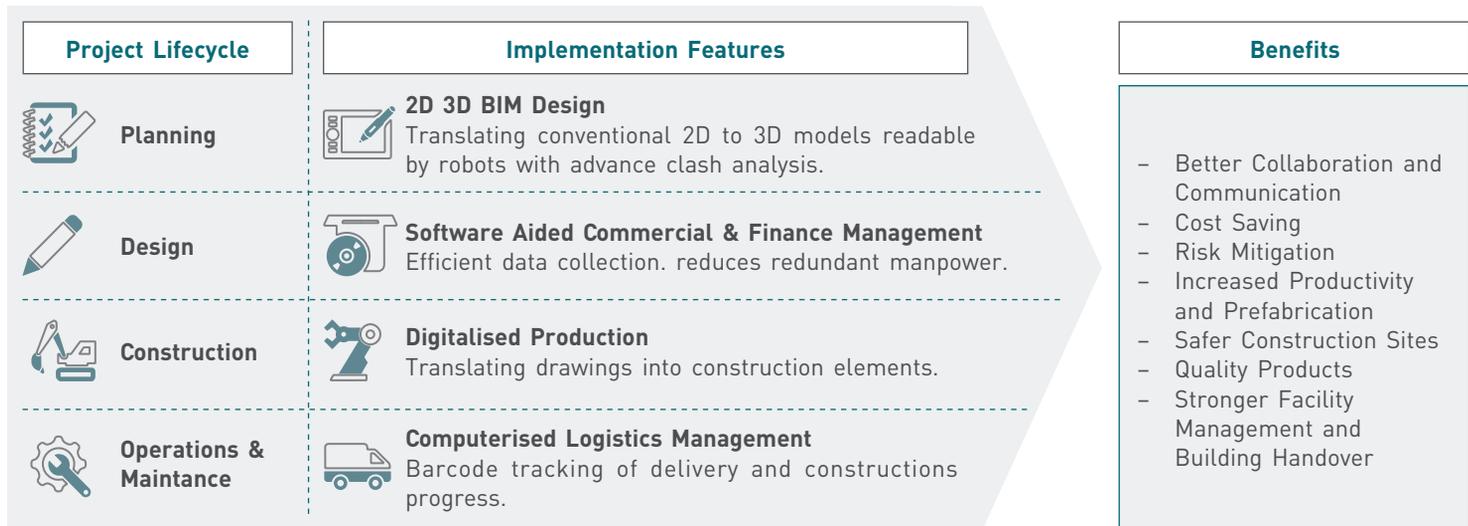


Figure 8: The benefits of BIM technology

BIM	FY2019	FY2018	FY2017
Number of projects using BIM	10	8	2

Table 1: Number of projects using BIM

Moving forward, we are committed to implementing the latest international standards for BIM, i.e. ISO 19650 Standard and PAS:1192-2. Our aim to obtain the PAS:1192-2 certification for KVMRT Line 2 by the end of 2019, and the ISO 19650 certification for Gamuda Engineering by FY2020 will allow us to achieve our target to fully adopt BIM Level 2 by 2020, putting us at the forefront of BIM adoption.

BIM Academy

A qualified and multi-skilled workforce with a strong foundation in science, technology, engineering and mathematics (STEM) is essential in embracing Industry 4.0. Our BIM Training Academy was set up to lead the change in the construction industry by training and upskilling employees and subcontractors on the latest construction technologies, in particular, BIM to maintain their resilience in this new highly-automated age.

In 2019, we developed an online core BIM e-learning skills module to support our classroom technical training at the academy. We also engaged external vendors to provide knowledge sharing sessions at the academy to keep abreast with the latest developments of BIM solutions in the market. We have targeted to roll out the standard BIM trainings annually, to all employees in technical capacities.

BIM Training Academy	FY2019	FY2018	FY2017
Number of personnel trained	604	610	352

Table 2: Number of personnel trained by BIM Training Academy



SUPPORTING THE NATIONAL HOUSING POLICY (2018-2025)

In January 2019, the Ministry of Housing and Local Government launched the National Housing Policy which aims to build 1 million new, high-quality and affordable homes in the next 10 years to improve the overall well-being of Malaysians and combat the property overhang.

Coupled with our digital IBS factories that are capable of delivering 10,000 fully-functional homes a year and BIM technology, Gamuda is well-equipped to fully support both the government and developers to build and deliver new homes for Malaysia.

Echoing the government’s objective, all Gamuda Land’s developments will be fully designed using BIM by 2020.

Housing 4.0 – Setting the future of housing in Malaysia

In line with the National Housing Policy 2019, Gamuda IBS collaborated with the Malaysian Institute of Architects, code named Housing 4.0-the first in Malaysia to seek out innovative ideas that capitalises on both design and digital technology such as IBS and BIM for the future of housing development in

Malaysia. The collaboration involved an open architectural design ideas competition and digital innovation lab workshops where architects and designers had the exposure to digitalisation and automation proves in the Gamuda IBS factory.

The winners were announced on September 10 with the Deputy Minister of Housing and Local Government as the guest of honour. The objective of the competition was met by creating a greater awareness of how technology is the way forward in addressing the country’s housing issues. This partnership also signifies Gamuda’s recognition as an organisation that is able to drive the future of housing development through enabling construction technology.



Sustainability Statement (Cont'd.)

Common Data Environment (CDE)

CDE is a single source of project information used to collect, manage and distribute data for multidisciplinary teams in a BIM process. It facilitates collaboration between project team members and avoids duplication and errors. The CDE also contributes to adoption of a higher BIM maturity, allowing better integration of data to increase productivity and quality with a lower cost.

We are currently implementing CDE across all our business units and developing operating procedures to streamline the process for the collection, management and distribution of project information. We target for a group-wide adoption of CDE by the end of 2020.

CUSTOMER SATISFACTION

Customer expectations for quality, affordable and secure homes and infrastructure continues to challenge us to deliver innovative products and solutions by embracing construction technology and embarking on meaningful partnerships.

Management System in Construction

Achieving quality excellence takes precedence in demonstrating our commitment towards customer satisfaction. In Gamuda, we drive quality and deliver value for our customers by adopting high-quality standards and certifications as illustrated in the table below.

Standards	Description	Key Business Units	Performance
ISO 9001:2015	Certification for Quality Management System	<ul style="list-style-type: none"> Gamuda Berhad Gamuda Engineering Gamuda Land 	Certification Awarded February 1997
ISO 14001:2015	Certification for Environmental Management System	<ul style="list-style-type: none"> Gamuda Berhad Gamuda Engineering 	Certification Awarded February 2008
ISO 45001:2018*	Certification for Occupational Safety and Health Management System	<ul style="list-style-type: none"> Gamuda Berhad Gamuda Engineering 	Certification Awarded December 2018
MS1722:2011	Certification for Occupational Safety and Health Management System	<ul style="list-style-type: none"> Gamuda Berhad Gamuda Engineering 	Certification Awarded February 2008
Quality Assessment System (QLASSIC)	A voluntary third-party assessment by CIDB to evaluate the workmanship of a building's construction based on the Construction Industry Standard (CIS7:2014).	<ul style="list-style-type: none"> Gamuda Land 	Selected projects are QLASSIC certified

* Note that Gamuda has transited from OHSAS 18001:2007 to ISO 45001:2018. Details are available on page 123.

Table 3: Standards and certifications that Gamuda adheres to

The standard we adhere to certifies our credibility as an organisation that works continuously to improve our processes and practices. As each certificate is valid for a period of 3 years from the date of award, we will be renewing our certificates to consistently maintain the highest quality of standards and processes.



Gamuda Land has been the only developer in the country to receive The Edge-PEPS Value Creation Excellence Award for 7 consecutive years

QLASSIC Scores

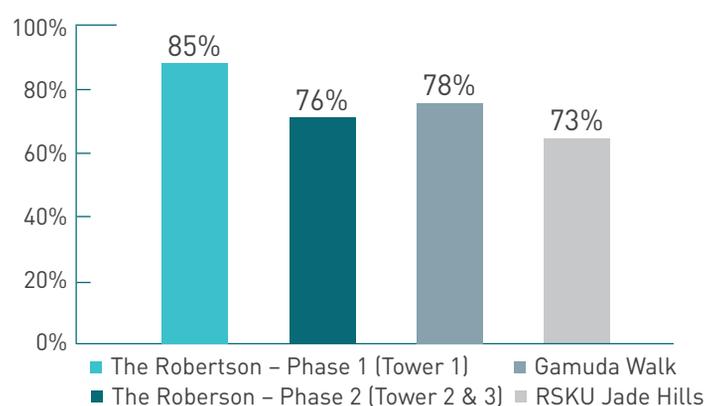


Figure 9: QLASSIC scores for Gamuda Land's projects

Enhancing Customer Experience

Creating Digital Experience and Providing More

Technology is driving more informed customer decisions. We endeavour to make things convenient and efficient for our customers to obtain the information and the support they need through our complete suite of digital platforms. These platforms will allow us to continuously engage with and obtain feedback from our customers, even beyond the point of sale. This year, we embarked on two new initiatives – “GL Creations” and “GL HOME”, the details of which are set out in Table 4.

Customer Platform	Description
SnagR/FieldView	A web and mobile monitoring tool that manages issues and defects during the defect liability period
Gamuda Land Residence Management App	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
Gamuda Land Customer Portal	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
GL Friends Loyalty Programme	A loyalty programme launched in August 2018 exclusively for Gamuda Land purchasers. The programme offers customers exclusive rewards, benefits and privileges, such as rebates, priority to select units before public launches and invitations to lifestyle events
GL Creations – Let your home reflect your originality	An application that allows customers to customise the design of their homes from a selection of quality fittings, colour themes and finishes
Gamuda Land Home Ownership Made Easy (GL HOME)	A campaign launched in November 2018 to support home buyers in purchasing a home. It aims to ease property ownership for genuine buyers through various financing options, offering tailored solutions to assist buyers in purchasing their dream property

Table 4: Initiatives to enhance customer experience through digitalisation.

Sustainability Statement (Cont'd.)

Community Engagement

At our KVMRT worksites, we aim to manage the dynamic communities in the vicinity of our operations as we believe a well-planned community engagement strategy will support the delivery of a successful project. As a commitment to foster nation building, we moved beyond our role as a contractor and developed a multi-tiered strategy for stakeholder management to not just ease public acceptance of the project but also facilitate construction works.

We regularly engage with relevant stakeholders to gain insights on how to further improve our approach, focusing on managing safety, traffic congestion, quality of work and the environment. Stakeholders are engaged before construction starts, and continuously throughout the construction period. Engagements typically peaks as construction intensifies for civil and structural works.

Year	2019	2018	2017	2016
Number of stakeholders engaged	1,390	623	2,953	1,440
Engagement sessions	183	187	209	120

* KVMRT Line 1 was fully completed in July 2017.

* KVMRT Line 2 began construction in September 2016, and is expected to be completed in 2022.

Table 5: KVMRT Line 1 and Line 2 stakeholder engagement

In strengthening our engagement channels, a 24-hour Complaint Management System (CMS) was established to enable the public to lodge feedback on issues encountered or inconveniences caused by our construction activities. As the CMS works on real-time monitoring, it allows the project team to respond in a timely manner while effectively managing these concerns and complaints. In 2019, the MRT Hotline received 547 feedback, and all feedback were managed.

Apart from evaluating public satisfaction, the CMS 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 KVMRT worksites.

We also consistently participated in various community-held events throughout the project on festive occasions like Hari Raya, Chinese New Year, and Deepavali. These are centred on urban poor communities where we offer subsidies for their event expenditure or provide financial aid to families.



**MMC-Gamuda KVMRT (T)
– the only Malaysian
Company to receive
Community Engagement
Award in Ground
Engineering Award 2019**



In June 2019, our hearts and minds approach towards community engagement for KVMRT Line 1 won us the international Community Engagement Award in the 2019 Ground Engineering Awards. Winning this award is a testament to our way of engaging with the community, where we ensure our initiatives benefit them not only during the construction period but also well beyond that, leaving a lasting impact and legacy. With our proven track record, we have drastically improved perception towards construction by applying the science of hospitality in construction and improving local construction standards overall.

SUPPLY CHAIN MANAGEMENT

Supply chain management involves improving the efficiency and sustainability of our entire supply chain while maintaining a strong relationship with our suppliers. Our efforts are centred upon upholding fair and ethical procurement practices, diligent screening and assessment of supply chain performance and advocating responsible sourcing of green and sustainable construction materials. Achieving these objectives require close collaboration and the sharing of best practices with our suppliers.

Our emphasis on compliance and good conduct of our employees extends across all processes throughout the Group, including our supply chain. Gamuda's principles of good procurement governance, which comprise the Group Procurement Policies and Procedures (G3P) and Gamuda Procurement Code of Conduct (GPCC) guide us to uphold the highest integrity amongst our employees, leading to our ability to source the best materials through transparent procurement processes.

Group Procurement Policies and Procedure (G3P)

Govern and standardise all procurement activities for sub-contract works, equipment, supplies and services within the Group.

Gamuda Procurement Code of Conduct (GPCC)

Ensure business relationships with all our suppliers are based on integrity, fairness and zero-tolerance for bribery, gifts and corruption.

Sustainability Statement (Cont'd.)

Supply Chain Assessment

We thoroughly screen and assess our supply chain based on a set of stringent criteria to ensure we have a commendable portfolio of highly-reputable suppliers. Apart from cost, timely delivery, product and service quality, we also assess our supply chain on compliance with relevant management system standards which includes ISO 9001, ISO 14001, MS 1722 and ISO 45001.

Following pre-assessment, regular performance monitoring is conducted throughout the working period upon contract award to ensure all supply chains adhere to the necessary requirements that have been outlined and uphold to their reputation and credentials beyond just product and service quality. Our supply chain performance is monitored through regular Safety, Health and Environment (SHE) inspection, independent monthly audits and an online SHE Reporting System – Safetrack (applied in KVMRT Line 1 and Line 2). This will contribute towards a safer and more sustainable working environment and heightened awareness amongst suppliers to high SHE standards. As part of our Safety and Health Management System, there are qualified safety and environmental officers for all our projects to ensure all suppliers and contractors are complying towards safety and environmental requirements. Details of our Safety and Health Management System are on page 123.

We have taken a step further by establishing a target to ensure 100% of our appointed major suppliers are ISO 14001 certified by FY2021. Indicating our preference for better environmental management across our supply chain, we are building awareness among our suppliers by providing knowledge transfer trainings to assist our suppliers in their journey to obtain ISO 14001 certification. Moving forward, we will review and refine our targets to strengthen our supply chain management.

In line with our efforts to create sustainable cities for our communities, we will be evaluating our existing suppliers on their experience in green buildings, BIM technology and smart cities for relevant projects moving forward.

Digitalising Procurement at Gamuda (E-Procurement)

Technology is greatly impacting how contracts can be negotiated fairly and efficiently. As part of our 3C's business strategy, we embarked on a journey to digitalise and streamline our procurement process to move up the value chain. The SAP Ariba e-procurement system has been fully implemented since April 2019 through strategic procurement where returns can be maximised. Driven by good governance in the e-Procurement processes, we are able to pre-plan and drive transparency throughout our supply chain. We have managed to recoup our initial investment of approximately RM7.2 million within three months of going live. To date, over 700 auction events have been conducted with savings exceeding RM140 million.

Going into the next phase, we are targeting 100% adoption of all our e-Procurement platforms through Ariba and BuildSpace by the first quarter of year 2020. Following this, we will work towards enabling cost data analysis to be able to expand our supply chain base, strengthen our market presence, and thus reposition Gamuda towards achieving sustainable competitive advantage.

Moving forward, our procurement strategy will focus on building strategic partnerships with key suppliers, contractors and consultants. Through a transparent digital procurement system, we aim to gain market confidence by attracting potential local and overseas partners into our supply chain.



Ethical, Fair & Transparent Sourcing	Sustainable Resource Management	Local Sourcing
Extensive supplier database that provides access to potential suppliers and improves procurement visibility	Strategic collaboration with suppliers to develop products which contribute towards reducing environmental impact	Stimulate business opportunities and growth for local suppliers and SMEs
Drives fair competition through integration with governance and risk management, minimising fraud and collusion through an open platform	An innovative, digital enabled guided purchasing capability that enforces policies in supporting green procurement	Provide working capital for local SMEs by accelerating payment through automated processing
Traceable audit trails that provides procurement transparency	Digital platform which improves resource efficiency and reduces waste production	Develop capabilities through knowledge transfer of technology and expertise

Table 6: Gamuda procurement solutions mapped to the Sustainability Pillars

Supporting and Upskilling Locals

In line with the government's efforts to promote the growth of small and medium enterprises (SMEs), we have consciously been supporting our local enterprises by providing various job opportunities and awarding work packages, where possible.

Aside from providing business opportunities to SMEs, the collaboration is also aimed at upskilling them in terms of knowledge, technical competency, sustainability expertise and innovative technology in the industry, enhancing their competitiveness in the marketplace. This is especially prominent in the experience gained through our expertise in underground construction work and operating the Variable Density Tunnel Boring Machine (VD TBM). The experience of working in a large-scale infrastructure project also provides the exposure to rigorous environmental and social compliance standards that need to be abided by all.

In addition, our suppliers are invited to participate in our training programmes such as BIM, compliance standards and other operational efficiency related programmes conducted at our training centres. Details of these training programmes are available on page 131.

Responsible Sourcing in our Supply Chain

We strive to embed responsible sourcing across our supply chain to reduce the overall impact of our projects across their life cycle. We make a conscious effort to source materials that are non-toxic, non-hazardous, environmentally friendly and of high quality. Not only does this benefit the environment, but also the well-being of our contractors, workers and future building occupants will be taken care of.

We are currently exploring the latest green products and materials for all our projects through design and cost benefit analysis. This, along with the enhanced supplier screening, will allow us to make better informed procurement-related decisions, contributing towards a sustainable supply chain at Gamuda.

Sustainability Statement (Cont'd.)

Sustainable Cities and Communities

WE ARE CURRENTLY LIVING IN AN INCREASINGLY URBAN WORLD WHERE IT IS EXPECTED THAT 68% OF THE GLOBAL POPULATION WILL LIVE IN CITIES BY 2050. STATISTICS SHOW THE PROPORTION AND GROWTH RATE OF MALAYSIA'S URBAN POPULATION BEING HIGHER COMPARED TO ASIA AS A WHOLE. MALAYSIA IS IN A POSITION OF RAPID URBAN GROWTH, WITH APPROXIMATELY 76% OF ITS POPULATION LIVING IN URBAN AREAS. GROWING URBANISATION WILL REQUIRE SIGNIFICANT TRANSFORMATIONS IN THE WAY WE BUILD, MANAGE AND ENHANCE OUR URBAN SPACES TO ENSURE OUR CITIES ARE INCLUSIVE, SAFE, EFFICIENT AND SUSTAINABLE FOR THE LONG-TERM.

Smart Cities for a Better Quality of Life

While rapid urbanisation provides unprecedented opportunities for economic and social development, it has also caused tremendous amounts of pressure in managing environmental resources, well-being and safety of the communities. In this modern era of technology, smart cities are regarded as the next generation approach to urban management with solutions that address issues caused by rapid urbanisation while improving the quality of life of urban dwellers.

Integrated with emerging technologies such as the Internet of Things (IoT), artificial intelligence and cloud technologies, smart city infrastructure will drive social transformation, developing sustainable communities and enhancing liveable interaction with the environment.

With the upcoming 12th Malaysia Plan with greater emphasis on transforming cities into smart cities, Gamuda Land is setting the way forward and committed to delivering future cities that enhance the quality of life, economic growth and environmental sustainability through digital intelligence.

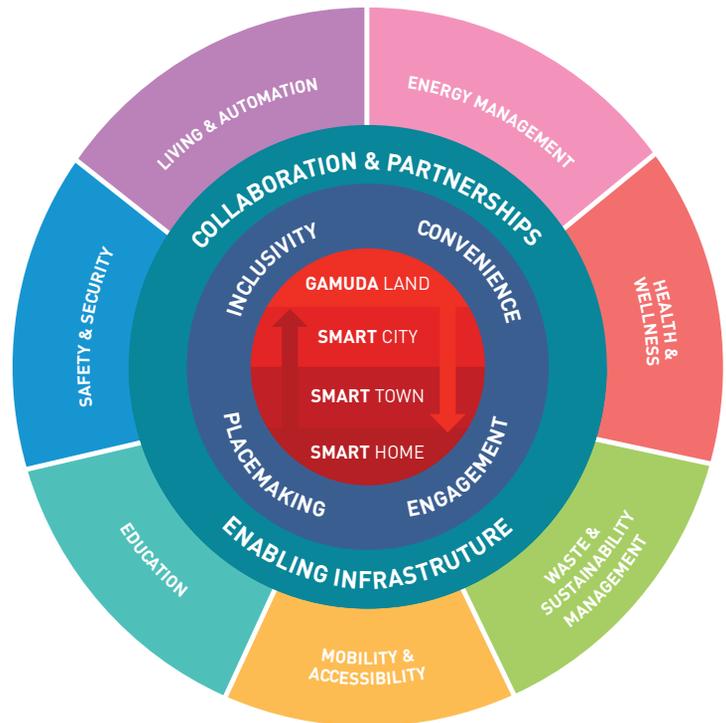


Figure 10: Gamuda Land Smart City Framework

We envision smart cities to be integrated with technologies that can improve the safety and quality of life of our communities. Derived from the Group’s core values, this year we refined our Smart City Framework to encapsulate the broader dimension of high-quality life.

The core of our Smart City Framework is guided by the four aspirations of convenience, inclusivity, engagement and placemaking to ensure a holistic development at every level from Home – Town – City. We looked at aspects that can be influenced by smart solutions and measurable outcomes under each of the 7 identified domains illustrated in Figure 11. This is also in line with the Malaysia Smart City Framework which was launched on 23rd September 2019.

This framework guides our approach in designing future developments with predefined priorities and outcomes in mind. In the year under review, principles of this framework are being applied in Gamuda Cove, Gamuda Gardens and twentyfive.7.

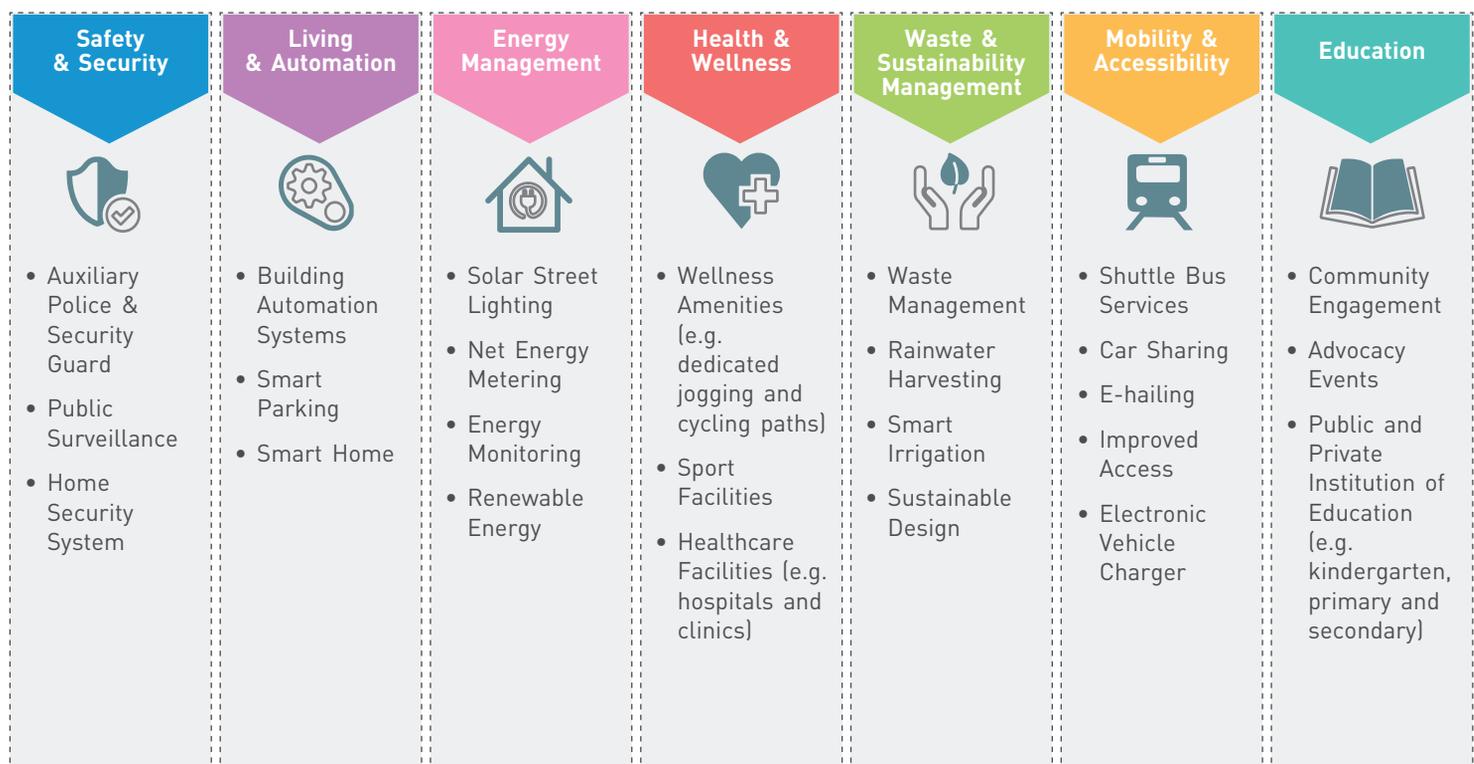


Figure 11: Framework on approach principles for Gamuda Land’s future development

Sustainability Statement (Cont'd.)

GAMUDA COVE – NATURE SANCTUARY, SMART CITY

NATION'S FIRST MAXIS-DELIVERED 5G TOWNSHIP

In July 2019, Gamuda Land formed a strategic partnership with Maxis to create the first Maxis-delivered 5G township for Gamuda Cove.

With wireless communications and networks being one of the core components of smart city, we believe 5G technology is the key to transforming normal cities to smart and intelligent cities by enabling real-time Internet of Things (IoT) and smart city applications.

With the increase in capacity and power offered by the 5G network, we continue to explore further possibilities of digital economy for the township's community.

Connectivity	Safe City	Energy Management	Water Management	Nature	Mobility
 <ul style="list-style-type: none"> • 5G network • High-speed fibre broadband 	 <ul style="list-style-type: none"> • Smart security system (CCTV) • Security personnel 	 <ul style="list-style-type: none"> • Sensors • Energy Efficient Fittings • Solar Panels • Solar Powered and Energy Saving Street Lights 	 <ul style="list-style-type: none"> • Rainwater Harvesting • Smart Irrigation 	 <ul style="list-style-type: none"> • Water Features (Lakes) • Wetlands and Woodlands • Landscape design rich with flora and fauna 	 <ul style="list-style-type: none"> • Tram • Shuttle Bus • Walking/ Jogging/Cycling Paths • Placemaking Nodes • Smart Traffic System • Electric Vehicle Charging Station

Figure 12: Sample of upcoming Gamuda Cove's Smart Solutions

Green Buildings and Townships

At Gamuda Land, we are committed towards sustainable living by adopting green features into our master planning and building design. Recognising the benefits of green development towards the environment as well as our residents, we have embarked on incorporating green features into our buildings and township design since 2013 and have obtained the Green Building Index (GBI) certification for all our key developments illustrated above.

Moving forward, we continue to progressively obtain green building certifications for our new projects as part of our design requirement beyond government and global efforts towards low carbon developments.

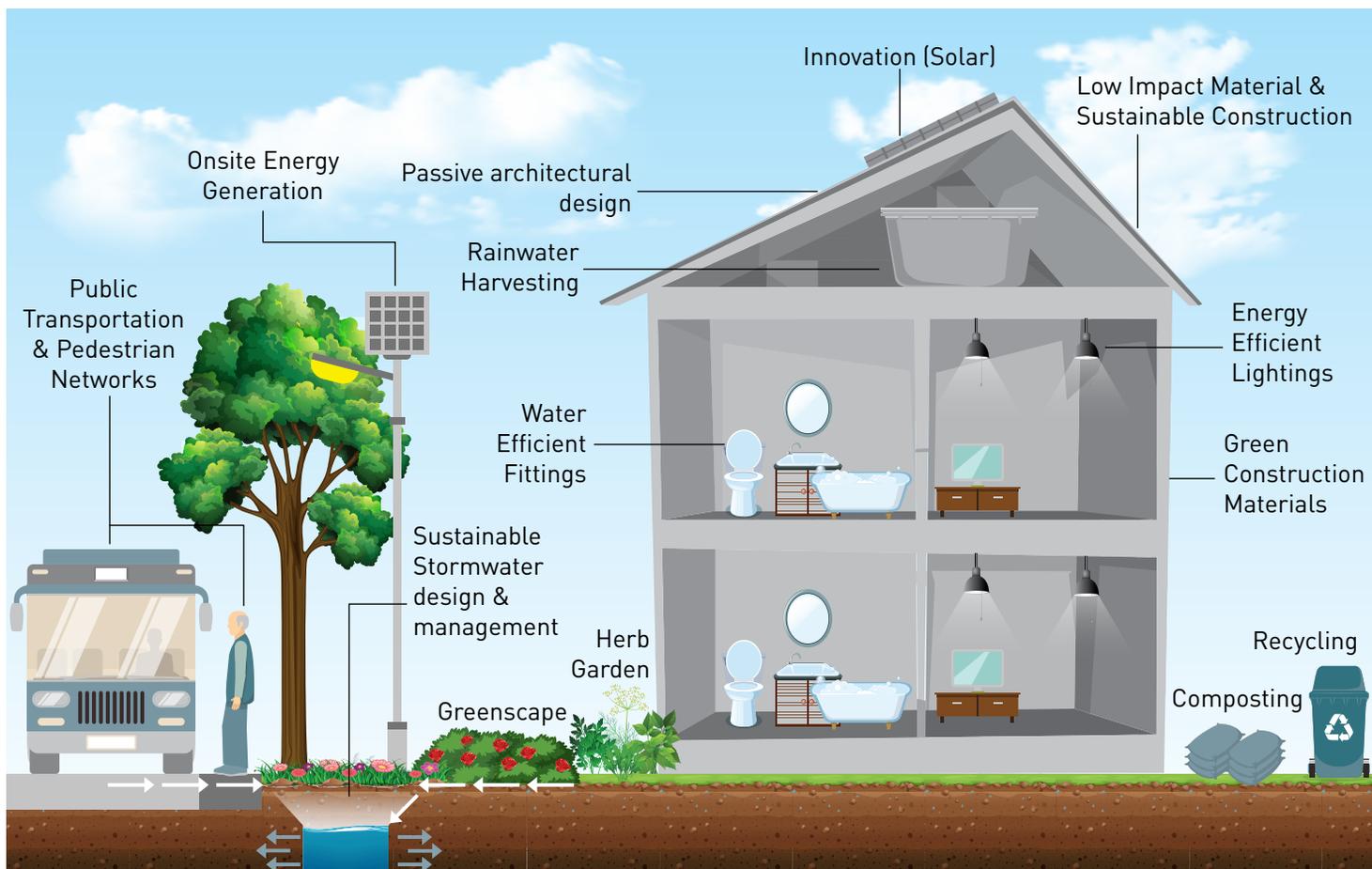


Figure 13: Green features in our homes and townships

<p>Our Achievements</p>	<p>HighPark Suites Provisional GBI Gold/Silver</p>	<p>The Robertson GBI Gold</p>	<p>Gamuda Cove Central Business District Provisional GBI Gold/Silver</p>	<p>Gamuda Gardens Provisional GBI Gold/Silver</p>
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Sustainability Statement (Cont'd.)

CLIMATE ACTION

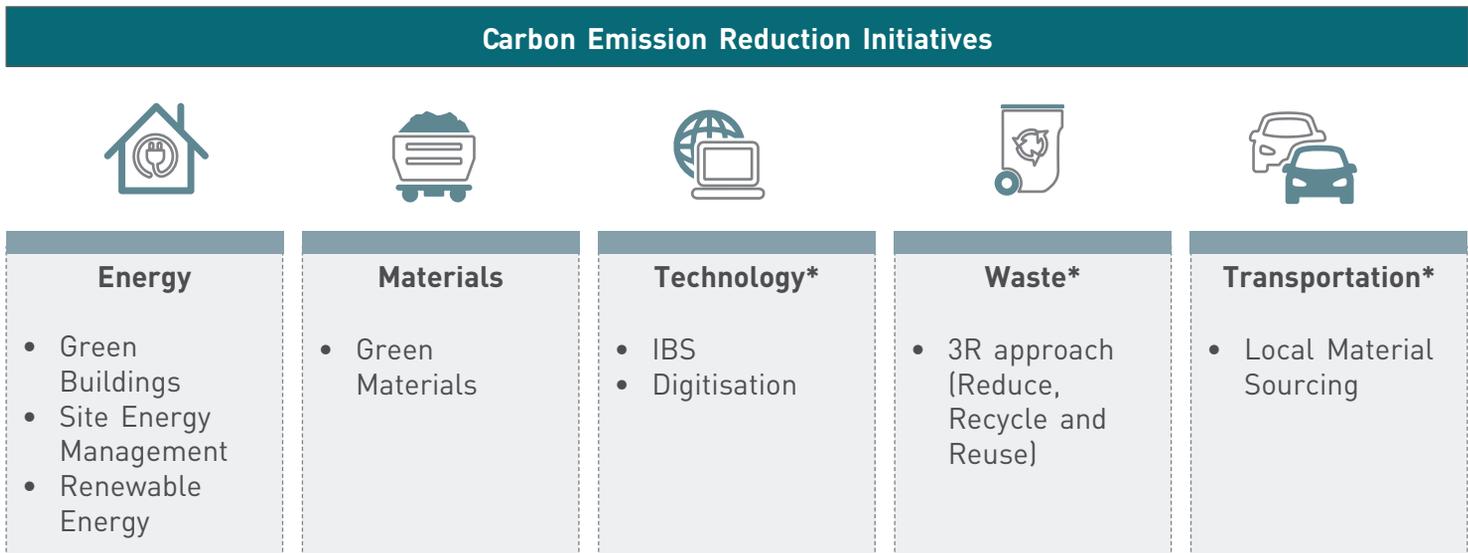
While climate change has been a pertinent issue since the late 20th century, the magnitude of climate change occurring now is of great concern, both globally and locally. Live data from The National Aeronautics and Space Administration (Nasa) indicates an unprecedented rising environment and social risks such as increasing heatwaves, rising sea levels, drought, crippling traffic congestions and infrastructure security amongst others. For details refer to <https://climate.nasa.gov/>

Malaysia, as a Party to the Paris Agreement, is taking a step forward in tackling the impacts of climate change by developing local regulatory actions such as drafting a Climate Change Act as well as a national climate change adaptation and mitigation plan in addressing the challenges of climate change.

As a leading engineering and property company, we are gearing up to contribute to the national agenda and working towards reducing our carbon footprint at a global level. We have increased our prioritisation on climate action plans and instituted further targets this year as we strive to innovate sustainable solutions as part of our operations.

Currently we are conducting assessment to ensure that we have quality data collection and measurement system in place to manage our carbon emissions. We are in the midst of setting the baseline for our Scope 1 and Scope 2 emission data, with the objective of monitoring our emission reductions for the years to come. We will progressively improve our data to also include Scope 3 emissions once our systems and process are well established.

Our efforts in managing our carbon footprint are centered on the following areas:



* Refer to sections under "Innovation", "Effluent and Waste" and "Supply Chain Management".

Figure 14: Gamuda's carbon emission reduction initiatives

Energy Management

It is important to manage our electricity consumption as it not only contributes to our operational expenses but is also a significant source of emissions release. Our efforts to maximise energy efficiency and increase energy conservation are applied across our key business units.

In Gamuda Land, we adopted building energy codes and green buildings rating tools that allows us to manage energy consumption in a more efficient manner that brings about reductions in carbon emissions at various stages in the building's life cycle.

For our construction sites which includes KVMRT Line 2, energy-saving lights and solar-powered traffic warnings are utilised to manage energy consumption while LED lights are installed across two floors of the basement carpark at Menara Gamuda.

We are currently exploring avenues to contribute to MESTECC's initiatives in achieving the 20% renewable energy target by installing solar panels at our Gamuda IBS factories, amongst others.

Energy Consumption in Our Operations

Our energy consumption includes electricity purchased and diesel used for machines and appliances. Our energy consumption data for FY2019 will be used as a reference to set as our baseline by FY2020 as we aim to reduce our overall energy consumption within our business operations.

Scope/Project	Electricity Consumption (kWh)	Scope/Project	Diesel Consumption (litres)
	2019		2019
Menara Gamuda	2,675,332	Menara Gamuda	169
KVMRT Line 2 Construction Site	247,748	KVMRT Line 2 Construction Site	999,108
Building, Township and Infra project	409,849	Building, Township and Infra project	1,500,330

* Building, Township and Infra project covers Gamuda Cove, Gamuda Gardens, twentyfive.7, HighPark Suites, RSKU Cybervalley, RSKU Puncak Bestari, RSKU Bandar Serai and Belfield Tunnel.

Table 7: Electricity and diesel consumption across our business units in FY2019

Sustainability Statement (Cont'd.)

Green Materials

Embodied carbon refers to emissions generated from the end-to-end production, such as the extraction, processing, manufacture, fabrication and transport, of construction materials and products. We optimise the use of low carbon materials, focusing on concrete and steel which formed a large part of the building and infrastructure life-cycle process to reduce embodied carbon in our buildings as well as at our construction sites.

As embodied carbon is increasingly seen as an important area for the construction and property sector to address effectively, we aim to start tracking embodied carbon of our building materials in FY2021 to better manage and measure our performance in reducing carbon emissions.

Low Carbon Concrete

Cement generally consumes a large amount of energy during concrete production. A more sustainable alternative which is a low carbon concrete, replaces cement with recycled waste products such as fly ash and ground granulated blast-furnace slag (GGBS). Fly ash is a by-product of coal-burning power stations while GGBS is a by-product generated from iron and steel making industries. The use of recycled waste products will not only benefit the environment, but also improve the quality and durability of the concrete produced.

Steel

Steel products can be continuously reused and recycled without compromising its strength. Recycled steel requires lower energy consumption during the manufacturing process, thus contributing towards reducing embodied carbon. Its natural magnetic properties also allow it to be easily separated from solid waste, thus reducing the amount of waste diverted to landfills.

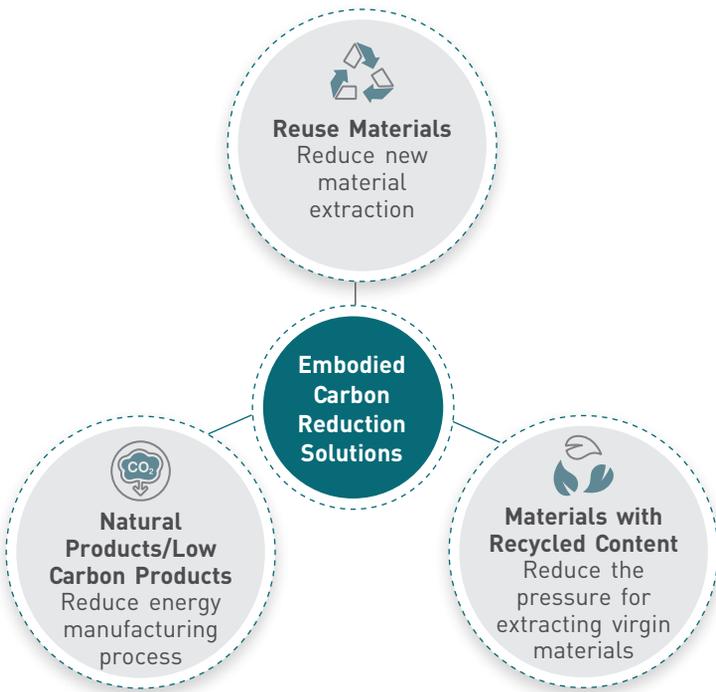


Figure 15: Embodied carbon reduction solutions

BIODIVERSITY

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

At Gamuda Land, we believe that we are custodians of the land, entrusted with the responsibility of leaving our land in better shape than we found it. We are committed to sustainably manage our natural resources and create a more liveable environment for our Community.

Environmental Compliance

The Group is committed to strictly complying with the requirements enforced by the Department of Environment (DOE) Malaysia. Prior to land development, we conduct Environmental Impact Assessment (EIA) to evaluate the likely environmental impacts of our planned development and develop solutions to better manage and minimise environmental harm. Our recent developments that conducted EIAs are Gamuda Cove, Gamuda Gardens and twentyfive.7.

Protecting Nature and Environment through Gamuda Parks

We believe mindful planning is the key to living in harmony with nature. With this belief, Gamuda Land launched Gamuda Parks in May 2018, a sustainable landscape initiative designed to deliver, implement, manage, maintain and safeguard the well-being of the living environment in all our developments.



 >260,000 Trees Planted
 154 Fauna species <i>(Gamuda Cove, Gamuda Gardens & Valencia)</i>
 >2,005 acres of Parks developed
 70% Native tree species planted in Gamuda Land townships collectively to date
 11% Landscape area
 432 acres Waterbodies
 228 spp Flora species <i>(Gamuda Cove, Gamuda Gardens & Valencia)</i>

Sustainability Statement (Cont'd.)

Gamuda Parks focus on the management of three thrusts, the Green (softscape), Blue (waterscape) and Brown (material and natural resources) ecosystems.

GREEN ECOSYSTEM MANAGEMENT	The Green Thrust refers to the green ecosystem which includes vegetated areas that form natural habitats for a wide range of fauna and microorganism. This ecosystem reduces thermal impacts by reducing ambient temperatures promotes hydrological balance of the surface and groundwater regimes and enhances psychological well-being and public health.
BLUE ECOSYSTEM MANAGEMENT	The Blue Thrust refers to the blue ecosystem which includes rivers, lakes, ponds and water elements such as fountains, cascading drains and any other water-based environmental control measures. This ecosystem ensures effective stormwater management, promotes the proliferation of the aquatic ecosystem and adds aesthetic to the overall built environment.
BROWN ECOSYSTEM MANAGEMENT	Brown Ecosystem refers to the landscape comprising materials, natural resources and man-made features which include equipment, paths, furniture, lightings, outdoor structures, amongst others. This ecosystem complements the Green ecosystem and the Blue ecosystem, enhances the aesthetic value of the surrounding and provides facilities for human activities that promote a healthy lifestyle.

Biodiversity Audit

Through Gamuda Parks, we are collaborating with the Forest Institute of Malaysia (FRIM) and EnviroSolutions & Consulting Sdn Bhd (ESC) as our consultants to conduct biodiversity audits, contributing towards creating and sustaining a balanced ecosystem at our townships.

The audit has been carried out in Gamuda Cove, Gamuda Gardens and Valencia, serving as a scientific measurement which offers an indication of liveability and habitability of the surrounding environment of our townships. The resulting data from these audits have been used to formulate our Gamuda Parks Biodiversity policy. The Gamuda Parks Policy has been finalised and will be implemented across all Gamuda Land's development. The policy will be adhered to at every phase and continuous monitoring efforts of the natural ecosystem will be conducted during construction and for a minimum extension of two years after completion. We are in the midst of developing Biodiversity Policy for Gamuda Engineering with reference to the Gamuda Parks Policy to streamline our approach in managing our efforts in conserving nature within our business operations.

Moving forward, all new projects are required to conduct a biodiversity audit prior to construction. We aim to carry it out annually to measure the biodiversity levels by collating information regarding genetic, species and ecosystem diversity. Survey outcomes will be used to develop recommendations for impact avoidance, mitigation and post-development enhancement in relation to biodiversity protection and conservation.

International Union for Conservation of Nature (IUCN) Red List Species Conservation

The biodiversity audit would also assist in identifying biodiversity levels on-site and monitoring species recovery or retention rate through various conservation efforts. Our key conservation initiatives include conducting tree preservation survey, tree planting, nature interpretative board with QR code application, tree tagging, topsoil harvesting and recycling.

A summary of the endangered species on the IUCN Red List found during the audit survey is 21 species, as listed in the Table 8 below. We aim to preserve and transplant at least 5% of these valuable tree species, which homes various fauna species in all new Gamuda Land townships, subject to site feasibility. More information can be found in our Biodiversity Assessment Reports at <http://gamudaland.com.my/gamudaparks/>

IUCN Red List Species identified	Gamuda Cove	Gamuda Gardens	Valencia
Critically Endangered	None identified	None identified	<u>Flora</u> <i>Hopea subalata</i>
Vulnerable	<u>Flora</u> • <i>Melicope lunu-akenda</i>	<u>Flora</u> • <i>Pterocarpus indicus</i>	<u>Flora</u> • <i>Dipterocarpus chartaceus</i> • <i>Dipterocarpus kerrii</i> • <i>Hopea mengarawan</i> • <i>Hopea odorata</i> • <i>Shorea materialis</i>
Nearly Threatened	<u>Fauna</u> • Grey-headed Fisheagle • Buff-necked Woodpecker • Chestnut-bellied Malkoha	<u>Fauna</u> • Buff-necked Woodpecker <u>Flora</u> • Golden Cane Palm	<u>Flora</u> • <i>Agathis borneensis</i> • <i>Dryobalanops aromatica</i> • <i>Hopea griffithii</i> • <i>Shorea roxburghii</i> • <i>Shorea sumatrana</i> • <i>Elaeocarpus grandiflorus</i>
Least Concerned	<u>Flora</u> • Bamboo • <i>Elaeis guineensis</i> • <i>Pennisetum polystachion</i> • <i>Pellacalyx saccardianus</i> <u>Fauna</u> • Tree Shrew • Long-tailed Macaque • Red Jungle fowl	<u>Flora</u> • Blue Pines • <i>Commelina Diffusa</i> • <i>Mimosa Pudica</i> <u>Fauna</u> • Tree Shrew • Long-tailed Macaque • Red Jungle Fowl • Pink-necked Pigeon • White-rumped Munia • Magpie Robin	<u>Flora</u> • <i>Alstonia angustiloba</i> • <i>Alstonia scholaris</i> • <i>Dyera costulata</i> • <i>Dipterocarpus oblongifolius</i>
Total Number of conservation species under IUCN Red List*	5	4	12

* Excludes species categorised as least concerned under IUCN Red List.

Table 8: IUCN Red List species identified through biodiversity audit in our developments

Sustainability Statement (Cont'd.)

Greening Our Townships

Green spaces are integral to creating a holistic sense of well-being and providing natural habitats for wildlife. We also believe that our community deserves a well-planned, clean, safe and accessible environment while staying connected to beautiful mother nature. Therefore, in designing our landscapes, we have committed to ensuring a minimum of 11% landscape area across all our developments.

Project	% of landscape area	Trees planted	Shrubs planted
Bandar Botanic	20%	66,770	15,363
Bukit Bantayan	13%	629	28,400
Celadon City	20%	5,095	71,066
Gamuda City	13%	3,896	495,565
Gamuda Cove	16%	3,064	182,234
Gamuda Gardens	17%	7,583	88,415
HighPark Suites	69%	620	147,484
Horizon Hills	35%	43,100	TBC
Jade Hills	33%	7,258	343,023
Kota Kemuning	24%	82,500	20,000
Kundang Estates	17%	4,351	70,340
Madge Mansion	10%	313	12,741
Robertson	60%	634	29,811
twentyfive.7	12%	1,372	82,938
Valencia	35%	16,726	15,000
Yenso Park	98%	20,516	TBC
TOTAL	NA	264,427	1,602,380

Data disclosed is based on project date of completion.

Table 9: Landscape area trees and shrubs planted across our developments up to year 2019

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 environment, with the purpose of enhancing the local ecosystem. ATR has been carried out in Gamuda Gardens, Gamuda Cove and twentyfive.7. Since 2016, we have planted nearly 5,000 trees following this initiative.

Lakes and Ponds Design

Gamuda Land developments are widely known for its parks and lakescapes which play an important role in promoting sustainable and ecological balance. We create waterbodies and connected waterways to support aquatic ecosystem while serving as unique landscape features that will be integral to the community.

Our waterbodies also act as a natural infrastructure for flood mitigation through their storage function, reducing the rapid flow of surface water into rivers and water drainage.

Permeable pavement	Bioswales	Wetland filter and retention pond
<p>Replaces concrete pavers, allowing for better water infiltration</p> 	<p>Reduces water ponding, allowing better stormwater management</p> 	<p>Serves as drainage discharge allowing better stormwater management as well as recreational space for the community</p> 

Figure 16: Features of waterbodies that contribute to stormwater management and unique landscape across our developments

Waste Management at Our Townships

The materials we use are valuable and it improves our resource efficiency which has beneficial impact on our costs and the environment. This year, we introduced a new waste management model, the 6R initiative to assist us in managing materials and wastes at our townships. Our key initiatives are listed in the table below.

GAMUDA PARKS 6R INITIATIVES



1 Refuse: single-use plastic and straw during events and launches

2 Reduce: Spend less on buying organic vegetables, and plant your own in the Community Garden

3 Reuse: Harvest rainwater as part of irrigation system of landscape area

4 Recycle: Provide recycle centres or recycle bins for food waste

5 Repurpose: construction debris as landscape footpath or bench

6 Rot: Decompose into natural elements as soil mix to enhance planting

Figure 17: Gamuda Park's 6R initiatives

Sustainability Statement (Cont'd.)

Our Waste Management Initiatives



Textile Waste Recycling

- Decomposition of textile waste releases methane, a harmful greenhouse gas which contributes to global warming and impacts human health.
- In keeping textile waste out of landfills, Gamuda Parks Fabric Recycling Bin has been adopted in Menara Gamuda since April 2019. We aim to fully adopt textile recycling across most Gamuda Land's commercial buildings, townships and sales galleries by July 2020.
- We have collected 1,000kg of fabrics from participating GL townships and operating areas. We aim to collect 2,020kg by 2020.



Compost on Wheels

- As part of our "Repurpose and Rot" initiative, Gamuda Parks 'Compost on Wheels' will be featured at Gamuda Land's Marketing Event at townships, starting October 2019. It is a composting system that will decompose food waste within 24 hours into soil enhancer.
- Our 'Compost on Wheels' is mobile from townships to townships to encourage composting within our community. Currently, our 'Compost on Wheels' are available at Gamuda Gardens, Kundang Estates and twentyfive.7.
- By end 2020, we target to achieve 150kg of compost materials (from food waste).
- We aim to promote leaf composting to all of our townships, by introducing composting ground by end 2020.



No Plastic Bottles

We are refusing the usage and supply of plastic bottles within the Group, in line with the Government's initiatives to ban plastic use. Reusable, personalised stainless steel tumblers were provided to all Gamudians, to reduce the usage of plastic bottles by August 2019. Further details are available on page 108.



Recycle Centre and Recycle Bin

- We aim to encourage and promote awareness of waste management through recycling among our township communities. By the end of FY2019, recycle centres and recycling bins will be adopted in most of Gamuda Land commercial buildings or public area.

Figure 18: Gamuda's waste management initiatives

Sustainability Advocacy

Looking beyond the responsibility as a developer dedicated to sustaining the carefully-planned biodiversity at our developments along with community well-being in mind, Gamuda Land seeks to raise awareness through creative programmes and strategic events.

National Geographic Earth Day Run



In conjunction with Earth Month in April 2019, Gamuda Land collaborated with National Geographic Asia for an Earth Day Run in Kota Kemuning. Each year, the run supports a theme that promotes environmental efforts and this year's theme was "Planet or Plastic".

Through this collaboration, we seek to raise awareness of plastic pollution and reducing the amount of single-use plastic that ends up in the world's oceans.

More than 2,300 participants crossed the finish line to celebrate this initiative. These participants, along with other eco-warriors pledged their support to reduce the use of single-use plastic.

Gamuda Parks (GParks) Ranger



GParks Ranger programme is an initiative to inspire the younger generation to care about nature and instill a sense of environmental responsibility within them. This is achieved through fostering pro-environmental actions and educating them on biodiversity management through this positive platform.

Our young ambassadors, GParks Rangers are committed to care for mother nature and report biodiversity sightings especially in Gamuda Land townships. Currently we have 1,221 GParks Junior Rangers and have contributed to 1,288 seeds planted.

More information on our GParks Ranger programme is available at <https://gparksranger.com/>

Sustainability Statement (Cont'd.)

WASTE AND EFFLUENT MANAGEMENT

Illegal dumping activities in Malaysia have drawn public attention and sparked rising concerns on the way construction waste are being managed within the country. Poor waste management, ranging from non-systematic segregation to illegal disposal leads to air pollution, water and soil contamination which pose serious risk to the environment and human health.

We strongly believe in our responsibility and role in managing the environment and community wellbeing. Thus, we remain committed in managing waste generated from our operations according to local waste regulations. We are determined to minimise negative impacts to the environment and human wellbeing through responsible waste and e-waste management efforts.

Construction Waste Management Practices

Our operations generate different types of waste, including construction, scheduled and municipal waste. We aim to ensure that all construction wastes are managed through our Waste Management Plan (WMP), improving resource efficiency and minimising waste disposal to landfills.

To ensure effective implementation of the WMP, our project teams on-site is responsible to monitor, record and report waste generated from our operations. The chart below illustrates Gamuda's on-site WMP.

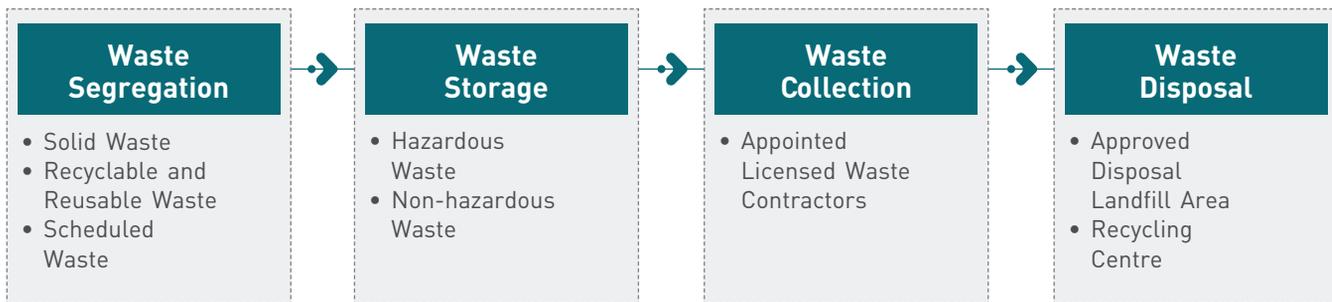


Figure 19: Gamuda Waste Management Plan (WMP)

The 3R (Reduce, Reuse and Recycle)

The 3R concept is the fundamental approach for solid waste management and this practice is adopted at both our construction site and Menara Gamuda. Our key initiatives according to the 3R approach are as illustrated in the table below:

	Initiatives
Construction site	<ul style="list-style-type: none"> • Recycling bins are located at site office • Excavated materials (rocks and sand) are reused to provide backfill for old mine mixing ponds and ground level areas • Demolition materials (woods, concrete and steel) are reused for site hard-core, temporary roads and backfill • Steel recycling by using old steel products and other forms of ferrous scrap to produce new steel

	Initiatives
Menara Gamuda	<ul style="list-style-type: none"> Recycling bins are located at common areas such as lift lobby at every floor in Menara Gamuda to encourage the habit of recycling among our employees Reducing the usage of single-use plastic bottles by 100% Reducing paper usage by setting a minimum target of 10% reduction by 2019
Gamuda IBS	<ul style="list-style-type: none"> Recycling of unusable steel bars Recycling of hydraulic and lubricating oil

Table 10: 3R initiatives at construction site, Menara Gamuda and Gamuda IBS

To enhance our waste management approach and performance, our FY2019 data was set as our preliminary waste baseline to determine the target to reduce 10% of our waste disposed to landfill at our construction sites by FY2020. Gamuda IBS has also set a target to recycle 100% unusable steel bars and 80% of hydraulic and lubricating oil by FY2020.

	Amount (tonnes)		
	FY2019		
	General and Non-hazardous waste	Scheduled waste	Recyclable waste
Selected construction sites (excluding Gamuda IBS)	121,004	104	884.5
Menara Gamuda	N/A	0.15	1.83

Scheduled Waste Type	Scheduled Waste Code	Amount (tonnes)
Waste containing mercury or its compound	SW 109	0.15
Spent lubricating oil	SW 305	66.55
Spent hydraulic oil	SW 306	5.85
Oil-Water Mixture	SW 309	2.1
Contaminated soil, debris or matter	SW 408	0.78
Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	SW 409	26.66
Rags, plastics, papers or filters contaminated with scheduled wastes	SW 410	2.19
Mixture of scheduled wastes	SW 421	0.63

* Data covers our operations in RSKU Bandar Serai, RSKU Cyber Valley, RSKU Puncak Bestari, HighPark Suites, Gamuda Cove, Gamuda Gardens, twentyfive.7, Belfield Tunnel, KVMRT Line 2, Menara Gamuda and Gamuda IBS.

Table 11: Scheduled Waste Disposed in FY2019

Sustainability Statement (Cont'd.)

Effluent Management

The discharge of stormwater and wastewater is strictly regulated by the government to prevent environmental pollution and flood mitigation. As part of the requirements of the Urban Stormwater Management Manual (MSMA) developed by the Department of Irrigation and Drainage, we strictly monitor and track the quality of water discharged through an Erosion and Sedimentation Control (ESC) plan. The ESC plan ensures pollutants such as Turbidity and Total Suspended Solids (TSS) readings of the discharged water do not exceed the legal limits, thus preventing pollution of the Earth's valuable water source.

Stop Single-Use Plastics

In addition to the 6R initiative, we embarked on a new initiative to eliminate the use and provision of plastic water bottles by August 2019 to support Malaysia's Roadmap Towards Zero Single-Use Plastics by 2030. Stainless steel water bottles are provided to Gamuda Land's employees as a more sustainable and environmentally friendly alternative whilst raising environmental consciousness among our employees.

Aligning with Gamuda Land's Brand Value "We Respect the Nature and the Environment", we also set out to create awareness on the usage of single-use plastic among Gamuda Land customers. Instead of disposable water bottles, portable water filters are provided for public or marketing events while floor standing water dispenser and wax-free paper cups are provided at all Gamuda Land Experience Galleries and Satellite offices.

In 2018, almost 140,000 plastic bottles were purchased for general usage. With our new commitment, we estimate a potential annual savings of RM46,000. We aim for continuous improvement in our waste management efforts to minimise the impact of consumption on the environment.



Human Capital Development

AS WE ADAPT OUR BUSINESS MODEL IN CURRENT TIMES, OUR PEOPLE ARE REQUIRED TO SHIFT ACCORDINGLY TO REMAIN COMPETITIVE AND RELEVANT. WHILE WE CONTINUE TO CONTRIBUTE TOWARDS NATION BUILDING BY CREATING OPPORTUNITIES FOR VARIOUS STAKEHOLDERS, WE NEED TO PREPARE OUR WORKFORCE TO BE IR4.0 READY. WE CONTINUE TO INVEST IN THE DEVELOPMENT OF OUR HUMAN CAPITAL AND ENHANCE THEIR WELL-BEING AS WE STRIVE TO CREATE A HIGHLY ENGAGED AND MOTIVATED WORKFORCE. IN ADDITION, THE INCLUSION AND IMPORTANCE OF LEADERSHIP COMPETENCIES ARE VITAL TO UPSKILL AND PREPARE GAMUDIANS TO ADAPT RAPIDLY AS THE GROUP DIVERSIFIES AND EXPANDS ABROAD.

EMPLOYEE MANAGEMENT

Our employees are our most important asset that pushes boundaries to drive our long-term growth and business success. We emphasise on providing a work environment that is inclusive and inspiring, allowing them to realise their true potential.

This is achieved through effective Human Resources (HR) policies guided by our talent management 4R approach – Recruit, Retain, Replenish and Renew.

Recruit

As the construction and property industry continues to evolve due to changing behaviours and technological innovation, the need for attracting, developing and retaining the right kind of talent has become vital. This is to ensure that we stay ahead of our competitors, adapting to change and remaining relevant, to ensure we deliver long-term value for all of our stakeholders.

Our recruitment processes adhere to strict guidelines on non-discrimination and fairness, regardless of age, gender and ethnicity. Apart from experienced hires, we seek to recruit and groom young talents into promising leaders for the Group. Through our recruiting platforms such as our Gamuda Graduate Programme, Graduate Internship Programme and partnership with various academic and governmental institutions, we have recruited 440 young talents in FY2019.



Utilising Digital Technology in Recruitment

This year, we adopted an artificial intelligence (AI) software which matches a candidate's profile to Gamuda's core competencies. The utilisation of digital technology has greatly improved the efficiency of our recruitment process, allowing us to reach out to a wider pool of talents with suitable profile in a timely and cost-effective manner.

Sustainability Statement (Cont'd.)

New Hires Headcount

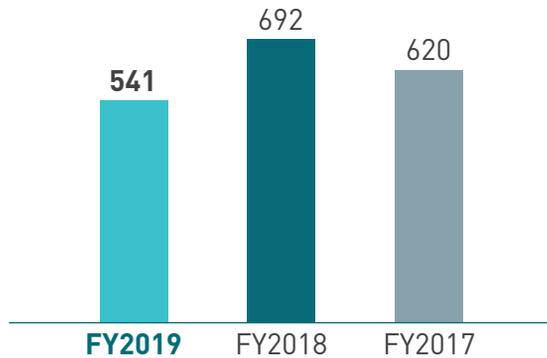


Figure 20: The Group's new hires headcount

New Hires Rate

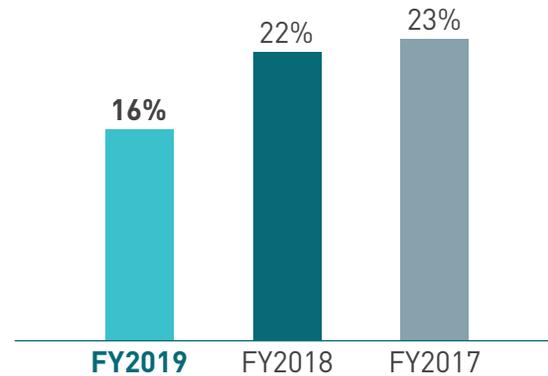


Figure 21: The Group's new hires rate

Employee New Hires	FY2019		FY2018		FY2017	
	Number	Rate*	Number	Rate*	Number	Rate*
By age group						
Under 25	233	7%	384	12%	143	5%
25-34	207	6%	200	6%	316	12%
35-44	64	2%	72	2%	95	4%
45-54	31	1%	32	1%	48	2%
55-59	5	0%	3	0%	12	0%
60 and above	1	0%	1	0%	6	0%
By gender						
Female	180	5%	199	6%	233	9%
Male	361	10%	493	15%	387	14%
By region						
Malaysia	541	16%	690	22%	618	23%
Others	0	0%	2	0%	2	0%
TOTAL	541	16%	692	22%	620	23%

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

Table 12: The Group's number and rate of new hires

Post-Recruitment Corporate Induction Programme

We undertake conscious effort to provide positive first experiences for new hires in promoting attitudes that will energise and motivate them to be more engaged in their work. A solid onboarding bridges the gap between candidate experience and employee experience as they are equipped with information, knowledge and support needed to succeed on the job.

Our official onboarding initiative, the Corporate Induction Programme (CIP) is a two-day programme led by the Group's Human Resource Department and key presenters from various departments. This year, we enhanced our CIP to achieve the four objectives illustrated below:

 <p>Culture</p> <p>To familiarise with Gamuda's vision, mission, history, culture and values</p>	 <p>Connection</p> <p>To inspire and welcome new hires through engagement with Gamuda's leaders and current employees</p>	 <p>Clarification</p> <ul style="list-style-type: none"> To understand the expectation through clarification of their job roles and responsibilities To share knowledge, resources and available platforms for career development 	 <p>Compliance</p> <p>To educate them on important policies, rules and regulations</p>
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The presence of relevant department representatives, amongst other key internal stakeholders, during the engagement sessions offers insights into the various departments and the interdependencies between them. The engagement sessions also serve as an opportunity for the new hires to build their network within Gamuda at an early stage.

To make our engagement sessions more interactive, we have encouraged more group discussions, activities and workshops as well as incorporated the use of digital tools such as Kahoot and Mentimeter to provide a better learning experience. We also conduct workshops like the Leading Urban Sustainability Labs, designed to embed the sustainability mindset in our new hires from the get-go.

We also collect feedback from new hires on their onboarding experience to help us track our progress against overall objectives and identify further avenues for improvements.

Sustainability Statement (Cont'd.)

Retain

We recognise a strong talent pipeline is important to ensure continuity in delivering the Group's strategic objectives. We aim to retain our best talents through effective engagement, promoting employee's wellbeing and providing fair and attractive remuneration packages.

Given our emphasis on employee retention efforts, we have maintained a stable turnover rate of 10%, which is lower than the industry average of 15%.

Turnover Headcount

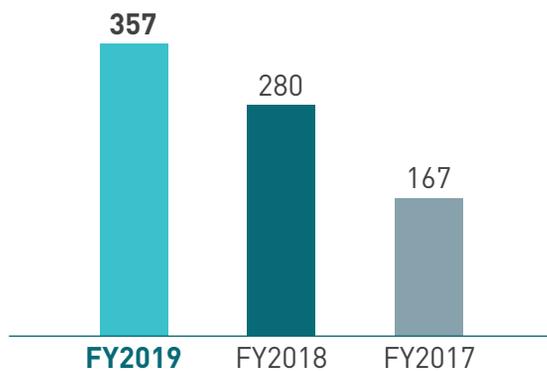


Figure 22: The Group's turnover headcount

Turnover Rate

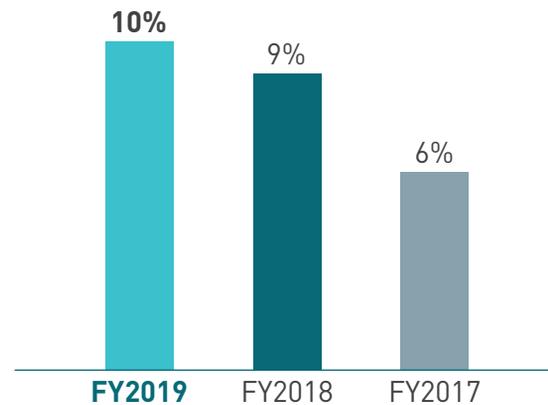


Figure 23: The Group's turnover rate

Fostering Employee Engagement

We encourage open conversations among employees and provide opportunities for our employees to express and share their experience at work. Our various communication channels enable a two-way dialogue through town-hall meetings, Workplace by Facebook, intranet and others. We continuously aim to improve employee satisfaction by fostering a strong employer-employee relationship through regular and effective engagements.

We also ensure a healthy work-life balance for our employees which supports our belief that work and life need to be complementary and synergistic. Every year, we organise various engagement activities, which serve as avenues for networking and relationship-building to foster a sense of belonging among employee across all business units. Through our in-house Sports Club, employees have various choices to participate in annual trips, sporting and social events at subsidised rates.

Gamuda IBS – DIG.IT

Gamuda IBS recognises the magnitude of the measures needed to be ahead of the game in today's digital ecosystem. It is therefore imperative to promote, develop and nurture an innovative and digital-centric mindset among Gamuda IBS employees, given the significant investment in digital technology plays at Gamuda IBS.

"DIG.IT" was introduced in FY2018 to provide a structured platform for employees to spur and present ideas while taking ownership of the resulting initiatives. DIG.IT aspires to create a culture that is geared towards embracing fast-paced digitalisation. DIG.IT stands for Disrupt, Innovate, Generate, Inspire and Transform, and is based on these five themes:

Disrupt	Be the game changer
Innovate	Think out-of-the-box, with new technologies
Generate	Implement "funky" ideas and just do things differently and better
Inspire	Encourage and influence others to adopt the change
Transform	Bring the business to a whole new level

We hope to achieve continuous improvements to existing processes through identification of gaps and opportunities, followed by devising suitable solutions. This is complemented by the added benefit that ideas and recommendations are coming directly from our workforce. These collective efforts are regarded as an asset because it is reflective of how our people aspire to align to Industry 4.0, and not just depending on the tone from the top.

We believe that innovative thinking among our people will be a huge driver for Gamuda IBS to keep up with and embrace the latest technological trends. Gamuda IBS has already started giving out awards as a token of appreciation for the efforts undertaken by its employees towards DIG.IT, and endeavour to ensure that this becomes a regular initiative. We hope to encourage and inspire more Gamuda IBS employees to express and share creative ideas in the future.

Well-being and Competitive Remuneration

Employees and Workers' Well-being

We take responsibility in creating a safe and healthy environment that supports both physical and emotional well-being of our people. We are aware that workers' well-being especially mental health is a rising concern and we aim to provide an avenue for employees to seek confidential support for mental well-being. Workload, long hours, extended time working away from home, work environment and organisational factors could potentially impact our worker's well-being.

Sustainability Statement (Cont'd.)

We recognise that the health and wellness of our employees have a direct effect on the organisational productivity. Following this, we have piloted an Emotional Wellness Programme, an initiative by Gamuda Women Empowerment Network (GWEN). For more information on the Emotional Wellness Programme, refer to page 120.

Centralised Labour Quarters

We aim to provide our workers with a living environment that is both comfortable and conducive. A Centralised Labour Quarters (CLQ) has been provided to all workers at Gamuda IBS factories as well as those on KVMRT Line 2 and Pan Borneo Highway projects, equipped with clean accommodation and complete with amenities for workers' safety and comfort. Facilities such as kitchen and drinking water sanitation, common toilets and bath areas, washing area, garbage disposal, medical clinic with in-house doctor, convenience store, hair salon, laundry service, cafeteria and surau are also provided. The CLQ is also equipped with closed-circuit television cameras (CCTV) and a facial recognition turnstile system to monitor the workers' movement with 24-hour surveillance by security guards.

Employees' Benefit and Remuneration

In recognition of our employees' commitment towards the Group, we provide competitive compensation package and attractive benefits for our full-time employees, regardless of grade or position. Key benefits offered are listed in the table below, but not limited to:

Types of benefit	Details
Leaves	Annual Leave, No Pay Leave, Sick or Hospitalisation Leave, Marriage Leave, Paternity Leave, Maternity Leave, Childcare Leave, Family Care Leave, Examination Leave, Compassionate Leave, Prolonged Illness Leave, Replacement Leave
Flexi-Wellness	Outpatient, additional Pre and Post Natal expenses, Annual Medical Check-up, Wellness Membership, Optical, Dental, Vaccination
Allowance and Subsidy	Professional Membership Subsidy, Childcare Subsidy, Business Travel Reimbursement (BTR)
Insurance	Group Term Life Insurance*, Surgical and Hospitalisation Insurance, Personal Accident Insurance
Flexi-Work Arrangement	Staggered Working Hours, Flexi Time, Seasonal Flexi-Time, Flexi Place, Flexi Lunch Hours, Replacement Hours
Others	Car Park Facility, Retirement benefits, Bona Fide benefits, Employee Education Assistance

* We have extended the Group Term Life Insurance to contract employees since FY2018.

Table 13: Summary of the Group's key benefits to full-time employees

As a family-friendly employer, we provide additional paternity leave and childcare leave to eligible employees, beyond regulatory requirements. This is intended to balance the demands of the workplace with the needs of families, to promote the stability and economic security of families. The increase in the uptake of parental leave over the years demonstrates that we recognise shared professional and domestic responsibilities amongst men and women, helping dual-earner families to achieve work-life balance. Our efforts have resulted in a high

retention rate among employees who utilised parental and childcare leaves as shown below:

Family Leave	FY2019	FY2018	FY2017
Paternity Leave	77	72	52
Maternity Leave	64	54	40
Childcare Leave	227	95	60

Table 14: Number of employees who utilised parental and childcare leave

Employees who took parental leave	FY2019		FY2018		FY2017	
	Female	Male	Female	Male	Female	Male
Return to work rates	100%	100%	100%	100%	100%	100%
Retention rates	91%	92%	96%	89%	85%	90%

Table 15: Gamudians' post-parental leave return to work and retention rate

Our support towards our employees who are parents extends beyond leave entitlements. In 2015, a childcare centre was set up at PJ Trade Centre which is within proximity to Menara Gamuda. This is in line with the Women, Family and Community Development Ministry initiative to establish childcare centres in government and corporate offices to retain working mothers. Whilst the centre is managed independently, Gamuda parents are entitled to enjoy childcare services at a subsidised rate. The centre is currently approaching full capacity, with 48 children, including babies, of which approximately 65% are children of Gamudians. We hope the provision of on-site childcare facility will provide working parents with a peace of mind, helping them to focus on their career growth with a better work-life balance.

Long Service Recognition

We are truly thankful for our employees who have served the Group for at least 10 years as it reflects our reputation as an employer of choice. We present deserving employees with our Long Service Award as a form of appreciation for their valuable contribution and commitment over the years.

	FY2019	FY2018	FY2017
Number of employees awarded	141	220	237

Table 16: Number of employees who received Gamuda Long Service Awards

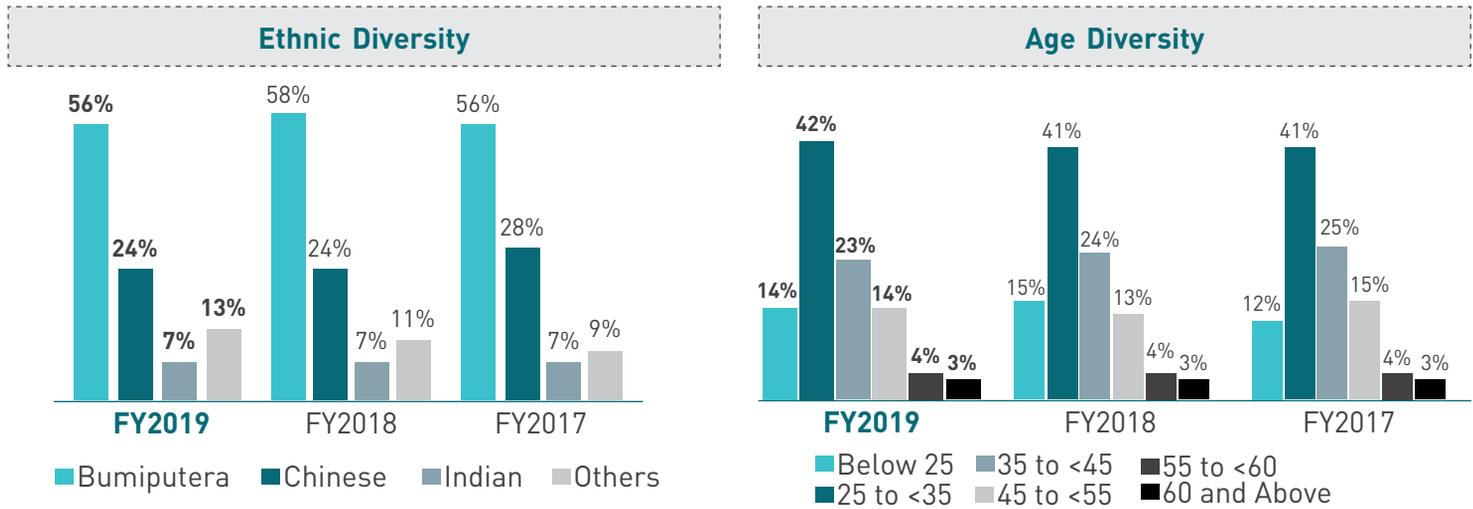
	FY2019	FY2018	FY2017
Top Management	19	20	19
Senior Management	13	13	13
Mid Management	9	9	9
Executive	5	5	5
Others	6	6	7

Table 17: Average years of service by employee category

Sustainability Statement (Cont'd.)

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, allowing for a greater variety of ideas to achieve our core value in advancing innovation. We are committed to nurture an environment that does not discriminate against race, gender, religion, age, socio-economic status or physical/neural ability.



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

Figure 24: The Group's ethnic diversity

Figure 25: The Group's age diversity

Our efforts in supporting gender equality is reflected through our Gamuda Women Empowerment Network (GWEN) programme to encourage and support the participation of women in our workforce. This is also in line with the national initiative of achieving 30% women representation on public-listed Boards by 2020 ("The 30% Club Malaysia Chapter").

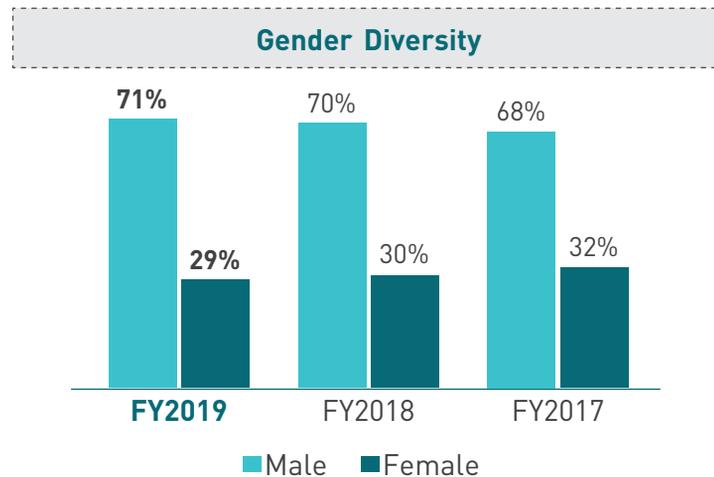


Figure 26: The Group's gender diversity

In FY2019, female diversity at our Board level remained at 43%, as it was in FY2018. Overall, we observed negligible changes in diversity across all employee categories.

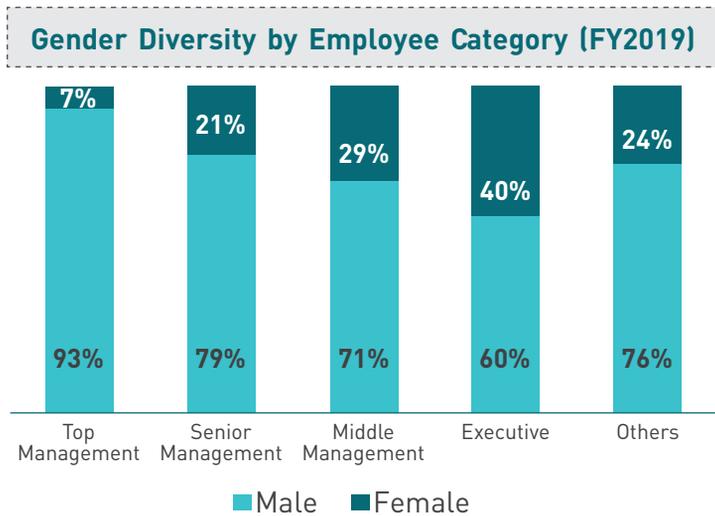


Figure 27: The Group's gender diversity by employee category in FY2019

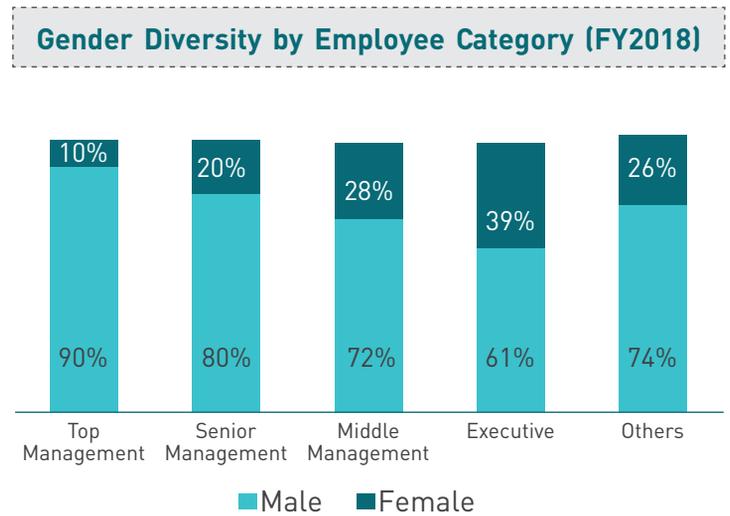


Figure 28: The Group's gender diversity by employee category in FY2018

Leadership Development

As we realigned our strategies to expand our business both locally and internationally, this year we are focusing our efforts towards upskilling Gamudians in terms of their leadership, strengthening their ability to embrace change in the Industrial Revolution 4.0 to remain relevant and competitive.

This year, we rolled out our Leadership Competency Framework to streamline and formalise our approach to developing our people and strengthen succession planning. One of the main highlights that stemmed from our aim to enhance leadership amongst our people is our Leap to Lead initiative.

Launched in February 2019, Leap to Lead involves series of ongoing leadership talks that address the three pillars of the Leadership Competency Framework – business savvy, self-savvy and people savvy. Taking the first step towards this change of culture, external speakers are brought in to complement the insights provided by our own people. This is done to provide a broader perspective of how to demonstrate leadership in the workplace, regardless of rank.

Moving forward, we plan to organise career planning workshop in all departments to understand our employees' leadership development needs. We are also looking into developing communications plan to instill leadership mindset among employees and strengthen the leadership brand within the organisation.

Gamuda aspires to churn out leaders who can take on important roles, be agile and adaptable to constant change. We strongly believe that the Leap to Lead initiative can play a significant role in achieving this. We take pride in our talent pool and believe that Gamudians can leverage each other's strengths to give Gamuda a competitive edge.

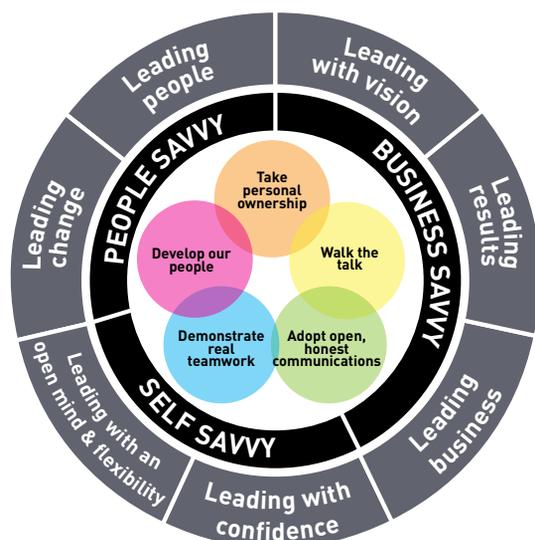


Figure 29: Gamuda's Leadership Competency Framework

Sustainability Statement (Cont'd.)

Empowering Women

Recognising the primary household responsibilities of women in caring and nurturing their children, we offer women-centric benefits package to our working mothers which includes:

Types of benefit	Details
Extended maternity leave	Female employees enjoy up to 90 days of maternity leave
Childcare subsidies	To subsidise the cost of childcare services for children up to 7 years old at RM120/month.
Childcare leave	Mothers are given paid leave to care for children (5 days per event and maximum 10 days per year)
Support facilities	Provide stork parking facility for expecting mothers in the office car park, a nursing room and crèche for young children at our headquarters
Women career comeback programme	To recruit and retain women who have not been working for at least 6 months in the workforce
Others	Provide support for pre-post-natal expenses; vaccination for young children; and family hospitalisation insurance on a co-sharing basis

Table 18: Summary of the Group's benefits that accommodate female employees

Gamuda Women Empowerment Network (GWEN)

In FY2018, we launched GWEN to help in the career advancement of women through a support network. It also serves as a platform to spread awareness on women empowerment and about raising the bar for Gamuda's female workforce in order for them to take charge of their careers and aim for the top. Our goal is to ensure strong diverse leadership pipeline. GWEN focuses on three pillars, mainly Career Development, Engagement and Well-being.

Through GWEN, our women are exposed to external leaders who share their views in terms of leadership experiences in a learning environment that would have direct relevance and personal impact. This year, we conducted two leadership programmes:

GWEN Leadership Programmes	Description
1. Global Leadership Summit: Everyone Has Influence	<p>A one-day global initiative organised by Willow Creek Association, a non-profit organisation to inspire a grander vision amongst leaders as it leverages on key leadership principles that will drive people towards becoming their best self.</p> <p>We hope to provide action among leaders with the view that even small acts create effects which have the potential to impact the community and ultimately lead to nationwide transformation.</p>
2. Women in Leadership by LeadWomen	<p>A 6-month programme organised by LeadWomen, a renowned women empowerment platform in Malaysia to drive the increase of female participation in senior decision-making positions.</p>
3. Women in Rail	<p>Gamuda is one of the earliest members in supporting the establishment of Women in Rail (WIR), the Malaysian chapter that was launched in July 2019. The WIR was founded to improve diversity in the rail industry through networking opportunities and support for all women within the sector, including positioning rail as an attractive career choice for women.</p>

Table 19: Leadership programmes that take place under GWEN

This year, GWEN's initiatives have expanded beyond helping women, and have traversed across the 4R approach towards managing our wider pool of employees. Some key initiatives from GWEN include our involvement with International Women's Day 2019, the Emotional Wellness Programme and Move@Work.

International Women's Day 2019: Game On for Fair Play

This year's International Women's Day was themed #BalanceforBetter, as it steers the path to a shared future built on diversity and inclusion. On 8 March 2019, we celebrated International Women's Day to mark the social, economic, cultural and political achievements of women. Growing our youth workforce, through striking the balance to think equal, building smart and innovating regardless of gender and diversity are some of the key topics for this year.

The world is now characterised by evolving gender responsibilities and the use of digital technology to improve the way people work. The path to a shared future is built on diversity and inclusion. The construction industry as a whole is one of the most notoriously male-dominated professions. However, with technology involved and the industry becoming more digital, more engineering works are taken off-site for women to look forward to especially for the newer generation.



The Minister of Youth and Sports, YB Tuan Syed Saddiq attended this year's celebration, sharing his beliefs that the youth are best placed to ensure that organisations prepare for the future and also lead today. A more conducive environment can be developed through empathy and collaboration regardless of race, gender, and religion.

Sustainability Statement (Cont'd.)

Emotional Wellness Programme

Organised by GWEN, this pilot project is extended to all employees to address the different elements of an employee's wellness. The Emotional Wellness Programme is run by a Trainee Counsellor for two of our in-house community development initiatives, Project Differently-Abled and Enabling Academy. The Emotional Wellness Programme aims to provide a safe space for all Gamudians to express their emotions, whether work-related or personal. Launched in July 2019, this initiative has received positive feedback and we are motivated to create a healthier workplace.

We aspire to break the stigma surrounding mental health issues by organising related workshops and awareness sessions. We believe this will help to build a network of supportive, caring and empathetic Gamudians who can then spread this awareness beyond just the workplace.

Move@Work

Initiated by GWEN, Move@Work was carried out by Movement First, a sports rehabilitation company. A seminar was conducted on overall foot health as well as good habits to improve posture at the workplace. The Seminar was then followed by a health screening session, where participants were evaluated on postural structures and habits. A complementary on-site physiotherapy session was provided for 32 employees.

This initiative was well received by Gamudians with equal participation from male employees. This has set the pace for GWEN's gender-neutral approach, encouraging good workplace health and performance among employees.

Renew

Our "Renew" approach is in line with our core value – develop new talents and our people. We seek to develop multiskilled employees by encouraging exposure to a range of functions to remain dynamic and resilient in this competitive industry.

Training and Development

In 2019, the training and development expenditure was over RM5.9 million across the Group and project sites.

The Group's approach towards building our employee's capabilities are illustrated below:

Gamuda Learning Centre (GLC)	Our dedicated in-house training arm that utilises career development plan to conduct Training Needs Analysis
English Language Unit (ELU)	To upskill the workforce by providing an avenue for language development for sustainable improvement and career advancement
Career Development Unit (CDU)	To support and encourage employees to take ownership of their career in Gamuda through internal career guidance and coaching
Construction Training Unit (CTU)	Provides young site supervisors and young engineers with development programmes encompassing real site work exposure

Table 20: The Group's training and development initiatives

1. Gamuda Learning Centre (GLC)

The Group's Training Needs Analysis allows us to ensure our employee's development plans are designed purposefully to improve work performance. Skills-based and technical trainings are provided to employees from all career levels and job streams to ensure fair and equal opportunities. We have sharpened the focus of our training this year with a more targeted effort aimed at upskilling Gamudians in terms of leadership, and strengthening their ability to embrace changes brought forth by the Industrial Revolution 4.0 to remain relevant and competitive. Employees received 9.8 hours of training per employee from GLC compared with 13.3 hours per employee in FY2018.

2. English Language Unit (ELU)

As part of our development plan, an English Language Unit (ELU) was established to develop and implement programmes to enhance English language skills among Gamudians. Our efforts in driving high level of English proficiency was recognised by the British Council 2019 Innovation in Assessment Award. We are proud of this achievement as it attests to Gamuda's efforts in enhancing effectiveness of communication in English among our people.



3. Career Development Unit (CDU)

We are committed to understanding individual aspirations through ongoing communication, which will assist in mapping personal development plans and career paths. The CDU has been set up to support and encourage employees to take ownership of their career through the provision of internal career guidance and coaching. The Strengths-Development-Opportunities-Career Staller (SDOC) tool is used to discover Gamudians' personal strengths and development needs, assisting them in developing their individual career development.

4. Construction Training Unit (CTU)

The Construction Management Programme (CMP), via the CTU, utilises real site work exposure to train young site supervisors and engineers. This programme facilitates training with internationally benchmarked construction skills adopted from the best practices in Australia, Europe and Singapore to springboard trainees' careers in the dynamic construction industry. CMP courses are accredited by CIDB for Civil and Structural or Building and Architectural Works. In FY2019, the increase in number of trainees is due to increased intake in preparation for the intensive construction work for KVMRT Line 2.

CMP Training	FY2019	FY2018	FY2017
Number of employees trained	130	40	111

Table 21: Number of employees trained in CMP

Sustainability Statement (Cont'd.)

L.E.T.S. - Learning. Experiential. Topical. Sharing.

In January 2019, the L.E.T.S. Series was rolled out as part of Gamuda's learning and development initiatives. It serves as an informal and bite-sized learning approach with the aim to enable employees to engage in continuous learning with lower time commitment.

We aim to achieve the following objectives through the L.E.T.S. Series:

- Encourage continuous learning by featuring useful topics and skills related to or outside work
- Promote sharing of knowledge, hobbies and skills among employees
- Improve employees' general knowledge and well-being
- Showcase department's or individual employee's expertise and knowledge
- Foster collaboration between departments for learning and development initiatives
- Encourage engagement between employees of various departments and backgrounds

As of October 2019, 13 L.E.T.S. Series have been conducted with 549 attendees. Topics are tailored to the needs of employees which include Smart Shopping and other financial, emotional and social wellness discussions.

Performance Recognition and Reward

We recognise and reward the contributions of our people as we believe employee recognition is the principle of social proof in action towards building a high performing organisation.

We conduct performance reviews twice a year for all Gamudians 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.

This year, we are transforming Gamuda Land's performance management process, from an annual cycle system to a continuous performance dialogue system. This system promotes regular employee engagement and performance development, thus driving a culture of high performance and agility.

Gamuda's Gratitude Day

Leading change is complemented with the ability to lead people.

Our leaders are not only responsible for translating the vision for change, they also owe it to employees to continuously energise and engage with them throughout the transition. One of the ways is through our Gratitude Day celebrations. This celebration does not just recognise the hard work of Gamudians, it also encourages them to keep up the good work and continue to strive to do better.

The Gratitude Day promotes two-way communication, where employees are also encouraged to give recognition and appreciation at all levels, whether it is amongst peers or from subordinate to superior, beyond just a top-down effort. This is a good opportunity for our employees to shift their mindsets to take ownership at all levels.

A series of gratitude-themed activities were rolled out throughout the year to give our people the chance to put recognition into action. In the year under review, we have undertaken a series of activities to instil recognition culture within all employees, even if it simply involves a random act of kindness to a fellow colleague.

SAFETY AND HEALTH

A material part of our business revolves around protecting the safety, health and welfare of our most vital resource: our employees and workers. This includes our subcontractors, our suppliers and any other person who is impacted by the work we deliver. We are entirely dependent on our people and for that reason, creating and supporting work environments and systems that enhance the health safety and well-being, both physical and mental, of our people is indispensable. Integrating consistent and reliable safety and health metrics into our strategies is essential to achieve a sustainable organisation.

Safety and Health Management System

As safety and health are of paramount importance to the Group, we aim to continuously improve our safety and health performance through robust risk assessments and controls as well as adoption of best practices and procedures. Our Safety, Health and Environment (SHE) Policy outlines the relevant processes and approach that sets our high safety and health standards while also meeting regulatory requirements. This policy is regularly reviewed to continuously strengthen our safety and health performance and ensure it remains relevant to our business objectives.

Our Safety and Health Management System in all key business units are certified to local and international standards specifically OHSAS 18001:2007 Occupational Health and Safety and MS 1722:2011 Occupational Health and Safety Management Systems. This year, we have successfully transitioned to ISO 45001:2018 which is ISO's first standard for Occupational Safety and Health Management System that takes on a more proactive approach and emphasises on stronger management commitment, worker involvement, and

risk control. These certifications will be renewed periodically to ensure we are aligned with the latest industry standards.

Hazard Identification, Assessment of Risk & Opportunity and Controls

To meet the requirements of ISO 45001, we improved our Safety and Health Risk Management process which now includes identifying, assessing and implementing opportunities for continual improvement. We call this Hazard Identification, Assessment of Risk & Opportunity and Controls (HIAROC). Senior management plays a more important role in the enhanced risks and opportunities management process.

All employees and workers must promptly report all work-related hazardous and non-hazardous situation that they encounter and remove themselves from these situations. They must also have a discussion with their superiors and mitigate the issue prior to resuming work. 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.

Scheduled inspections and audits will be conducted to ensure the HIAROC process is implemented effectively. All site activities are required to undergo HIAROC process before the commencement of any project to better safeguard our employees and workers on site.

Our HIAROC process is also aligned with the newly-launched National Occupational Safety and Health (NOSH) Policy in February 2019 which aims to improve the quality of occupational safety and health through sustainable risk management at the workplace.

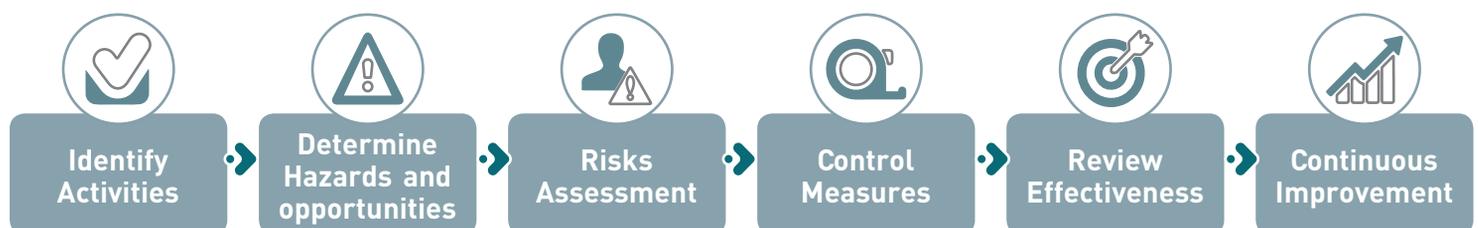


Figure 30: Key steps in the Group's HIAROC process

Sustainability Statement (Cont'd.)

Safety, Health and Environment Committee

We have a SHE committee team at all project sites to lead the implementation of SHE initiatives and to monitor SHE performance. SHE committee meetings are conducted at least once per month to serve as a platform in ensuring timely communication and effective HIAROC process implementation. Employees and workers may also communicate and provide feedback to management through the following channels:

- Toolbox and pre-task briefing
- Involvement in HIAROC during Job Safety Analysis and Method Statement review
- During incident investigation process
- Discussions during corporate and project level SHE committee meetings
- Management Review Meetings

The SHE committee team carries out regular site visits to guide our workers in implementing the Group’s best practices and minimising harm at the workplace. We have in place an Incident Investigation and Reporting procedure to respond to any safety and health related occurrences reported by employees or workers on site. Incidents reported will be investigated by a SHE personnel and preventive or mitigating actions will be implemented. Data and trends gathered from these incidents will be reviewed critically to enhance existing SHE strategies and procedures.

Currently Gamuda has 654 representatives in the SHE Committee across all Gamuda’s project sites and Menara Gamuda.

Training and Awareness

We regularly engage and educate our employees and contractors in building a strong preventive culture that integrates safety, health, and well-being at work.

Scheduled trainings are conducted to ensure all parties are equipped with relevant and updated information to meet safety and health requirements. These trainings include SHE induction programmes that aim to ensure relevant parties including clients, subcontractors and suppliers have a clear understanding of their roles and responsibilities in upholding safety and health standards. It is mandatory to participate in the training and fulfil the necessary requirements to manage safety and health issues before entering a project site.

Our contractors also have an obligation to provide adequate training to their workers and sub-contractors.

In our projects, we have taken the lead by introducing new safety schemes, which include Gamuda Construction Safety Passport (GCSP), Project Delivery Partner’s (PDP) SHE Passport Scheme and Underground Construction Skills Certification Scheme (CSCS). Our GCSP is accredited by the Construction Industry Development Board (CIDB) as equivalent to their Green Card Programme. The PDP’s SHE Passport Scheme and CSCS is a certification card scheme that ensures all employees and workers on-site have the necessary training and competency qualifications for the type of work they carry out.

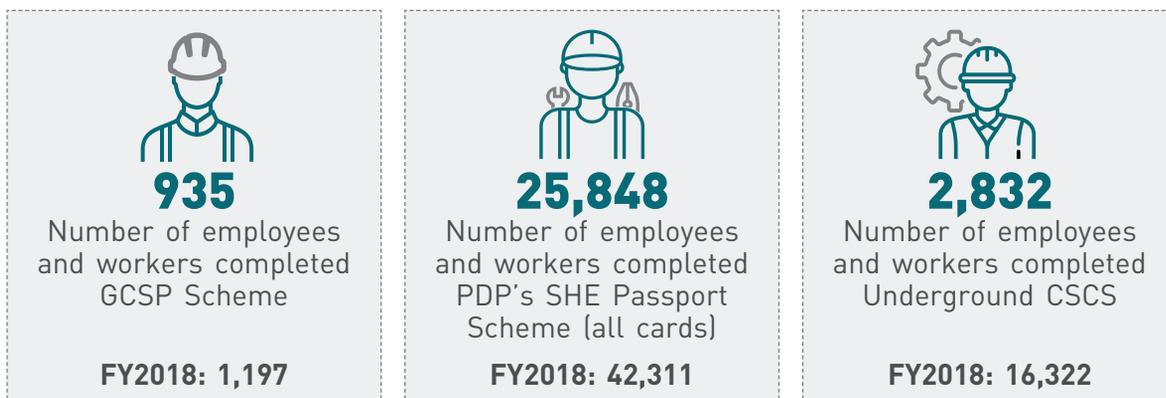


Figure 31: Number of employees and workers who attended safety and health training

We strive to reduce the number of accidents in our operations through continuous monitoring and process improvement. In FY2019, we recorded 1.94 LTIFR and 2.01 Accident Rate which we succeeded in maintaining our target of below 8.8 LTIFR and 2.5 Accident Rate.

Year	LTI Frequency Rate		Accident Rate	
	FY2019	FY2018	FY2019	FY2018
Gamuda Berhad (including Gamuda Engineering)	1.94	0.57	2.01	1.45
Gamuda Land	0.44	0.00	0.84	0.00

Table 22: LTIFR and accident rate

Contractor's Safety and Health Performance

Our Safety and Health Management System include managing contractors' safety and health performance. Our procedure in managing contractor's SHE performance are illustrated in the figure below



British Safety Council International Safety Awards 2019 – Distinction Score

MMC Gamuda has received multiple awards from the British Safety Council (BSC) at the annual International Safety Awards Gala Dinner in April 2019. This includes International Safety Award, Best in Country Award and Sector Awards under the Construction and Property Activities Category.

MMC Gamuda is one of the top 10% of the 590 applicants worldwide that received Distinction honours in the International Safety Awards. The award recognised MMC Gamuda's true dedication to promoting workplace health, safety and environmental (HSE) excellence.

Partnership Programme Highlights

Gamuda Land supports and is committed to the 'Country OSH Policy' (Dasar Keselamatan dan Kesehatan Pekerjaan Negara) with the signing commitment campaign. This commitment signing campaign acts as tools to raise safety and health awareness among all players in the construction and property industry in the country. (25th April 2019).

Sustainability Statement (Cont'd.)

STAKEHOLDER AND COMMUNITY RELATIONS

We are dedicated in creating social value for the local communities by fostering collaboration or partnership across sectors with government, media and community members. We believe this will lead to a more equitable and inclusive solution in delivering positive contribution to society. Our efforts in delivering social value include educational funding, development programmes for the underserved, as well as training programmes for communities involved in our projects. These efforts are also aligned with SDG 4 – Quality Education, to achieve inclusive and quality education for all.

Gamuda Land

Gamuda Land is committed to support The Ministry of Housing and Local Government in line with the Dasar Komuniti Negara (“DKN”). Hence in 2018, we adopted Projek Perumahan Rakyat (“PPR”) Lembah Subang – making the residents there part of our community.

Our decision to support PPR Lembah Subang I & II is centred on delivering meaningful change for the local community via a long-term and constant engagement. We have engaged the community via facilities upgrading programmes at the kindergartens, organising teaching groups to hold art workshops for the children and more. Perhaps even more satisfying was our own staff stepping forward to paint murals across the area to brighten what was once dilapidated walls.

Plans are in the pipeline for the development of a community library at PPR Lembah Subang going forward, which will help address the impact issues of poor literacy while providing children the gift of books and the pleasure of reading.

Yayasan Gamuda

Established in 2016, Yayasan Gamuda (YG) oversees all our charitable efforts and ensures all initiatives are in line with Gamuda’s aspirations for community investments. The foundation arm focuses primarily on educational aid and community improvement and has contributed year on year to various causes both within and outside of Gamuda, including Gamuda Scholarship, Enabling Academy and the Star Golden Hearts Awards.

In this financial year, YG has committed to allocate up to 2% of our profit before tax annually towards our initiatives that support education and philanthropy efforts to deliver greater societal impact. We believe the profits earned can be reinvested in areas that will bring about significant social and economic difference in the places where we do business.

Gamuda Scholarship

Education is essential in providing the building blocks for an individual’s development, and thus we recognise the impact that it has charted the future of the younger generation. We have invested a total of RM41.6 million to provide 410 scholarships since 1996 to outstanding Malaysian students to pursue courses of their choice.



Figure 32: Gamuda Scholarship Award 2019 presentation ceremony

The Gamuda Scholarship, which started in 1996, covers the entire tuition fees and living expenses for students who are pursuing tertiary education – both locally and abroad. This scholarship is not only given to students who pursue construction industry-related courses, it is also for courses related to Accounting, Business, Information Technology and Human Resources. This immediately widens the pool of beneficiaries, and thus helps a larger proportion of the community.

This year, 34 deserving students were awarded the Gamuda Scholarship and obtained 100% guaranteed employment after graduation. We will continue to increase our efforts in searching and selecting deserving candidates to support them in furthering their education.

Data	FY2019	FY2018	FY2017
Number of Gamuda Scholarships awarded	34	34	33
Target for following year	40	40	40
Employment rate of scholars (%)	100	100	100
Number of scholars working in Gamuda	125	118	106

Table 23: Gamuda Scholarship

Opportunities for the Differently-Abled

People with disabilities tend to face challenges in securing employment that would support them to achieve their fullest potential. The Malaysian Social Welfare Department collaborated with the Japan International Cooperation Agency (JICA) to establish the Job Coach Service Programme in 2012 to promote employment amongst people with disabilities. This is a testament of the national efforts to encourage supported employment amongst people with disabilities.

We launched “Project Differently-Abled (DA)” in 2013 as an avenue to recruit individuals living with the autism spectrum disorder (ASD), with the hope of eventually providing them with sustainable employment. The success from Project DA urged us to launch Gamuda’s Enabling Academy (EA) in 2017. Funded by Yayasan Gamuda, EA trains individuals on the autism spectrum with skills that will enable them to integrate seamlessly into white-collar and professional jobs in other corporate companies. This is implemented via the Employment Transition Programme (ETP), a three-month programme which involves soft skills and practical job training that will contribute to the career development of these individuals and boost their confidence while promoting inclusivity and diversity at the workplace. For more information on our Enabling Academy and the ETP course structure, visit <https://gamuda.com.my/sustainability/yayasan-gamuda/enabling-academy/>.

EA is a registered Practical Assessment Centre for Accreditation of Prior Achievement since November 2018. This programme is a collaboration with the Department of Skills Development under the Ministry of Human Resources with the aim to establish more Employment Training Centres (ETCs) to prepare more people with autism for sustainable employment. 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 to possibly secure jobs that involve data science.

As of FY2019, 18 full-time DA colleagues have been recruited for administration, engineering, research and IT programming across various departments at Gamuda. Each recruited DA colleague is supported by an experienced supervisor and buddy, and this relationship is overseen by a support team. The support team also conducts awareness sessions, job coaching workshops and in-house training sessions for DA colleagues. Our DA colleagues are given equal opportunities to undergo the same career and training development as other Gamuda employees.

Sustainability Statement (Cont'd.)

Enabling Academy: Autism Awareness Seminar 2019

In conjunction with World Autism Month, EA held an Autism Awareness Seminar in April 2019 to create awareness and acceptance, sharing and building knowledge in improving the status quo for people living with Autism.

Speakers of the seminar – Mutually Inclusive Partnerships Director Keith Bates from the United Kingdom, together with two professors from University of Sheffield, Professor Dan Goodley and Professor Katherine Runswick-Cole lauded EA that prepares people with autism towards sustainable employment.

Among the attendees of the seminar were police personnel led by Bukit Aman DCP Datuk Lee Bee Phang and SAC Munusamy Rengasamy who shared that the police force has recently reviewed guidelines and SOP on handling suspects with autism.

One of the key messages is that there is a need for an inclusive culture in workplace and focus on partnership-building with businesses, in addition to holding the right aspirations and providing the right support through strong leadership. Recognising the importance of the voices of people with disabilities is also one of the key success factors for ETP.



Japan to continue partnership with Malaysia to promote employment of differently-abled individuals

In 28 November 2018, Japan's Vice Minister of Health, Labour and Welfare Akira Miyakawa made an official visit to EA and greatly appreciates EA's effort in supporting individuals with autism for sustainable employment.

"It is our great pleasure that Japan has contributed to the improvement of support for persons with disabilities in Malaysia. I would like to continue to work in close partnership with Malaysia and contribute to Malaysia."



Gamuda also forms partnerships with other companies to provide white-collar and professional employment opportunities for individuals with autism. EA conducts the necessary training and awareness sessions for these partner companies so that they are prepared and equipped to employ with a support ecosystem. Additionally, EA will also help Partner Companies create suitable job matches for EA graduates and provide ongoing consultative support to these employers, post-recruitment. Job matching is carefully done for every EA graduate in consideration of the job scope, company location and work environment. In FY2019, 15 EA graduates were offered to gainful employment in 10 partner companies.

Employment Type	List of Companies	
	FY2019	FY2018
Employment	<ul style="list-style-type: none"> • DRB HICOM Bhd • MMC-Gamuda Tunneling TU3 • Agrifert (M) Sdn Bhd • Sales Candy International Sdn Bhd* • Kampung Manis Realty Sdn Bhd* • Maran Road Sawmill Sdn Bhd* • UNIQLO (M) Sdn Bhd* • Rovski Sdn Bhd* • HSBC Electronic Data Processing (M) Sdn Bhd* • OCBC Bank (M) Bhd* • iCIMB (M) Sdn Bhd* 	<ul style="list-style-type: none"> • Brick Dotcom Sdn Bhd • Feruni Ceramiche Sdn Bhd • Hap Seng Land • Macro Dimension Concrete Sdn Bhd • Gamuda Group • CIMB Bank Bhd • GM Klang Sdn Bhd • Ringo Low & Associates • DRB-HICOM Bhd • Agrifert (M) Sdn Bhd • Lafarge Shared Services Sdn Bhd
Internship	<ul style="list-style-type: none"> • All-For-One Production (Kota Kinabalu)* • Universiti Kuala Lumpur (UniKL)* 	<ul style="list-style-type: none"> • Golden Screen Cinema Sdn Bhd • LafargeHolcim Regional Service Centre • Cake Sense • Thistle Hotel • Chris Koh & Chew • The Edge Communications • A & A Architect Sdn Bhd • ARC Partnership

* Denotes new partner companies in FY2019.

Table 24: List of partner companies under EA for FY2018 and FY2019

To date, we have trained 40 individuals and all have gained either employments and/or internships across the partner companies.

Employed	30
Internship	10
Total graduated EA trainees as of FY2019	40

Table 25: Number of individuals trained as well as gained employments and internships under EA

Sustainability Statement (Cont'd.)

Star Golden Hearts Awards

A joint initiative by The Star, Star Foundation and Yayasan Gamuda (YG), the Star Golden Hearts Awards celebrates everyday Malaysians who demonstrate extraordinary commitment to social work and promote unity among Malaysians. The Star Golden Hearts Awards was launched in 2015 and this year the organising committee received increased nominations compared to previous years with over 400 nominations from members of the public. This reflects the growing recognition for social enterprises to have more open market access.

YG is focused on pioneering positive change and has been sponsoring this award since 2016, celebrating the work of Malaysia's unsung heroes who have worked hard to help people regardless of their background or race. We believe that individuals and social enterprises are more than a charitable cause because they are doing greater good for the longer term. The winners of the Star Golden Hearts Awards are proven to have made tremendous sacrifice in terms of time, money, safety, and comfort to make a positive contribution for fellow Malaysians. They are people who selflessly dedicate themselves to helping others without expecting any returns, and indirectly fostering unity.

Every year, ten individuals or groups are selected as recipients of this award, of which the most outstanding entrant will be selected for the Star-Gamuda Inspiration Award. This individual will be rewarded with RM50,000 for their contribution to society. Details of Star Golden Hearts Awards FY2019 is available at <https://www.starmediagroup.my/star-foundation/star-golden-hearts-award/>



An Inspiration to the Nation – Creating Prosthetic Limbs for Children

2019's winner of the Star-Gamuda Inspiration Award is former teacher Sujana Mohd Rejab. The self-taught teacher started his own company specialising in 3D printers which later turns into an inspiration and passion in assisting children in need through limb design. Fondly known as Pak Su, his aspiration is for Malaysia to be the cheapest producer of high quality 3-D printed arms and he aims to provide a new lease of life to underprivileged children with disabilities.

The provision of prosthetic limbs by Sujana enables physically impaired individuals to benefit, having equal privileges and access to a quality life with dignity and in return, they are able to contribute back to the society in a virtuous cycle.



*Figure 33 – Star-Gamuda Inspiration Award 2019
(Star Golden Hearts Awards) winner, Sujana Mohd Rejab*

This initiative is viewed by many as something that has contributed significantly to nation-building over the years. These awards have captured the hearts of many Malaysians, and the growth in participants over the years has proven just that. The collaboration between Star Media Group, Star Foundation and Yayasan Gamuda has been greatly commended and encouraged to continue and progress in years to come.

“ The 10 winners of Star Golden Hearts Awards 2019 are fine examples of unsung heroes who have bridged gaps and promoted unity across all backgrounds. These awards are a form of recognition for their selfless work and sacrifices. I hope it will inspire and motivate the recipients to do much more for society. ”

Tan Sri Lee Lam Thye, Chief Judge of Star Golden Hearts Awards

Upskilling Local Communities

Given the level of construction-related knowledge, skills and competence required in our projects, we have collaborated with external partners to establish several training programmes to upskill not just our employees, but everyone involved. This also includes graduates who will form the future talent pool in this industry. These programmes are mainly centred around building technical capabilities and enhancing SHE-related competencies.

The training programmes typically conducted are:

Programmes and Objectives	FY2019	FY2018	FY2017
Tunnelling Training Academy (TTA) Training on tunnelling related skills to support the rollout of the KVMRT Line 1 and Line 2 and other similar projects around the world	464	213	225
KVMRT Training Centre To upskill KVMRT Line 1 and Line 2 workers and contractors, with a strong focus on safety, health and environmental protection standards (grey cards)	9,650	7,500	6,808
Gamuda Plant Operator School (GPOS) Competency training assessed by DOSH and CIDB for crane and plant operators	960	802	957
Collaboration with Kolej Komuniti (KK) IBS Production Technicians for the IBS factory	23	12	15
Gamuda IBS Training Centre Reskill graduates from technical and vocational training institutions in IBS application	126	110	175

Table 26: Number of trainees benefitted from various partnered training programmes