



The overall view of The Amaya Residence @ Laman View, Cyberjaya



SUSTAINABILITY STATEMENT

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Sustainability Statement



ABOUT THIS SUSTAINABILITY STATEMENT

Gadang Holdings Berhad ("Gadang") is pleased to present its Sustainability Statement for the financial year ended 31 May 2022.

The last two years have been an uphill battle with the Covid-19 pandemic forcing shifts in public policies and companies' behaviours. The pandemic has taught us the importance of being able to react and adapt to situations of uncertainty. As a result of the pandemic-related restrictions, our construction activities were badly affected and hence caused some delays in construction work progress. However, we have survived and recovered from supply chain disruptions and have come up with alternative ways of running the business to ensure a more resilient future.

There was however, a positive impact to the environment. The social and economic movement restrictions provided an unexpected silver lining, with decreased outdoor activities in the past two years benefitting the natural environment as air quality became clearer and cleaner. The lesson learnt is that we can do plenty to impact our environment. We should not need another lockdown to realise that heeding this lesson is key to a sustainable existence for us and our future generations.

Hence, Gadang remains committed to embedding the sustainability elements of Economic, Environmental and Social ("EES") in our daily operations across our business sectors to perpetually pursue value for all our stakeholders. In doing so, we believe it will strengthen the trust and relationship with our stakeholders through increased transparency and disclosure. This report shares our commitment to sustainability with important stakeholders such as employees, investors, customers, business partners, suppliers and the community.

GADANG SUSTAINABILITY PILLARS

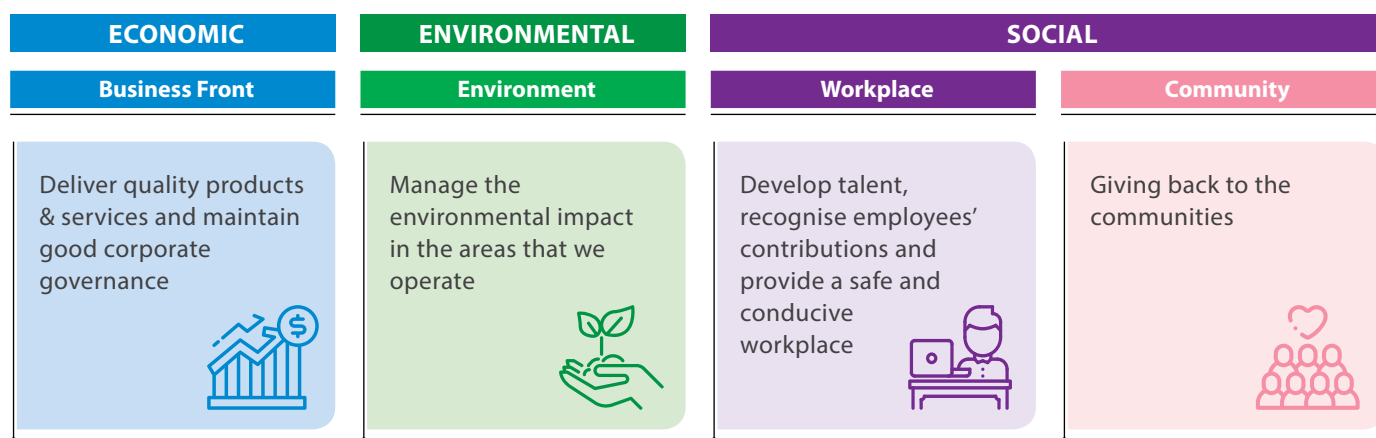


Diagram 1 – Gadang Sustainability Pillars

Reporting Period

This Statement covers the Group's sustainability management and performance data from 1 June 2021 to 31 May 2022 and the comparative data where applicable.

Reporting Cycle

Annually

Reporting Guide

- Bursa Malaysia's Main Market Listing Requirements
- Bursa Malaysia's Sustainability Reporting Guide - 2nd Edition
- United Nations Sustainable Development Goals

Feedback

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REPORTING SCOPE

The reporting scope encompasses Gadang and our active subsidiaries operating in Malaysia, Indonesia and Singapore. They are collectively referred to as the “Company” or “Group”. The operations in Malaysia accounts for 92% of the Group’s total revenue for FYE 2022.



Diagram 2 – Our Reporting Scope

INDEPENDENT ASSURANCE

We have not sought any independent assurance. However, we strive to continuously enhance data collection, analysis and reporting to provide our stakeholders with a better insight into our sustainability management and performance.

SUSTAINABILITY GOVERNANCE

The Board of Directors heads the sustainability governance structure. Besides directing the business strategies vis-à-vis the internal and external risk environment, it also sets the tone for managing the sustainability risks and opportunities.

The sustainability governance structure is depicted in Diagram 3 with clear lines of responsibility and accountability for each layer of the hierarchy that is involved in managing the material sustainability matters in the Company.

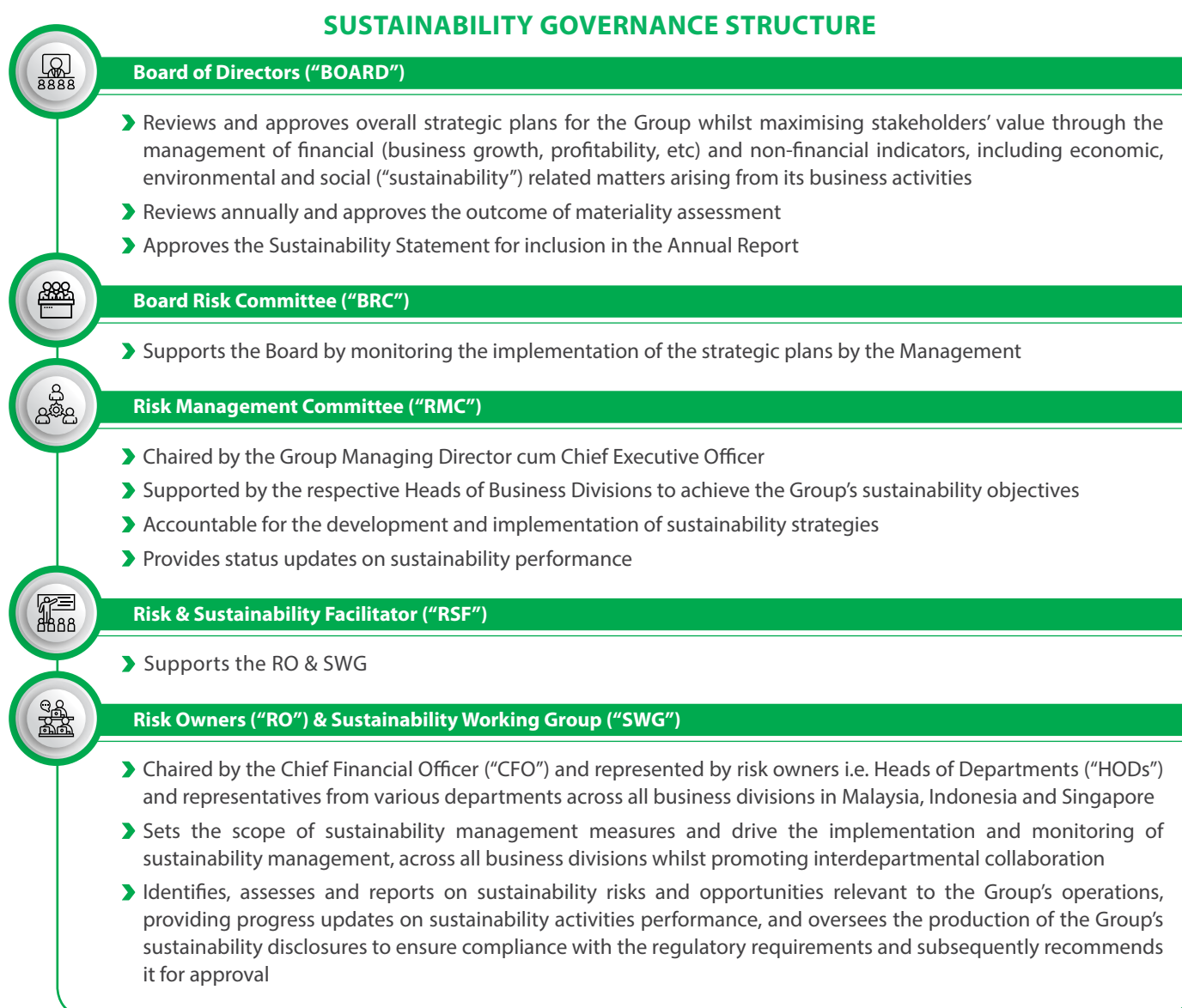


Diagram 3 – Sustainability Governance Structure

STAKEHOLDER ENGAGEMENT

We engage our stakeholders continuously via various communication channels as depicted in Table 1. The engagements form the basis for us to understand their focus areas so that we can align them to the Company's strategies and business operations.

Stakeholder Group	Form of Engagement	Area of Interest	Outcome
Board of Directors	➤ Board meetings ➤ Annual General Meeting ➤ Corporate / Company events ➤ Stakeholder Engagement Surveys	➤ Business strategy ➤ Financial performance ➤ Environmental practices ➤ Human capital management ➤ Client satisfaction ➤ Occupational Health & Safety	Aligned strategic plans that maximise shareholders' value
Investors / Shareholders	➤ Annual General Meeting ➤ Investor relation activities ➤ Public announcements ➤ Corporate website ➤ Annual report	➤ Financial performance ➤ Corporate developments ➤ Timely & transparent disclosure ➤ Business ethics & compliance ➤ Sustainability matters	Positive reputation amongst investors / shareholders
Employees	➤ Performance review ➤ Learning & development programme ➤ Employee Handbook ➤ Code of Conduct & Ethics ➤ Sports Club activities ➤ Stakeholder Engagement Surveys	➤ Fair employment practices ➤ Staff development & training ➤ Occupational Health & Safety ➤ Information security ➤ Anti-Bribery and Corruption	Improved staff engagement and satisfaction
Clients / Customers	➤ Client / customer satisfaction surveys ➤ Sales & marketing channels of business divisions ➤ Exhibitions ➤ Corporate website ➤ Stakeholder Engagement Surveys	➤ Product affordability and quality ➤ Ethical business conduct ➤ Quality of services & operations ➤ Personal Data Protection ➤ Sustainability (environmental)	Recurring business opportunities
Government / Regulatory Authorities	➤ Ad hoc public invitations ➤ Site visits ➤ Conferences ➤ Participation in organised programmes ➤ Stakeholder Engagement Surveys	➤ Information security ➤ Compliance to regulatory requirements ➤ Business ethics & compliance	Better understanding of Company's sustainability commitment Compliance with laws & regulations

Stakeholder Group	Form of Engagement	Area of Interest	Outcome
Contractors, Vendors, Suppliers	➤ Supplier / Subcontractor evaluations ➤ Regular meetings ➤ Stakeholder Engagement Surveys	➤ Corporate governance practices ➤ Ethical business conduct ➤ Client satisfaction ➤ Occupational Health & Safety ➤ Diversity, equality and inclusion ➤ Local sourcing	Better understanding of Company's sustainability commitment
Business Partners	➤ On-going communication & visits	➤ Collaboration & market synergy ➤ Ethical business conduct ➤ Occupational Health & Safety ➤ Staff development & training	Recurring business opportunities
Media / Analyst	➤ Press conferences ➤ Media releases / interviews ➤ Ad hoc meetings	➤ Timely & transparent disclosure ➤ Environmental practices	Better understanding of Company's performance
Local Communities / NGOs	➤ Meetings & visits ➤ Community development programmes	➤ Accessible & affordable housing ➤ Environmental practices ➤ Community development ➤ Contribution to society	Better social relationship

Table 1 – Details of Our Engagement with Stakeholders



MATERIALITY ASSESSMENT

A materiality assessment exercise is carried out annually with our Sustainability Working Group (“SWG”) from all business divisions via completion of a SWG Template. The exercise by our 36 SWG members is to validate the relevancy of the previous year’s material sustainability matters, identify new material matters, assess the materiality of those matters by benchmarking against the Company’s risk matrix and to identify and prioritise stakeholders. Our structured materiality assessment process is detailed in Diagram 4.

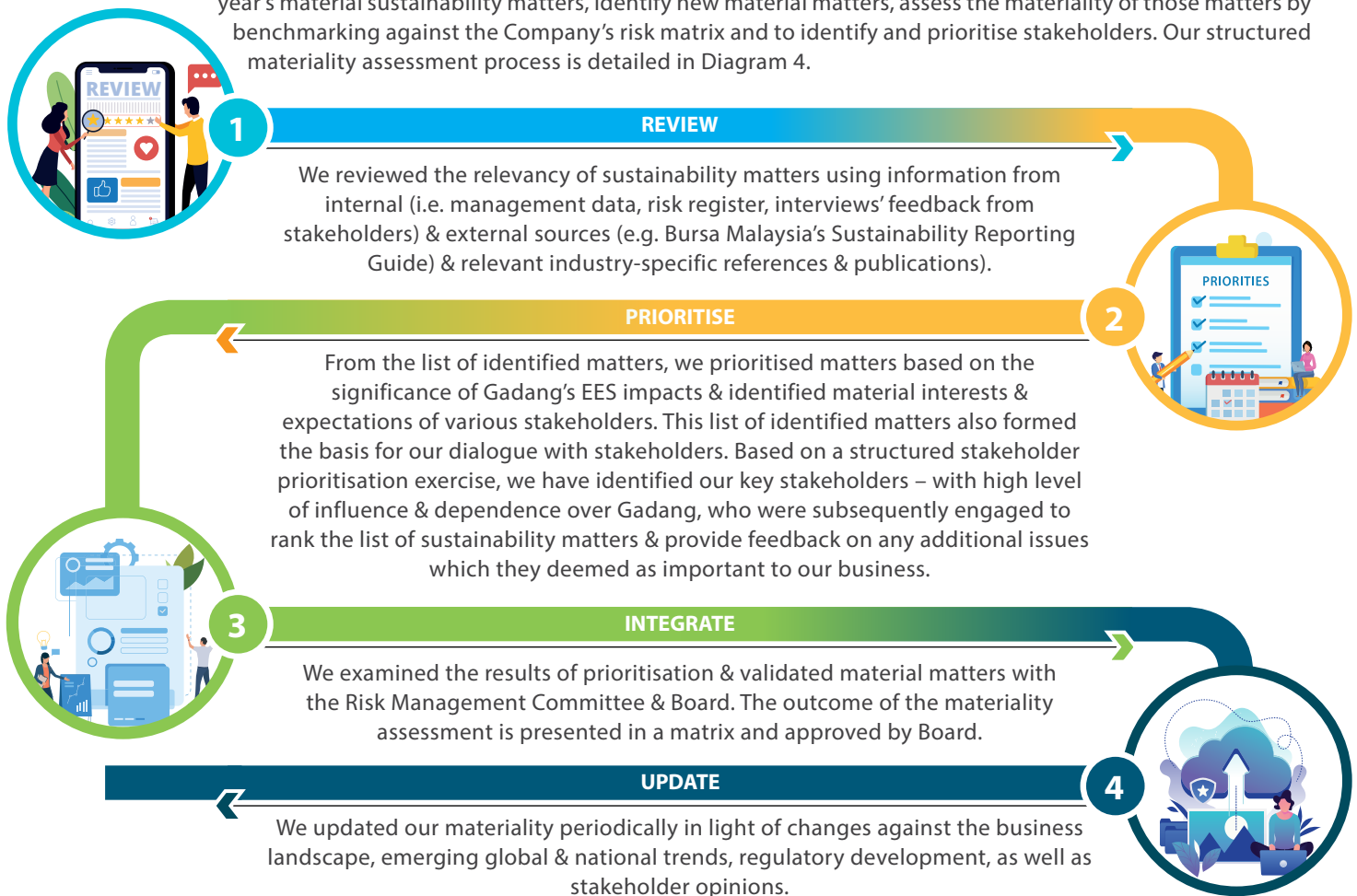
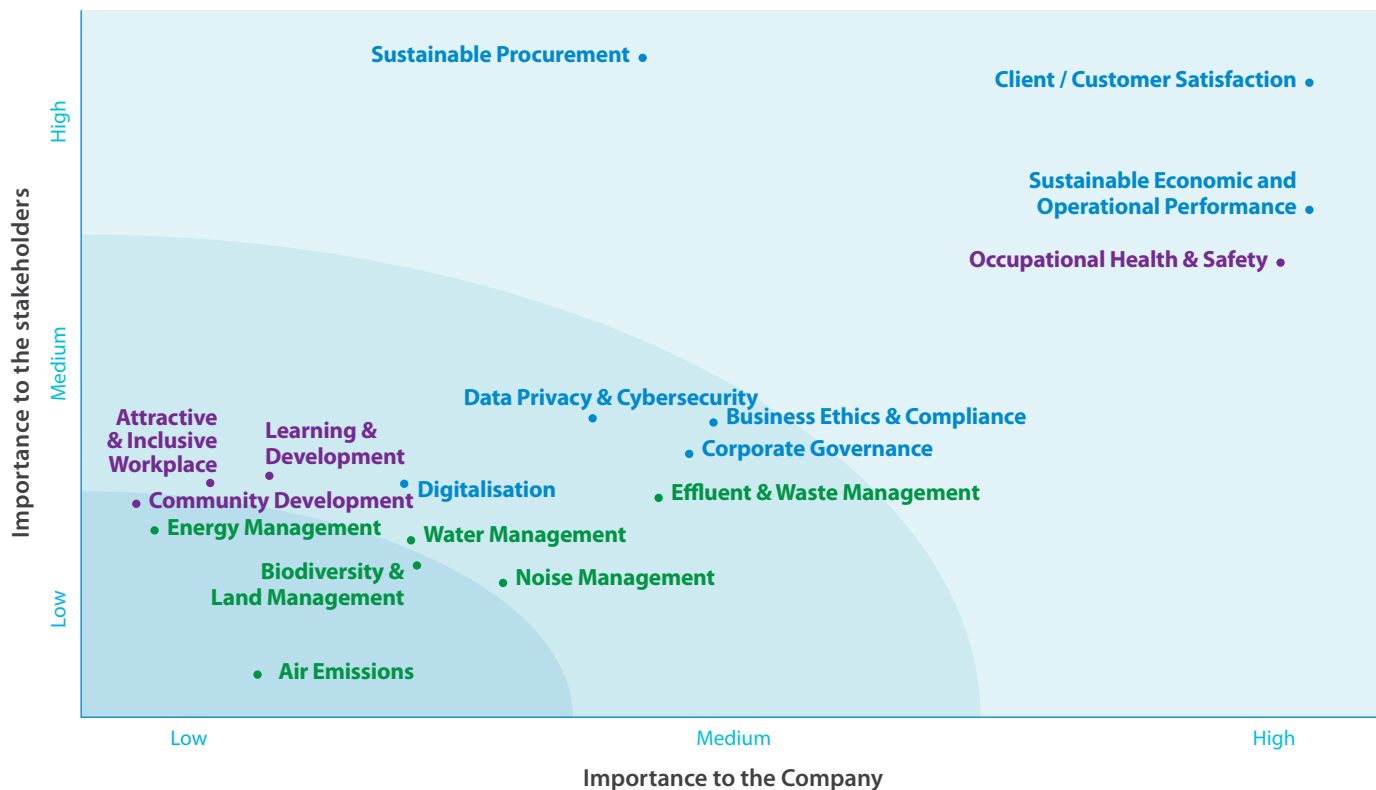


Diagram 4 – Materiality Assessment Process

During the materiality assessment process, we have identified 17 matters that are material to us. Stakeholder engagement surveys were used to collect data from both our internal and external stakeholders. A total of 55 stakeholder engagement survey responses were received from the Board of Directors, employees, shareholders, regulatory authorities, clients, subcontractors, suppliers and business partners.

The results from the SWG Template and data collected from the stakeholder engagement surveys are used to update the materiality matrix and is presented to the RMC for review and to the Board for approval.

MATERIALITY MATRIX



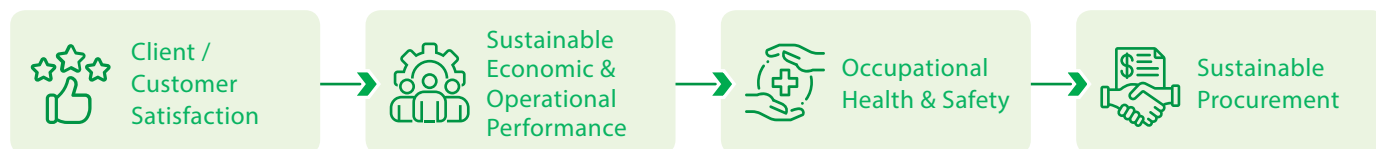
Legend

Economic, Environmental & Social Impacts

Economic	Economic refers to impact of Company's business operations on the economic conditions of its stakeholders & on economic systems at local, national & global levels. It does not focus on the financial condition of the Company
Environmental	Environmental refers to the impact of Company's business operations on the living & non-living natural systems, including land, air, water, ecosystem and climate change
Social	Social refers to the impact of Company's business operations on the social systems within which it operates

Diagram 5 – Materiality Matrix

Based on the Materiality Matrix, the high priority matters are:



Compared to last year, sustainable procurement has been identified as a material sustainability matter this year in view of increasing concern on how the Company can identify and reduce the environmental impacts from the business activities across its supply chains. Accordingly, more emphasis will be given to sustainable procurement in the next financial year.

FYE 2022 SUSTAINABILITY TARGETS & PERFORMANCE



ECONOMIC



	Category	Sustainability Targets FYE 2022	Achievement
	Quality	Quality Assessment System In Construction ("QLASSIC") for Cyberjaya Hospital >75 score	76%
		Quality Assessment System In Construction ("QLASSIC") for Elegan Residensi >75 score	80%
	Operational Excellence	GESB Singapore Branch To obtain Construction Grade C1 by Building Construction Authority which allows tender of project of SGD 5-16 Million	Grade C1
		Dispose and scrap non-productive assets	100%
	Corporate Governance	To have 30% women directors in Board	33%
	ISO Standards	ISO for GESB to renew: ➤ ISO 45001:2018 (Occupational Health & Safety Management) ➤ ISO 14001:2015 (Environmental Management)	ISO renewed
		ISO for Yi Sheng to obtain: ➤ ISO 9001:2015 (Quality Management) ➤ ISO 45001:2018 (Occupational Health & Safety Management)	ISO obtained
	Data Privacy & Cybersecurity	Zero data breaches	Zero breaches
		Enhancement through: ➤ Server upgrade for HQ ➤ Firewalls upgrade for Yi Sheng & Gadang HQ	Data Security Enhanced
		Enhanced Network Infrastructure & Cybersecurity for GHB (HQ)	
	Digitalisation	Develop Gadang Sharepoint platform for internal data sharing and knowledge retention	Developed
	Client / Customer Satisfaction	Client / Customer satisfaction Target to achieve 75% and above	E&C 86% Utility 89% Property 73%
	Diversification	To commence commercial operations of mini hydro plant at Lintau, Indonesia	In progress, at 97%

FYE 2022 SUSTAINABILITY TARGETS & PERFORMANCE (CONT'D)

ENVIRONMENTAL			7 AFFORDABLE AND CLEAN ENERGY	15 LIFE ON LAND	6 CLEAN WATER AND SANITATION	13 CLIMATE ACTION
Category	Sustainability Targets FYE 2022		Achievement			
	Waste Management	Supporting recycling in Company HQ	2,348 kg waste recycled			
		Waste Management Campaign (3R – Reduce, Reuse and Recycle) for TRX C6	Campaign Conducted			
	Energy Management	Solar Renewable Energy at HQ	103,000 kWh clean energy			
		103,000 kWh generated from solar which contributed 21% of energy savings amounting to RM52,000				
	Environment Management	Zero summon from Departmental of Environment	Zero summons			
		Climate Change	Combat climate change through tree planting	2,619 trees planted in Laman View development		

SOCIAL			4 QUALITY EDUCATION	5 GENDER EQUALITY	3 GOOD HEALTH AND WELL-BEING	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES
Category	Sustainability Targets FYE 2022		Achievement				
	Health and Safety	Zero fatality	Zero fatality				
		Incident Rate < 4 per 1,000 workers	3.64				
		Loss Time Injury Frequency Rate ("LTIFR") < 8	1.56				
		Health and Safety: 1 environmental and 1 safety campaigns to be conducted	Achieved				
	Attractive & Inclusive Workplace	School aid support to employees' children	RM45,800 contributed to 229 children				
	Community Development	Flood aid to employees	15 employees benefited				
		Supporting student scholarship	2 students awarded scholarship				
		Supporting Corporate Social Responsibility ("CSR") activities amounting to RM100,000	Contributed RM138,000 in CSR				

FYE 2022 AWARDS & RECOGNITION

In FYE 2022, we have obtained the following awards & recognition; they are a testament to our safety compliance with best practice and industry standards.



Diagram 6 – Awards & Recognition

1 GRAND AWARD



Category

Awarded To

MISHA Golden Safety Award

Cyberjaya Hospital

7 CATEGORY AWARDS



Category

Awarded To

Best Emergency Response Team

TRX C3

Best Labour Quarter Management

MRT Line 2 (V206)

Best Environmental Management

TRX C6

MRT Line 2 (V206)

Best Safety & Health Committee

ECRL

TRX C3

TRX C6

Table 2 – MISHA Award 2021

FYE 2022 AWARDS & RECOGNITION (CONT'D)



- 1 Gadang Engineering (ECRL Project)
– Obtained SHASSIC 5 STAR for Safety
- 2 Gadang Engineering (TRX C6 Project)
– Obtained SHASSIC 5 STAR for Safety
- 3 Yi Sheng Foundation Obtained BizSafe Star Certificate. It fulfilled the requirements by Workplace Safety & Health Council
- 4 Gadang Engineering (V206 Project)
– In recognition of achieving 2,300,000 Safe Man-Hours
- 5 Gadang Engineering – Appreciation from MMC Gamuda for GESB's role & contribution in MRT Putrajaya Line project
- 6 Gadang Engineering (ECRL Section 5 Project)
– Awarded outstanding performance in HSE management by China Communications Construction Company ("CCCC")
- 7 Gadang Engineering (ECRL Section 5 Project)
– Awarded excellent subcontractor by CCCC





BUSINESS FRONT



SUSTAINING BUSINESS PERFORMANCE



- > To sustain revenue and profit

	FYE 2020 (Restated)	FYE 2021 (Restated)	FYE 2022
Revenue	673,056,446	574,767,491	651,993,194
Profit Before Tax (PBT)	59,332,400	21,955,578	70,148,035
Profit After Tax (PAT)	35,654,367	13,264,323	43,168,215
Shareholder Funds	777,450,918	782,118,961	825,399,381
Total Assets	1,742,536,120	1,721,523,724	1,562,707,292
Cash and Bank Balance	302,826,378	286,109,291	289,008,367
Share Price	RM0.51	RM0.39	RM0.375
Net Asset Per Share	1.07	1.07	1.13

Specific details of the Group's financial performance are provided in the Management Discussion and Analysis section of this annual report.

QUALITY ASSURANCE



- > To score above 75% for QLASSIC assessments
- > To maintain ISO certifications
- > To maintain CIDB SCORE rating – 5 STAR

QLASSIC (Quality Assessment System in Construction)

In FYE 2022, we have participated in 2 QCLASSIC assessments for our construction buildings and we are proud to have achieved at least 75% score for both the assessments.

QLASSIC assessment is a measure and evaluation of the quality of workmanship of a building construction work in accordance to the Construction Industry Standard (CIS).

CLASSIC ASSESSMENT
80%
for Elegan Residensi

CLASSIC ASSESSMENT
76%
for Cyberjaya Hospital



QUALITY ASSURANCE (CONT'D)

ISO Quality Standards

We are committed to deliver quality standards in accordance to the best practice through maintaining our ISO certifications.

This year our indirect wholly owned subsidiary, Yi Sheng, obtained the ISO 9001:2015 Quality Management System and ISO 45001:2018 Occupational Health and Safety Management System. Gadang Engineering have also successfully renewed ISO 45001:2018 and ISO 14001:2015 upon the SIRIM audit, with a sterling achievement of zero Non-Conformance Report (NCR).



Current ISO Management System held by Gadang

ISO 9001 : 2015	Quality Management System
ISO 14001 : 2015	Environmental Management System
ISO 45001 : 2018	Occupational Health & Safety Management System



CIDB SCORE Rating

We achieved our first five-star SCORE rating (also known as "Penilaian Keupayaan dan Kemampuan Kontraktor") in 2019 awarded by Construction Industry Development Board ("CIDB"). The certification is valid for two years. In 2021, we continued to uphold our good performance and managed to maintain our five-star SCORE rating. A minimum score of 85 points and 15 points for each parameter are the criteria to obtain five-star SCORE. The award ceremony was held on 2 August 2022.

HANDLING CLIENT / CUSTOMER EXPECTATIONS

 > To score at least 75% on our Client / Customer satisfaction for all Divisions

We engage our clients / customers frequently through meetings, site visits, surveys and other platforms to gauge the level of satisfaction. We are committed to respond timely when issues are raised by them.

Based on the analysis of data collected from client satisfaction surveys for engineering and construction projects, we achieved a higher average score of 86% as compared to previous year of 81%.

As for our customer satisfaction surveys for Elegan Residensi Phase 1, we scored 73% which is below our target of 75%. A longer time was taken to rectify defects due to Covid-19 lockdown and a shortage of workers in the construction industry.

For our Utility Division, we managed to maintain a high satisfaction score of 89% from our water supply clients.

Engineering & Construction



2022: 86%
2021: 81%

Property Development



2022: 73%
2021: 81%

Utility



2022: 89%
2021: 92%

CORPORATE GOVERNANCE

 > To uphold ethical business conduct and corporate integrity
> Zero corruption

A strong and effective corporate governance ensures corporate success, cultivates a culture of integrity and maintains investors' confidence. We are governed in a structured manner whereby policies are in place to promote good corporate governance, accountability and integrity in the workplace.

Governance Policies for the Directors and Employees

Board Charter	Code of Ethics and Conduct	Health and Safety Policy
Remuneration Policy of Directors and Senior Management	Anti-Bribery and Corruption Policy	ISO standards
External Auditor policy	Risk Management Policy	No Gift Policy
Business Continuity Plan	Whistleblowing Policy and Procedure	Sustainability Reporting Framework

Annually, we review the Standard Operating Policy and Procedures ("SOPPs") of the entire group to ensure that they are applied consistently. This ensures the efficiency of performance and quality output while reducing miscommunication and failure to comply with rules and regulations. During the year, we have introduced and/or updated the following SOPPs:

1

Risk Management Policy

2

Sustainability Reporting Framework

3

Business Continuity Plan

Pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, we are committed to the TRUST principle stipulated in the Guidelines on Adequate Procedures. The Company has zero tolerance against any form of bribery or corruption.

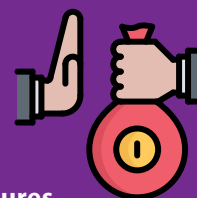
Training on Code of Ethics and Conduct ("COEC") and Anti-Bribery and Corruption ("ABC") was provided to all directors and employees. New employees are made aware of these policies through the on-board induction program. All directors and employees signed an acknowledgement that they understand and will comply to these policies. Third parties such as suppliers, service providers and vendors are also required to sign the ABC declaration form.

Directors and employees are required to disclose any Conflict of Interest ("COI") as per the COEC. We have completed the risk assessment for the COI declarations and the outcome was presented to RMC and Board.

Annually, we conduct corruption risk assessment to identify various corruption risks across our operations to ensure controls are in place and adequate mitigation measures are implemented. The outcome of corruption risk assessment was presented to RMC and Board.

We provide whistleblowing platform for our stakeholders to report unethical or unlawful matters via our whistleblowing reporting procedures which is available at www.gadang.com.my. In FYE 2022, there were no whistleblowing or corruption incident.

- **T**op level commitment
- **R**isk assessment
- **U**ndertake control measures
- **S**ystematic review, monitoring & enforcement
- **T**raining & communication



PROTECTING DATA PRIVACY AND ENHANCING OUR CYBERSECURITY



- > Protect company's data from cyberattack
- > To uphold Personal Data Protection Act 2010 ("PDPA") rules and regulations
- > Zero data breach

Protection of data, information and intellectual property belonging to stakeholders against security breaches are important with the increasing threats to cybersecurity. During the year, we carried out several enhancements to further strengthen data security. Details are as follows:

- Enhanced Network Infrastructure & Cybersecurity for GHB (HQ)
- Deployed new firewalls for HQ and Yi Sheng
- Deployed new server for HQ
- Implemented Network Attached Storage for Yi Sheng

We comply with relevant requirements as prescribed under the PDPA. Our customers and employees are well notified and have signed the PDPA Notice in compliance to statutory requirement. PDPA Notice for customer is also posted on our Property Division website at www.gadangland.com.my.

We review and update our IT Policy and Procedure and Disaster Recovery Plan annually to ensure that the guidelines for managing the security of our IT infrastructure and offsite disaster recovery facility remain relevant.

Autodesk Asia Pte Ltd conducted an Autodesk licence compliance audit on GESB and the audit concluded with no non-compliance.

In FYE 2022, there was no data breach incident.

SUSTAINABLE PROCUREMENT



- > To support local suppliers and subcontractors

As a strong advocate of sustainable economy, the Company has been supporting local suppliers for our procurement of construction materials and local subcontractors for procurement of construction related services. The local supply chain players will in turn provide employment opportunities in the market place. Wealth is distributed to the domestic economy in the form of wages, various supply chain payments, taxes, shareholder dividends, community investment etc. and the whole economic cycle repeats itself.

Except for specific machinery or equipment which are required to be imported, all of our raw materials and services are sourced locally. As part of our daily procurement practice, we carried out evaluation of several criteria which include quality, delivery lead time, competitive pricing, credit terms, technical advice, workmanship, after sales service, past experience and sources of materials.

The local sourcing for supplies and services has given us the following benefits:

- Helped to boost domestic economy
- More flexibility
- Faster lead time
- Reduced supply chain cost
- Reduced carbon footprint as travelling distance reduced

Moving forward, we will enhance our procurement policy to place more emphasis on sustainable procurement i.e. to take into consideration, aspects such as resource efficiency, climate change, social responsibility and economic resilience.



ENVIRONMENT

RESPONDING TO CLIMATE CHANGE



> Minimising the environmental impact

Managing and reducing environmental impact is a key focus to environmental sustainability. In FYE 2022, we continued to reduce the environmental impact from our business through the following initiatives.

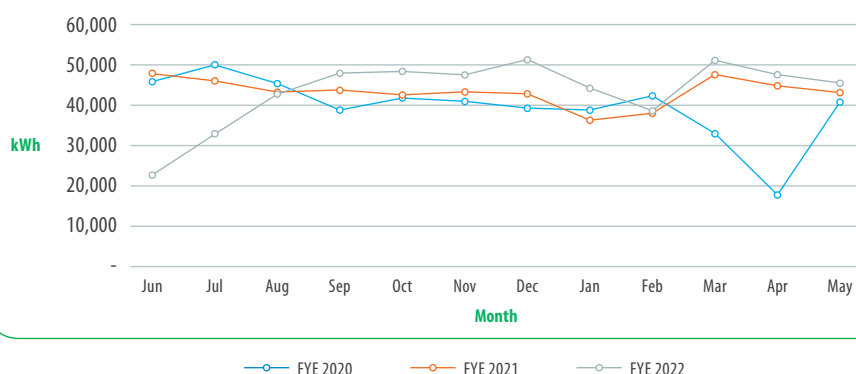
Electricity

The trend of our electricity consumption in HQ is consistent as proper controls have been put in place.

Controls for electricity are as follows:

- Increase in air conditioner temperature to 24 degrees Celsius
- Replacement of spoilt fluorescent lights with light-emitting diodes (LED) lights
- Lights and air conditioners are switched off when not in use
- Periodic maintenance on air conditioners

Gadang HQ Electricity Consumption

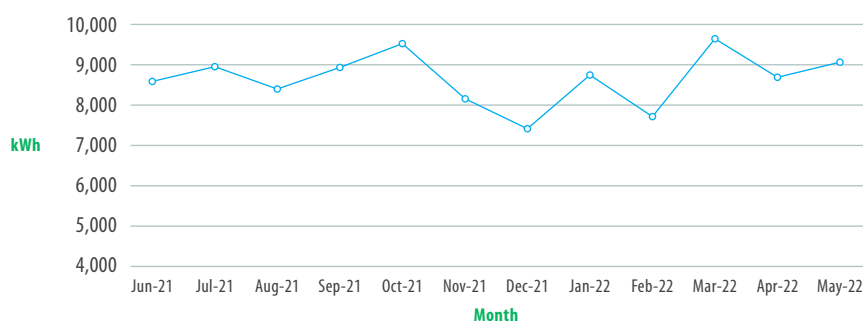


Solar Energy

Our solar panel installation at HQ in March 2020 has helped reduce our consumption of grid energy which enabled us to reduce our carbon footprint and mitigate climate change. For FYE 2022, the solar photovoltaic ("PV") system has generated clean energy of 103,000 kWh or 21% energy savings.



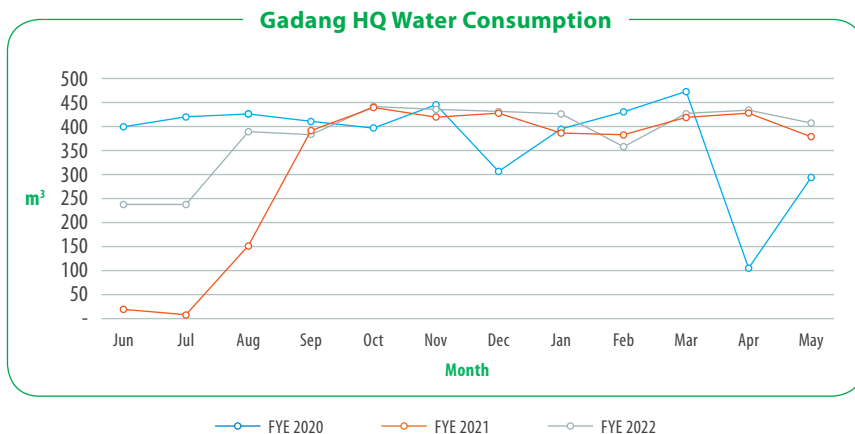
Gadang HQ PV Generation



Water

We monitor our water consumption on a monthly basis to check the usage and to identify any abnormalities. For FYE 2022, the water consumption pattern have been normal.

Staff are educated to use the water sparingly to avoid water wastage.



Other initiatives that we have taken are as follows:

- Green Building certification (The Vyne and Cyberjaya Hospital)
- Industrialised Building System (The Vyne)
- Building Information Modelling (Cyberjaya Hospital, TRX C3)
- Recycle construction waste (engineering and construction projects)
- Diversified into renewable energy (9MW mini-hydro power plant in Lintau and 5.9 MW large scale solar power in Tawau)

ENVIRONMENTAL MANAGEMENT SYSTEM



- > To comply to all rules and applicable environmental regulations
- > Zero summon from Department of Environment (DOE)

We continue to maintain our ISO 14001:2015 Environmental Management System ("EMS") and ensure compliance with the Environmental Quality Act 1974 and other legislations throughout all stages of our construction and property development projects. We protect the environment by following a set of guidelines specified in the Environmental Management Plan of respective projects and are committed to meet the requirements provided in GESB's Health, Safety and Environment ("HSE") Manual. For projects that fall under the list of prescribed activities of the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015, an Environmental Impact Assessment is carried out to ensure appropriate mitigating measures are implemented accordingly to protect the environment.

We carry out periodic monitoring for air, noise and water quality at project sites.

We are guided by the various standards and guidelines in monitoring of air, noise and water quality as follows:

- Malaysian Ambient Air Quality Standard
- Planning Guidelines for Environmental Noise Limits and Control
- National Water Quality Standards

CASE STUDY – CENTRAL SPINE ROAD SECTION 2B**Air Monitoring**

Air quality is monitored by maintaining natural buffer zones which act as a filter for dust control, as well as ensuring exhaust emissions are within acceptable limits by maintaining all vehicles, plant and equipment in good working condition. Water bowsers are used for dust control at haul roads. It is also used to clean up soil or dirt on public roads.

The air quality is monitored and the results are in compliance to Malaysia Ambient Air Quality Standard ("MAAQS").

**Noise Monitoring**

Noise and vibration are managed by restricting the movement of heavy vehicles to daytime working hours and only using routes that will cause minimum disturbance in the vicinity. The machineries used are scheduled for regular preventive maintenance which is crucial in reducing noise because worn parts and poor lubrication can increase the noise pollution.

The noise level is monitored and the results are slightly above the recommended noise limits. The louder noise is coming mainly from the general vehicles moving along the main road in which we will continue to monitor our vehicles' noise on an ongoing basis.

**Water Monitoring**

Water sampling is taken at 11 sampling points on a monthly basis and were tested by accredited laboratory to ensure that the water quality at sampling points is within the acceptable limit under the National Water Quality Standards.



In FYE 2022, there was no summons from DOE from any of our project sites.

WASTE MANAGEMENT



> To reduce environmental pollution

We strive to reuse or salvage the waste generated from the construction activities to reduce the environmental pollution, to conserve natural resources and protect the ecosystem.

The primary approach is based on the 3R approach of reduce, reuse and recycle. We identified the types of waste at the construction sites, followed by strategies to streamline recycling activities.

The waste are segregated into 3 types:

- Construction waste
- Scheduled waste
- Domestic waste

Construction waste for example timber, concrete and mix waste carries the highest weightage of recycling and a majority of the items are reused and recycled.

Scheduled waste such as used oil from servicing and maintenance activity are sent to dedicated licensed vendor approved by the Department of Environment ("DOE").

Domestic waste such as food waste are items which cannot be recycled. A proper location within the project site will be provided where waste will be collected for disposal to the landfill.

TRX C6 Waste Management practices

- Construction waste data are collected and monitored, such as waste going to landfill / reuse / recycle.
- Waste bins are properly placed at site.
- Waste Management campaign have been conducted to educate staff on waste management procedures.
- Reuse building materials on site such as reusable prefabricated formwork for column, wall and slab.
- A target of 75% recycling of construction waste have been set. However, Gadang have scored a sterling achievement of 87%.



Gadang Waste Management briefing at TRX C6 site

E-Waste

E-waste is categorised as scheduled wastes under the Code SW 110, First Schedule of Environmental Quality (Scheduled Wastes) Regulations 2005 in Malaysia. When e-waste is disposed in landfills, the hazardous components will contaminate the surface and ground water. Therefore, it is important to dispose the e-waste in a responsible manner to protect the environment.

In 2019, we started to raise the employees' awareness on the importance of proper handling and recycling of e-waste. Our IT department has continued with the practice of accumulating e-waste such as computers, laptops, printers, batteries, hard disks etc for disposal every alternate year to a licensed E-waste company registered under the DOE.



Recycling

We have embedded Office Recycling Culture in Gadang HQ to recycle the waste generated by employees. Recycle bins are provided on each floor for recycling of papers, plastics, aluminium etc. The recycled items will be sold to licensed recycle vendor on a periodic basis. As at May 2022, we managed to collect miscellaneous recyclable items amounting to 2,348 kilograms.



CLIMATE CHANGE



> To combat climate change, global warming

Climate change has seen an increase in floods, hotter temperatures, droughts and other natural disasters, affecting not only the country but also other nations across the world.

The Group's core operation is in construction and it is inevitable that trees are felled to make way for development, whether building or infrastructure. We are mindful of the impact to biodiversity and ecosystems. To mitigate the impact, we plant trees to landscape the walkways, parks and communal spaces in our property developments. In our Laman View joint venture development with Cyberview Sdn Bhd which span 121 acres of land in Cyberjaya, we have planted 2,619 trees since 2015 and transplanted 52 trees. Besides that, the percentage of greenery over the total development area for each of our property development have complied with the ratio stipulated by the local authorities.

To cultivate awareness on climate change and climate action, we carried out a tree planting event at the Forest Research Institute Malaysia ("FRIM") in July 2022. Trees help clean the air, retain soil, attract birds and wildlife, keep pollution from making its way into rivers and even keep weather patterns regular. As trees grow, they help stop climate change by removing carbon dioxide from the air, storing carbon in the trees and soil, and releasing oxygen into the atmosphere. Trees also offer cooling shade, attract birds and wildlife, purify our air, prevent soil erosion and add beauty to our surroundings and communities. We hope to make tree planting a regular practice moving forward.

Tree Planting Activity



SUPPLYING POTABLE WATER TO INDONESIA COMMUNITIES

We contribute to the Indonesia government initiatives by providing potable water to its citizens.

Entities	Supply Areas	Percentage of Coverage
TTS and HTB	Sidoarjo	More than 50%
DBT	Gresik	12%

The raw water from the rivers or any other surface water sources will be treated in water plants to remove the pollutants, particles and bacteria to become potable water before distribution to the local water agencies. We analysed the water quality at every two hours interval in the laboratory for raw and treated samplings to ensure all the raw water pollutant measurement and treated effluent are in compliance to the World Health Organization and the 'Peraturan Menteri Kesehatan' (Permenkes No. 492/2010) standards requirement.

Sludge and sediments from backwash and sedimentation tanks are treated to an acceptable limit before discharge to the drain or river. The solid waste and trash from the water treatment plants and intake are collected and disposed at the approved dump site.



WORKPLACE



OCCUPATIONAL HEALTH & SAFETY



- > To prevent and reduce workplace accidents and illness
- > Zero fatality

We are committed to the continuous improvement of our HSE policies and practices. HSE Management Review meeting is held annually to review our HSE performance, evaluate our compliance with rules and regulations and to discuss on actions for continuous improvement.

Regular meetings, daily toolbox briefings, safety induction courses and refresher trainings are held to foster the safety awareness culture across the Group.

In FYE 2022, we have maintained our ISO 45001:2018 and achieved numerous awards in recognition of health and safety excellence at our project sites. More importantly, we are proud to maintain a zero fatality record.

Various initiatives were implemented for Health and Safety throughout FYE 2022.

“My Family : My Reason For Safety” Campaign



My Family : My Reason For Safety



“My Family : My Reason For Safety” campaign was initiated to bring the message across all Gadang employees on the importance of work safety as the top priority, with the goal of employees going to work and coming home safely without compromising safety in the work place.

This meaningful tagline which touched our hearts was the brainchild of a survey that the HSE department conducted to solicit input from our site employees on their reason for wanting to stay safe at the workplace. We received an overwhelming response for this survey and true enough, FAMILY is the top reason for wanting to stay safe.

This campaign was launched successfully by the Managing Director of GESB in June 2022 at one of our project site and joined virtually by participants from HQ and other project sites.

The campaign was eventful and employees were awarded with prizes for good safety practices to heighten the awareness and consciousness on good safety practice in the workplace.



ECRL – “Working at Height” Campaign



A “Working at Height” campaign was conducted at ECRL S6 site as construction of culverts had been identified as one of the working at height risk. Staff were briefed on the risk and safety procedures. The campaign was a joyful event as staff enhanced their knowledge through quizzes stimulation and take away prizes.

First AID, CPR, AED Training



A Basic Occupational, First Aid, CPR & AED Training was conducted to train our employees to become competent first aiders. They were taught on basic life support skills such as CPR and other first aid related topics such as bleeding, wound, burn and fracture. This has helped to equip our employees not only with the knowledge but also the hands-on skills to handle various health and safety emergencies.



HSE Internal Audit

Annual compliance audits are conducted by our in-house internal auditors for our construction projects. For FYE 2022, our HSE internal auditors conducted seven audits for ISO 14001 : 2015 and ISO 45001 : 2018. 13 Non-Conformance Reports ("NCRs") and 54 observations were issued by our HSE internal auditors out of which 13 NCRs and 48 observations have been closed. The remaining 6 observations will be closely monitored for closure. Proactive measures in response to the HSE internal audits have been taken by the relevant sites to further improve the HSE Management System.

Based on the Health and Safety targets and results, we have achieved the intended outcome and we will continue to uphold and improve the health and safety of our staff.

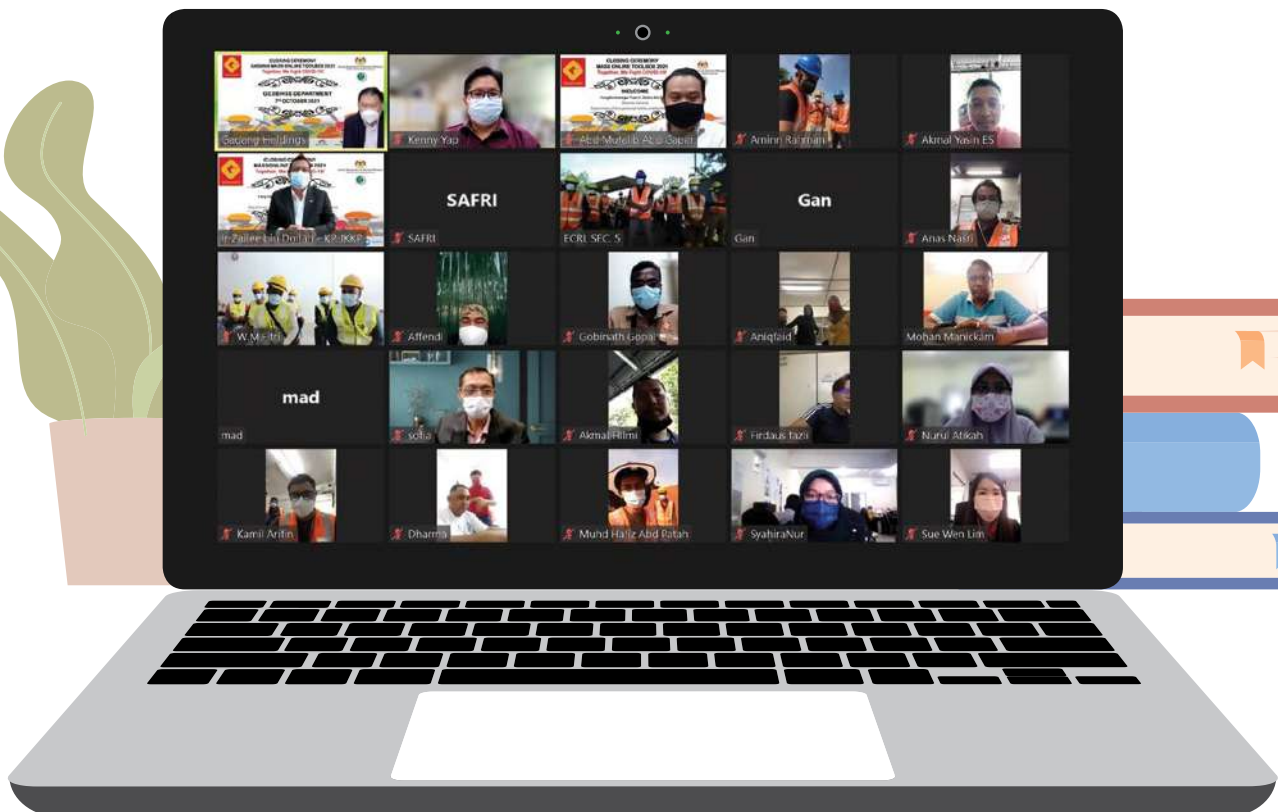
Target	FYE 2022	FYE 2021	FYE 2020
Zero life loss	No fatalities	No fatalities	No fatalities
Incident rate of less than 4 per 1000 workers	3.64	3.07	4.33
LTI frequency rate of less than 8	1.56	1.40	1.47

Table 3 – HSE Performance

The numbers for FYE 2020 and FYE 2021 have been restated due to a change in definition for incidents i.e. Class 1 to Class 4 of OSHA categorisation as compared to previous years which included Class 1,2,3,6 and 8.

Gadang Mass Online Toolbox 2021 – Closing Ceremony

In our battle with Covid-19, we have been conducting regular Gadang Mass Online Toolbox meetings to constantly remind our employees on the importance of safety guided by the Health Ministry's SOPs. This campaign came to an end with a closing ceremony on 7 October 2021 by the DOSH Director General, Ir. Zailee Bin Dollah.



HUMAN CAPITAL DEVELOPMENT



- > To enhance employee performance, boost employee productivity and reduce employee turnover
- > To support education through scholarship
- > To achieve 30% women directors' representation in the Board



HR / Admin /
Purchasing Course



Management Course



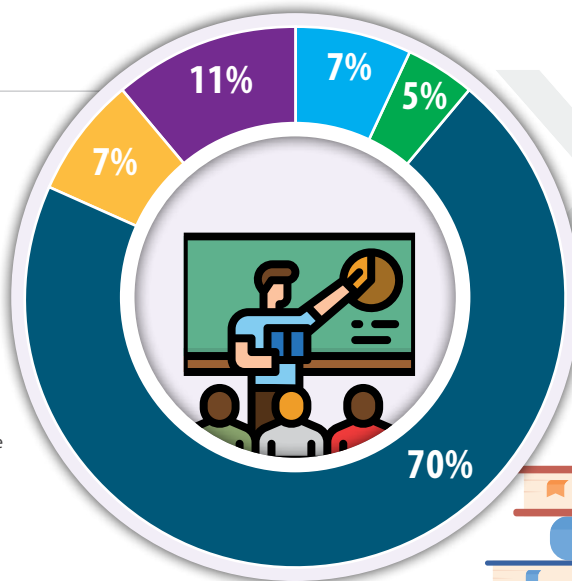
Project / Construction /
Technical Course



Accounting Related Course



General / Soft Skills



We value our staff as they are our key assets. On a yearly basis, the Group Human Capital department as well as respective superiors will identify trainings to upskill our employees for personal development and career progression.

Based on the training analysis, 70% are related to project / construction / technical skills to enhance the competency of employees in order to upkeep the quality of output and services rendered.

Effective January 2022, we started contributing to the Human Resource Development Fund ("HRDF") to comply with the Pembangunan Sumber Manusia Berhad Act 2001 which was expanded to cover all industries.

Target	FYE 2022	FYE 2021	FYE 2020
Time Invested	213 Days	208 Days	566 Days
Amount Invested	RM 71,000	RM 134,000	RM 149,000
Number of Participants	153 Participants	161 Participants	403 Participants

Table 4 – Total Training Days, Amount Invested & Number of Participants

The amount spent on trainings in FYE 2022 was lower as trainings in the market were largely still conducted online and some trainings attended were complimentary.

We provided two scholarships to help deserving students in their tertiary education as we believe the future generation holds the key to a progressive and successful nation.

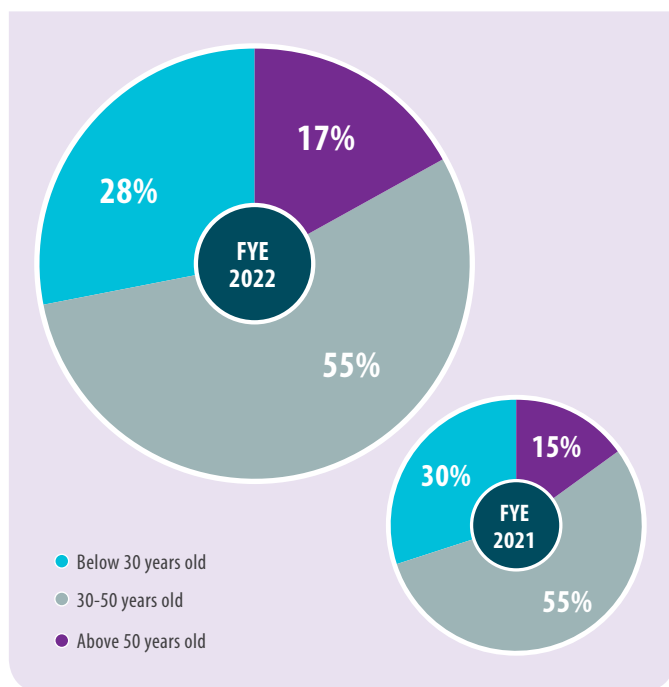
We are guided by the following policies to ensure fair and equitable treatment for all employees:

- Gadang Human Resource Manual
- Gadang Employee Handbook
- Flexi Working Hours Policy
- Leave Policy
- Medical Benefits Policy
- Group Insurance Scheme Policy
- Learning and Development Policy
- Domestic Inquiry Guideline (DI Panel)
- Grievance and Disciplinary Policy
- Managing Employee Non-Performance
- Subsistence Allowance (Local & International)
- Anti-Bribery and Corruption Policy
- Code of Ethics and Conduct
- Whistleblowing Policy and Procedures

We endeavor to provide equal opportunity to ensure that employment decisions are based on merit and performance without regard to religion, political opinion, gender, age, ethnicity, sexual orientation, nationality or disability. Although the construction industry is a male-dominated sector, we continue to welcome capable women workforce to join our operations.

In FYE 2022, we have achieved 33% women directors in our Board, which is in line with the 30% recommended under Practice 5.9 of the MCGG.

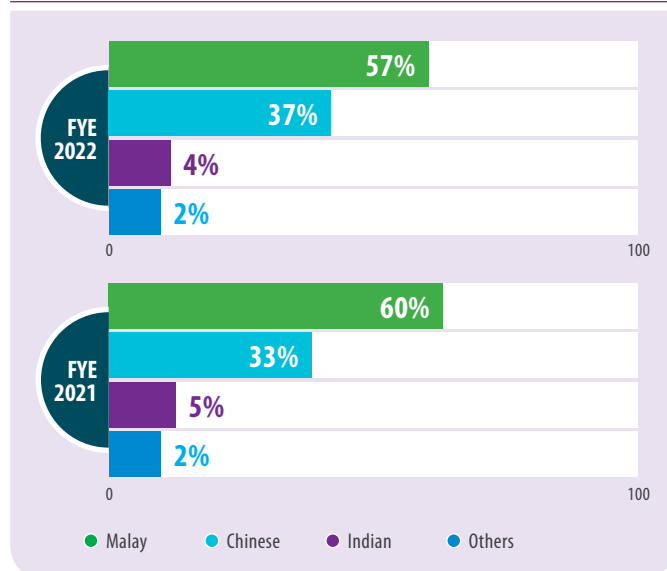
Age Diversity



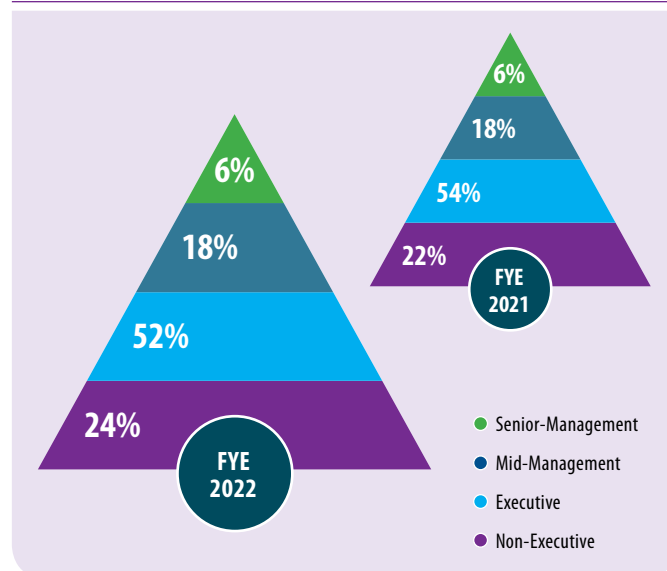
Gender Diversity



Ethnic Diversity



Employees' Positions



HEALTHY LIFESTYLE FOR EMPLOYEES



> To encourage healthy lifestyle & promote togetherness

We have an established Sports Club that organises activities for its members to foster healthy lifestyle and strong bonding between employees.

Upon the relaxation of MCO SOP as our country moves on to the endemic phase, the sports activities have resumed, such as Badminton, Yoga, Tai Chi and Jazzercise which comply to SOPs set by the Government.





COMMUNITY

TAKING CARE OF OUR COMMUNITIES



- > To help the needy
- > To foster a caring community

Flood Relief December 2021

When the flood disaster hit the nation in December 2021, several areas were badly hit and did not have access to basic necessities such as food and water due to the challenging logistic interruption. As part of Gadang's social responsibility, we collaborated with several agencies such as PDRM, BOMBA and JKM to reach out and help by using our site trucks to transport food to the interrupted places in Temerloh district, Pahang.



Flood Aid to Employees

Not forgetting our staff whose houses were also badly hit by the flood in December 2021, Gadang gave out monetary aids to 15 employees to ease their burden during the difficult times.



Project Banjir – Gadang Jaga Gadang

Our employees have also showed solidarity to help out staff that were affected by the flood. Project Banjir through Gadang Jaga Gadang was established to collect funds to help the victims to buy essential goods and for house repair works.



Donation and Sponsorship

In FYE 2022, we have contributed a total of RM138,000 in our Corporate Social Responsibility ("CSR") program to help the community. Our contribution in CSR have provided support to the following groups:

- Purchase of masks to the homeless
- Purchase of tablets for schools
- Pertubuhan Uncle Kentang Malaysia
- Purchase of groceries for several schools and homeless people
- Purchase of furniture and appliances to the old folks women home
- Purchase of food to OKU and hardcore poor students
- Donation to AIESEC Kedah-Perlis
- TRX Ramadan Community Building Programme

