



SUSTAINABILITY STATEMENT

72 BUSINESS FRONT

77 ENVIRONMENT

86 WORKPLACE

98 COMMUNITY



PROPERTY DEVELOPMENT



Gadang Land Sdn Bhd ("GLSB") is the property development arm of Gadang. GLSB was established on 25 July 1996.

Its maiden project comprised 30 units of semi-detached factories in Shah Alam. Thereafter, GLSB has grown leaps and bounds by venturing into various types of developments such as terrace houses, semi-detached houses, apartments, luxury condominiums, detached factories, shop office suites and serviced apartments located mainly in the Klang Valley region.

Over the years, GLSB has built a solid reputation as a property developer that prides itself in providing quality residential and commercial properties to its customers. It continues to expand its landbank and is committed to build products that meet the needs and lifestyle of the market.



The overall view of Elegan Residensi, Phase 2 @ Taman Putra Perdana, Puchong

SUSTAINABLE STATEMENT

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2023 HIGHLIGHTS

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1. Aerial view of Akasia @ Semenyih Land, Selangor
2. Aerial view of Laman Citra (Phase 2) @ Gelang Patah Land, Johor

PROPERTY DEVELOPMENT REVENUE (RM'MILLION) FYE 2023

RM220.4

2023		220.4
2022		304.9
2021		183.1



The overall view of Elegan Residensi, Phase 2 @ Taman Putra Perdana, Puchong

SUSTAINABILITY STATEMENT

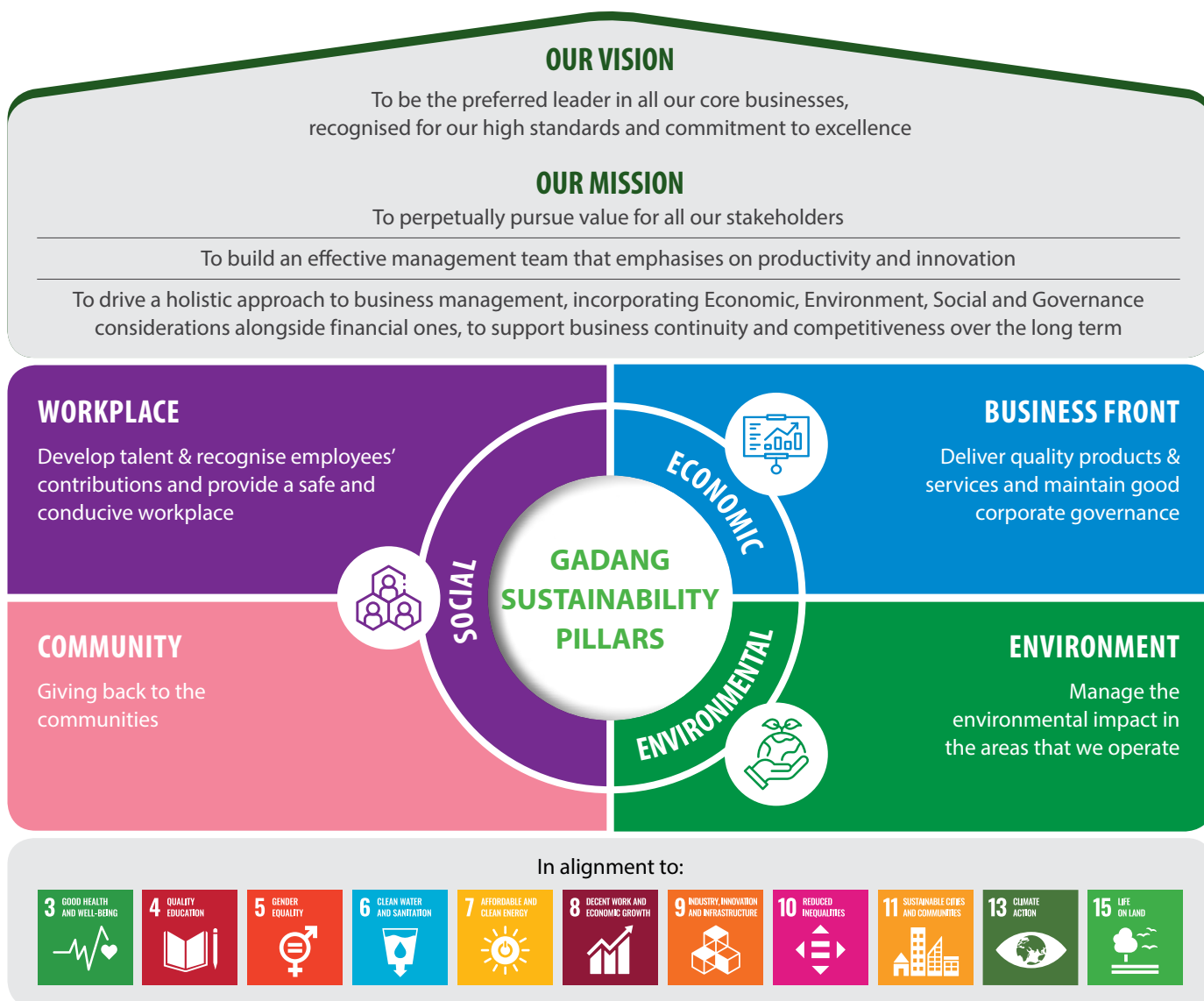
Gadang Holdings Berhad (“Gadang”) is pleased to present its Sustainability Statement for the financial year ended 31 May 2023.

This report provides an overview of our sustainability initiatives, showcasing our efforts to create long-term value while minimising negative impacts on the environment, promoting social well-being and upholding good governance practices. We recognise the importance of responsibility, transparency and disclosure in addressing the Environmental, Social and Governance (“ESG”) aspects of our operations.

Throughout the report, we provide insights into our sustainability strategy, objectives, targets and achievements. We also share our engagement with various stakeholders, our collaborative efforts and our contributions towards the United Nations Sustainable Development Goals (“UNSDG”).

We believe that sustainable practices not only benefit our company but also contribute to the well-being of the communities we operate in and more importantly the preservation of our planet. By integrating sustainability into our business operations, we aim to generate positive economic, environmental and social outcomes that can sustain beyond short-term gains.

GADANG SUSTAINABILITY FRAMEWORK



SUSTAINABILITY STATEMENT 61



ECONOMIC



ENVIRONMENTAL



SOCIAL



Reporting Period

**THIS STATEMENT COVERS THE GROUP'S
SUSTAINABILITY MANAGEMENT AND
PERFORMANCE DATA FROM
1 JUNE 2022 TO 31 MAY 2023
AND THE COMPARATIVE DATA WHERE
APPLICABLE.**

Reporting Cycle

Annually

Reporting Guide

- Bursa Malaysia's Main Market Listing Requirements
- Bursa Malaysia's Sustainability Reporting Guide – 3rd Edition
- United Nations Sustainable Development Goals

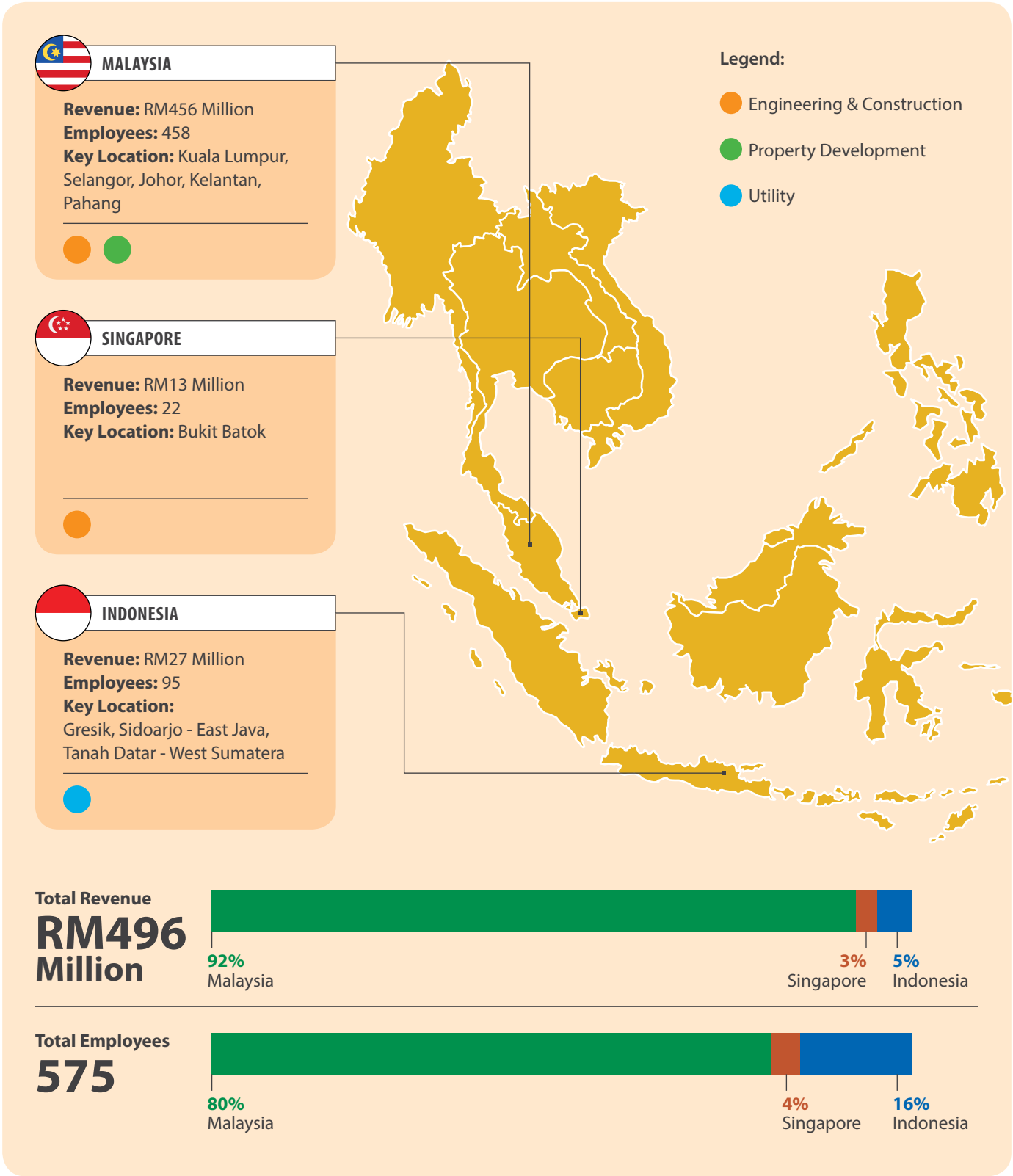
Feedback

Risk Management and
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SUSTAINABILITY STATEMENT

WHERE WE OPERATE



SUSTAINABILITY STATEMENT

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".



Diagram 1 – Reporting Scope

STATEMENT OF ASSURANCE

We did not seek independent assurance for this Sustainability Statement. However, moving forward, our Group Internal Audit will undertake assurance reviews of our annual Sustainability Statements.

SUSTAINABILITY STATEMENT

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.

In line with Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s enhanced sustainability reporting requirements to elevate the sustainability practices and disclosures of listed issuers, the Board established the Board Risk & Sustainability Committee ("BRSC"), supported by the Risk Management & Sustainability Committee ("RMSC") at the key management level. To enhance accountability and ownership of ESG, the Executive Directors and senior management team's performance appraisal includes Key Performance Indicators ("KPIs") for ESG elements.

The sustainability governance structure is depicted in Diagram 2 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.

SUSTAINABILITY GOVERNANCE STRUCTURE



Diagram 2 – 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 • Board Sub-committees 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 Ethics & Conduct • Sports Club Activities • Stakeholder Engagement Surveys	• Fair Employment Practices • Staff Development & Training • Occupational Health & Safety • Information Security • Anti-Bribery and Corruption • Human Rights	Improved staff engagement and satisfaction
 Clients/ Customers	• Client/Customer Satisfaction Surveys • Sales & Marketing Channels • Exhibitions • Corporate Website • Stakeholder Engagement Surveys	• Product Quality • Design and Features • Support Services • Timely Delivery • Personal Data Protection • Sustainability Matters	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

SUSTAINABILITY STATEMENT

Stakeholder Group	Form of Engagement	Area of Interest	Outcome
 Contractors, Vendors, Suppliers	• Supplier/Subcontractor Evaluations • Regular Meetings • Stakeholder Engagement Surveys	• Good Governance Practices • Ethical Business Conduct • Client Satisfaction • Occupational Health & Safety • Human Rights • Sustainable Procurement	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 financial & sustainability 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. The exercise 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 3.

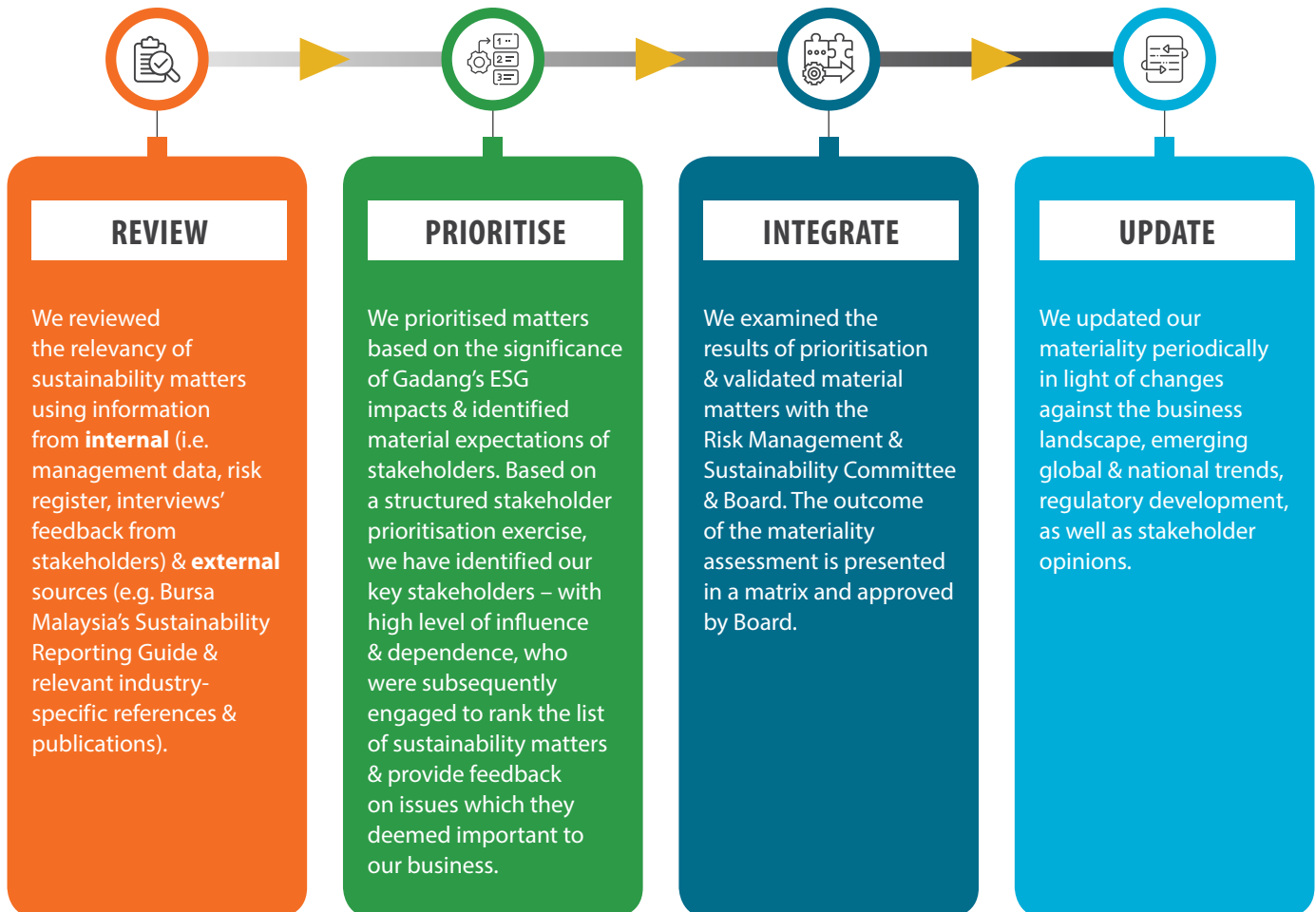


Diagram 3 – Materiality Assessment Process

During the materiality assessment process, we have reviewed 18 matters deemed material to us. This year, we have included an additional sustainability matter, specifically “Climate Change” in order to tackle the pressing issue of global warming.

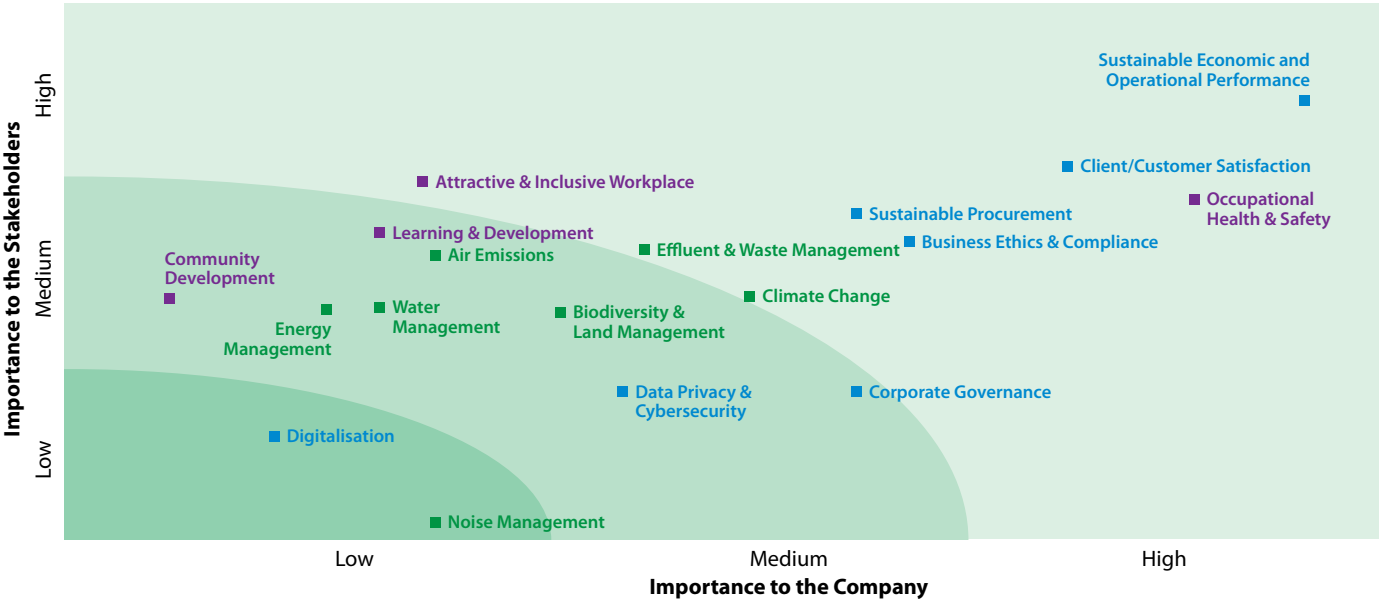
Stakeholder engagement surveys were used to collect data from both our internal and external stakeholders. A total of 80 stakeholder engagement survey responses were received from the Board of Directors, employees, shareholders, regulatory authorities, clients, subcontractors, suppliers and business partners.

The results from the materiality assessment exercise and data collected from the stakeholder engagement surveys were used to update the materiality matrix and was presented to the RMSC for review and to the Board for approval.

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SUSTAINABILITY STATEMENT

MATERIALITY MATRIX



Economic	Environmental	Social
→ Sustainable Economic and Operational Performance* → Client/Customer Satisfaction* → Business Ethics & Compliance* → Sustainable Procurement* → Corporate Governance → Data Privacy & Cybersecurity → Digitalisation	→ Effluent & Waste Management* → Climate Change* → Biodiversity & Land Management → Air Emissions → Water Management → Energy Management → Noise Management	→ Occupational Health & Safety* → Attractive & Inclusive Workplace → Learning & Development → Community Development
* high priority matters		

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

Compared to the previous year, we have seen an increase in our high priority matters from four (4) to seven (7). Business Ethics & Compliance, Effluent & Waste Management and Climate Change were identified as high-priority areas.

To address the importance of “Business Ethics and Compliance”, we have established policies such as the Code of Ethics and Conduct, No Gift Policy, and Anti-Bribery and Corruption measures. These policies serve as guidelines for our employees, promoting ethical behaviour and fostering trust with our business partners.

In line with the global trend and Bursa’s Enhanced Sustainability Reporting Framework (“ESRF”), our stakeholders emphasised the significance of Effluent & Waste Management, as well as Climate Change. To address waste and emissions, we have developed a TCFD roadmap that starts with the tracking of the waste and Scope 1 and Scope 2 emissions from our operations and manage them progressively with the goal of making TCFD-aligned disclosures as required under the ESRF.

FYE 2023 AWARDS & RECOGNITION

In FYE 2023, we have obtained the following awards & recognition; they are a testament to our safety compliance with best practice and industry standards.



1. MSOSH GOLD CLASS 1 AWARD – ECRL SECTION 6
2. MOSHPA GOLD AWARD – ECRL
3. SHASSIC 5 STAR – RTS Link
4. QA/QC Certificate of Appreciation – KVMRT V206
5. Safety Certificate of Appreciation – RTS Link



SUSTAINABILITY STATEMENT

FYE 2023 SUSTAINABILITY TARGETS & PERFORMANCE



Category	Sustainability Targets FYE 2023	Achievement
 Quality	Quality Assessment System in Construction ("QLASSIC") Average >75% score	75.5%
 Operational Excellence	Yi Sheng Foundation Pte Ltd	L4
	To upgrade construction grade from L4 to L5 which allows tender of project from SGD 6.5 Million to SGD 13 Million	
	To maintain CIDB SCORE rating - 5 Star	4 Star
 Corporate Governance	To have 30% women directors in the Board	33% women directors
 Anti-Corruption	100% employees trained on anti-bribery and corruption	100% trained
	Zero corruption incident	Zero corruption
 ISO Standards	To renew ISO 9001:2015 Quality Management System - Datapuri (M&E Division) - Utility, DBT (Water Concession)	ISO renewed
 Data Privacy & Cybersecurity	Zero data breaches	Zero breaches
	Enhancement through: - Fire wall upgrade for project site - Endpoint sanitisation screening	Data security enhanced
	IT audit with no major exceptions noted	
 Digitisation	To increase server storage capacity in transition towards greater digitisation	Increased server storage by 600%
 Client/Customer Satisfaction	Client/Customer satisfaction Target to achieve 75% and above	E&C (78%) Utility (87%) Property (73%)
 Diversification	To commence operations of mini-hydro power plant in Lintau, Indonesia	7 July 2023

SUSTAINABILITY STATEMENT

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ENVIRONMENTAL



Category	Sustainability Targets FYE 2023	Achievement
 Waste Management	To recycle 4000 kg of waste at Gadang HQ	4,606 kg waste recycled
 Energy Management	Solar Renewable Energy at Gadang HQ	95,818 kWh clean energy
	95,818 kWh generated from solar which contributed 17.3% of energy savings amounting to RM49,000	RM49,000 savings
 Environment Management	Zero summons from Departmental of Environment	Zero summons
 Climate Change	Plant 1800 trees to offset carbon footprint	1,895 trees planted
 Green Building	To achieve GBI Platinum rating for Cyberjaya Hospital	Obtained GBI Platinum in June 2023



SOCIAL



Category	Sustainability Targets FYE 2023	Achievement
 Health and Safety	Zero fatality	Zero fatality
	Incident Rate < 4 per 1,000 workers	4.52
	Loss Time Injury Frequency Rate ("LTIFR") < 8	1.42
	Health and Safety: 1 environmental and 1 safety campaigns to be conducted	3 Campaigns conducted
 Attractive & Inclusive Workplace	School aid support to employees' children. Target 150 students	RM37,600 contributed to 188 children
	To provide average 10 training hours per employee	14 hours
 Community Development	Supporting at least two needy scholars for college/university education	2 students awarded scholarship
		Contributed RM51,000
	Supporting Corporate Social Responsibility ("CSR") activities amounting to RM100,000	Contributed RM219,000

SUSTAINABILITY STATEMENT

BUSINESS FRONT



SUSTAINING BUSINESS PERFORMANCE

To sustain revenue and profit

Financial Performance	FYE 2023 (RM'000)	FYE 2022 (RM'000)	FYE 2021 (RM'000)
Revenue	496,073	651,993	574,768
(Loss)/Profit Before Tax	(27,897)	70,148	21,956
(Loss)/Profit After Tax	(41,196)	43,168	13,264
Shareholders' Funds	792,452	825,399	782,119
Total Assets	1,389,173	1,562,707	1,721,524
Cash and Bank Balance	218,390	289,009	286,109
Share Price (RM)	0.29	0.38	0.39
Net Assets Per Share (RM)	1.09	1.13	1.07

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



QUALITY ASSURANCE

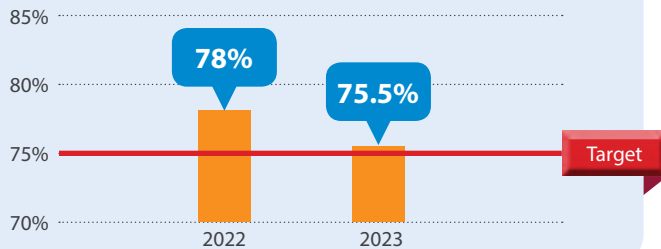
To score above 75% for QCLASSIC assessments

To maintain ISO certifications

To maintain CIDB SCORE rating – 5 STAR

Project quality and workmanship are always our top priorities. We strive to deliver high quality building and infrastructure construction.

QLASSIC (Average)



QLASSIC (QUALITY ASSESSMENT SYSTEM IN CONSTRUCTION)

In FYE 2023, we participated in two QLASSIC assessments for our property projects, namely Maple Residence and The Vyne Phase 3. Our targeted QLASSIC score was set at a minimum of 75% and we successfully attained an average score of 75.5%.

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").

ISO QUALITY STANDARDS



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

This year two of our subsidiaries, namely Datapuri and DBT, have successfully renewed their ISO 9001:2015 Quality Management System certification.



Current ISO Management System held by Gadang

GESB, DSB, YSF, Utility (TTS, HTB, DBT)	ISO 9001:2015	Quality Management System
GESB	ISO 14001:2015	Environmental Management System
GESB & YSF	ISO 45001:2018	Occupational Health & Safety Management System

CIDB SCORE RATING

We achieved our five-star SCORE rating (also known as "Penilaian Keupayaan dan Kemampuan Kontraktor") in 2019, awarded by the Construction Industry Development Board ("CIDB"). A minimum score of 85 points and 15 points for each parameter are the criteria to obtain five-star SCORE. This SCORE rating has to be renewed every two years.

This year, our CIDB assessment has dropped from a 5-star rating to 4-star as we did not score enough points for the financial parameter due to challenges faced by the construction industry vis-à-vis the Covid-19 pandemic which caused work disruptions, global supply chain interruptions leading to increase in prices of raw materials as well as a lack of foreign labour coupled with increased minimum wage introduced by the government. Whilst the construction sector remains challenging amidst a lack of projects in the market and profit margins remain thin, we are nevertheless committed to optimise our cost in order to improve our financial performance to at least maintain the 4-star rating.



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SUSTAINABILITY STATEMENT

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, incorporating feedbacks, site visits, surveys and other platforms to gauge the level of satisfaction. We are committed to be more proactive with our response when issues are raised by them.

Based on the analysis of data collected from client satisfaction surveys, Utility, Engineering & Construction projects have consistently exceeded the target of 75% for the past three years.

As for the Property division, we scored 73% which is below our target of 75%. This is due to prolonged rectification of defects caused by a general shortage of workers in the construction industry, brought about by the government's policies.



CORPORATE GOVERNANCE

 To uphold ethical business conduct and corporate integrity

Sustainability Indicator	Metric	Target	2023 KPI Achievement
 Anti-Corruption	Employees trained for anti-bribery & corruption	100%	100%
	Annual corruption risk assessment	Annually	Achieved
	Zero corruption incident	0	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

- | | | | |
|--|--|---------------------------------------|-------------------------------------|
| 1 Board Charter | 2 Code of Ethics and Conduct | 3 Health and Safety Policy | 4 Sustainable Procurement Policy |
| 5 Remuneration Policy of Directors and Senior Management | 6 Anti-Bribery and Corruption Policy | 7 No Gift Policy | 8 Human Rights Policy |
| 9 External Auditor Policy | 10 Risk Management Policy | 11 Sustainability Reporting Framework | 12 Directors' Fit and Proper Policy |
| 13 Business Continuity Plan | 14 Whistleblowing Policy and Procedure | 15 ISO Standards | 16 Board Diversity Policy |

Annually, we review the Standard Operating Policy and Procedures ("SOPPs") of the entire group to ensure that they remain relevant and are updated where necessary. This ensures the efficiency of performance and quality output while reducing miscommunication and failure to comply with rules and regulations.

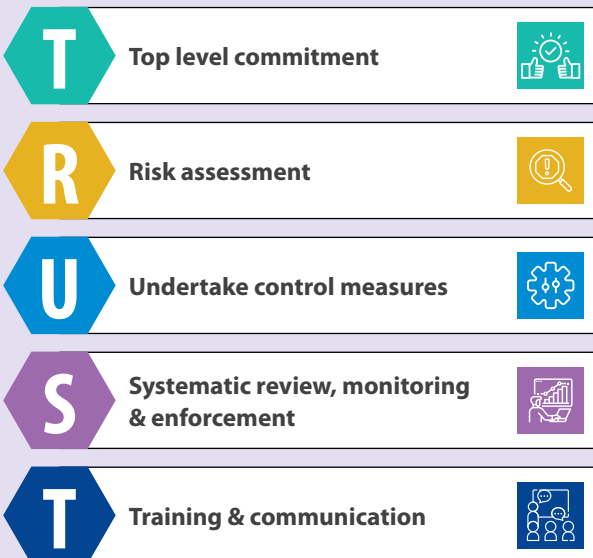
Pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, we are committed to the TRUST principle stipulated in the Guidelines on Adequate Procedures. The Company has zero tolerance against any form of bribery or corruption.

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. On a yearly basis, all employees will undergo a refresher training and to resubmit their annual declaration on the ABC policy. 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 RMSC and Board.

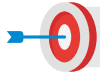
Annually, we conduct corruption risk assessment to identify various corruption risks across our operations to ensure controls are in place and adequate mitigation measures are implemented. The outcome of corruption risk assessment was presented to RMSC and Board.

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 2023, there were no whistleblowing or corruption incident.



SUSTAINABILITY STATEMENT

PROTECTING DATA PRIVACY AND ENHANCING OUR CYBERSECURITY



Protect company's data from cyberattack



To uphold Personal Data Protection Act 2010 ("PDPA") rules and regulations

Sustainability Indicator	Metric	Target	2023 KPI Achievement
 Data Privacy & Security	Data breaches, complaints concerning breaches of customer data and privacy	0	Zero data breaches

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:

- Upgraded the firewall system for project site
- Implemented endpoint sanitisation screening procedures

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 the guidelines for managing the security of our IT infrastructure and offsite disaster recovery facility remain relevant.

In FYE 2023, there were no cases of cyberattack nor data breach incident.

SUSTAINABLE PROCUREMENT



To support local suppliers and subcontractors



To prioritise suppliers and subcontractors that embeds sustainable practices within their own supply chain

Sustainability Indicator	Metric	Target	2023 KPI Achievement
 Supply Chain Management	Proportion of spending on local suppliers	95%	99%

Sourcing of construction related materials, machinery and equipment through the local supply chains reduces environmental footprint whilst supporting local employment and local entrepreneurship.

The advantages of local procurement encompass cost reduction, shorter lead time for fulfillment of supplies and reduced environmental impact resulting from shorter logistic distance. Additionally, local procurement also generates a wide range of job opportunities and promotes the growth and development of local businesses leading to economic multiplier effects that benefit the local communities.

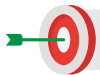
We strive to source our raw materials and services locally, adhering to our evaluation criteria in our procurement practices. These criteria include quality, delivery lead time, competitive pricing, credit terms, technical advice, workmanship, after-sales service, experience and material sources.

In FYE 2023, we formalised a Sustainable Procurement Policy emphasising our commitment to ESG and engaging third-parties that embed sustainability practices within their own supply chain. This initiative aims to promote ESG principles not only within our operations but the entire supply chain.

ENVIRONMENT



RESPONDING TO CLIMATE CHANGE



Minimising the Environmental Impact

Managing and reducing environmental impact is a key focus to environmental sustainability. In FYE 2023, we continued to reduce the environmental impact from our business through the following initiatives.



ENERGY MANAGEMENT

In all our operations, we have implemented energy-saving initiatives to reduce energy consumption to combat climate change.

Energy Saving Methods:

- Using energy-efficient lighting ("LED") lights and equipments
- Switching off electronics, lights and air conditioners when not in use
- Increasing air conditioner temperature to 24 degrees Celsius
- Periodic maintenance on air conditioners and equipments
- Educating staff on energy conservation

Group Energy Consumption in FYE 2023:

Engineering	Property	Utility	HQ	Total
214,435	412,908	4,527,465	553,929	5,708,737
Electricity (kWh)	Electricity (kWh)	Electricity (kWh)	Electricity (kWh)	Electricity (kWh)

SOLAR ENERGY

Our solar panel installation at Gadang HQ since March 2020 has helped reduce our consumption of grid energy and reduced our carbon footprint. By harnessing solar energy, we have saved RM49,000. We are committed to building a cleaner and greener future albeit starting on a small scale.

GADANG HQ Solar PV Generation in FYE 2023:

Target Savings	Solar PV Generation	Energy Savings
20%	95,818 kWh	17.3%



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SUSTAINABILITY STATEMENT

WATER MANAGEMENT

We monitor our water consumption to identify any abnormalities and to ensure efficient usage. Staff are educated to use the water sparingly to avoid water wastage.

Group Water Consumption in FYE 2023:				
Engineering	Property	Utility	HQ	Total
19,703	52,101	1,200	4,713	77,717
Water (m³)	Water (m³)	Water (m³)	Water (m³)	Water (m³)

In FYE 2023, we have installed rainwater harvesting system at our RTS Link project site as part of our sustainability initiatives by using the rainwater for trucks washing and general cleaning purposes. Rainwater was also harvested in The Vyne and Cyberjaya Hospital projects as we moved towards Green Buildings.



Rainwater harvesting system installed at RTS Link

GREEN BUILDING INDEX (“GBI”)

The hospital we constructed in Cyberjaya was recognised as the **first government health facility to achieve a GBI Platinum rating**. This rating is the highest possible achievement for environmental performance, further emphasising our commitment to sustainable building practices.

We achieved this through several initiatives, including the use of renewable energy sources, such as a 210 kWp rooftop solar system. We also incorporated green roofs, rainwater harvesting systems, sustainable building materials and an industrialised building system (“IBS”). Additionally, we diverted 83% of construction waste from landfills, utilised energy-efficient lighting, implemented naturally ventilated architecture and employed Variable Air Volume (“VAV”) air-conditioning systems.



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.

As a construction company, we are not the project owner of the project sites where we operate. The responsibility of conducting Environmental Impact Assessments (“EIA”) lies with the project owners. Nevertheless, we have environmental personnel at the sites to put in place necessary measures to protect and preserve

the environment. In addition, our in-house ISO 14001:2015 auditors carry out periodic audits at the project sites.

Besides that, we carry out periodic monitoring for air, noise and water quality at the 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

In FYE 2023, there was no summons from DOE from any of our project sites.

Case Study RTS Link Project

➤ 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. Wheel washing and water bowlers are used for dust dispersion 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 2020 (“MAAQS”).





> Noise Monitoring

Noise and vibration are managed by managing the movement of heavy vehicles to daytime working hours 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 levels have slightly exceeded the recommended limit. This is attributable to the movement of external vehicles along the public roads.



> Water Monitoring

Water sampling is taken at four 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.

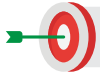


> Erosion & Sediment Control

We implemented Best Management Practices ("BMPs") to manage Erosion and Sediment Controls ("ESCs"), which included the use of silt fences, silt traps, perimeter and slope protection measures. These measures were aimed at preventing surface runoff and sediments from entering water bodies that are adjacent to or in close proximity to our construction site.



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.

Waste generated at construction sites are categorised into hazardous and non-hazardous waste. Hazardous waste refers to scheduled waste that are regulated under the Environmental Quality (Scheduled Wastes) Regulations 2007, non-hazardous waste are mainly construction waste and domestic waste.

We are committed to divert our construction waste such as timber, concrete, steel waste and domestic waste such as food waste, paper, plastic and aluminium from the landfills. The 3R approach of solid waste management i.e. reduce, reuse and recycle remains the key to sustainable waste management where disposal is carried out in an environmentally responsible manner and to conserve natural resources.

Engineering & Construction

Types of waste in Construction in FYE 2023:

Domestic & Construction Waste

445.2
Tonne

Scheduled Waste

1.08
Tonne

Recycled Waste

247.83
Tonne


Sustainability Indicator	Metric	Target	2023 KPI Achievement
 Waste Management	Waste diverted from disposal (Recycle)	25%	36%



1. Dedicated domestic and construction waste bins at site
2. Scheduled waste disposed to licensed vendor

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SUSTAINABILITY STATEMENT

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.

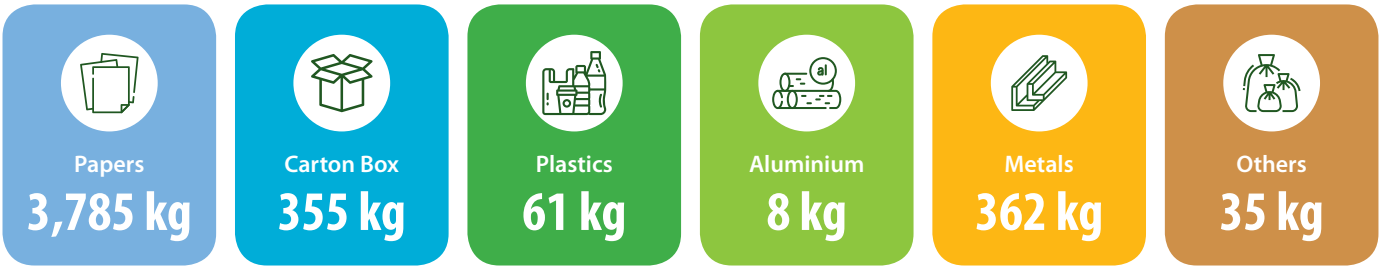
Our IT department continuously create awareness on the importance of proper handling and recycling of e-waste. It has continued with the practice of accumulating e-waste such as computers, laptops, printers, batteries, hard disks etc for disposal every alternate year to a licensed E-waste company registered 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 2023, we managed to collect miscellaneous recyclable items amounting to 4,606 kilograms.



BIODIVERSITY & 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 Malaysia but also other nations across the world.

Trees play a crucial role in our ecosystem by offering numerous benefits such as purifying the air, preserving soil quality, attracting diverse bird and wildlife species, preventing pollution from entering rivers, and maintaining stable weather patterns.

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. 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.

In our tree planting activities, we have collaborated with the Forestry Department, NGOs and the Police Training Centre. We planted trees in various locations to foster a greener environment and inspire positive action towards addressing biodiversity & climate change.

Types of plants	Target	2023 KPI Achievements
Trees	Plant 1,800 trees	1,895
Shrubs		40,267
Turf		17,248m ²
Creepers		16,800

**FYE 2023
Trees Planted
1,895**



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SUSTAINABILITY STATEMENT

Tree planting collaboration with NGO farmers



Tree planting collaboration with Forestry Department



Tree planting collaboration with Police Training Centre



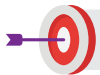
SUPPLYING POTABLE WATER TO INDONESIA COMMUNITIES

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

Entities	Supply Areas	Percentage of Coverage
TTS and HTB	Kabupaten Sidoarjo	More than 50%
DBT	Kabupaten Gresik	11%

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 ("OHS")****To prevent and reduce workplace accidents and illness****Zero fatality**

Health and Safety are top priorities in our business activities. 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.

We recognise the importance of developing safety and health knowledge and competencies among our people. Hence, we carry out various OHS activities such as regular meetings, daily toolbox briefings, safety induction courses and refresher trainings to foster the safety awareness culture across the Group.

In FYE 2023, 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.

OHS Awareness and Trainings

In FYE 2023, trainings were conducted for a total of 803 workers, including employees, site workers and contractors.

Some of the OHS training programmes are listed below:



- Basic Occupational First Aider
- Indoor Air Quality Management
- Occupational Noise Management
- Road Transport Awareness
- Effective Safety & Health Committee
- ISO 45001:2018 & ISO 14001:2015
- Occupational Safety & Health (Amendment) Act 2022
- Ergonomic Risk Assessor
- ERP & Procedures Training
- Machinery Handling
- Hazard Identification Risk Assessment and Risk Control (HIRARC)
- Scaffold Awareness
- Lifting Awareness
- Defensive Driving Training
- Crane & Lifting awareness



CSR2B – Safety Week Campaign with DOSH Kelantan

During the OSH Week in July 2022, DOSH Kelantan, Binary Vista, and Gadang jointly organised an Occupational Safety and Health Week. The objective of this initiative was to enhance staff awareness regarding safety and health precautions while performing their daily tasks.



RTS Link – Mass Toolbox

In May 2023, MRTS and Gadang conducted a mass toolbox talk to reinforce safety protocols and procedures and to educate employees on best practices for avoiding accidents and injuries in the workplace. These toolbox talks promote a culture of safety and awareness, which reduces the risk of workplace accidents. MRTS took the opportunity to present certificates of appreciation to Gadang employees for our commitment to safety and health in the workplace.



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.



Fire Evacuation Drills

We have established a comprehensive Emergency Response Team (“ERT”) consisting First Aiders at Gadang HQ, Fire Fighting Team, Floor Marshals and Search & Rescue Team. This proactive measure ensures the safety of our employees in the event of emergencies within the building. Respective project sites have their own ERT.

Every year, we conduct a fire drill simulation to provide employees with refresher training on building evacuation procedures. This practice ensures that our employees remain well-prepared for emergencies.



HSE Internal Audit

Annual compliance audits are conducted by our in-house internal auditors for our construction projects. For FYE 2023, our HSE internal auditors conducted seven audits for ISO 14001:2015 and ISO 45001:2018. 13 Non-Conformance Reports (“NCRs”) and 38 observations were issued by our HSE internal auditors out of which 11 NCRs and 31 observations have been closed. The remaining 2 NCRs and 7 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.



Health and Safety Performance

Safety Trainings

Indicator	Target	FYE 2023
Number of staff trained for Health and Safety (including daily workers)	500 employees	803 employees



Safety Statistics

Engineering & Construction 	Target	FYE 2023	FYE 2022	FYE 2021
	Zero life loss	No fatalities	No fatalities	No fatalities
	Incident rate of less than 4 per 1000 workers	4.52*	3.64	3.07
	LTI frequency rate of less than 8	1.42	1.56	1.40
Property Development 	Target	FYE 2023	FYE 2022	FYE 2021
	Zero life loss	No fatalities	No fatalities	No fatalities
	Incident rate of less than 4 per 1000 workers	0	0	0
	LTI frequency rate of less than 8	0	0	0
Utility 	Target	FYE 2023	FYE 2022	FYE 2021
	Zero life loss	No fatalities	No fatalities	No fatalities
	Incident rate of less than 4 per 1000 workers	0	0	0
	LTI frequency rate of less than 8	0	0	0
Gadang HQ 	Target	FYE 2023	FYE 2022	FYE 2021
	Zero life loss	No fatalities	No fatalities	No fatalities
	Incident rate of less than 4 per 1000 workers	0	0	0
	LTI frequency rate of less than 8	0	0	0

* The incident rate of 4.52 for Engineering & Construction is higher than our intended outcome of less than 4 per 1000 workers. We take note of this and will strive to do better.

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SUSTAINABILITY STATEMENT

HUMAN CAPITAL DEVELOPMENT

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

TALENT DEVELOPMENT AND TRAINING

We value our staff as they are our greatest assets. Having the right people with the right skills and knowledge is important for the success of the Group. On a yearly basis, the Group Human Capital as well as respective superiors will identify trainings to upskill our employees for personal development and career progression.

In FYE 2023, our contribution to HRDF funds has enabled us to significantly increase our training hours.

	FYE 2023	FYE 2022	FYE 2021
Total number of training hours	8,039	1,704	1,664
Average training hours per employee	14	4	3

Table 2 – Total Training Hours and Average Training Hours per Employee



KPI & Competency Development training attended by Gadang key management



SCHOLARSHIP

During the year, we provided two scholarships amounting to RM51,000 to help deserving students in their tertiary education as we believe the future generation holds the key to a progressive and successful nation.



HUMAN CAPITAL POLICIES

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

- Gadang Employee Handbook
- Flexi Working Hours Policy
- Leave Policy
- Medical Benefits Policy
- Group Insurance Scheme Policy
- Learning and Development Policy
- Human Rights 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

HUMAN RIGHTS AND LABOUR PRACTICES

Sustainability Indicator	Metric	Target	2023 KPI achievement
 Human Rights	Zero complaint on human rights violation	0	Zero human rights violation

Gadang believes that everyone has the right to be treated equally with fairness, respect and dignity at the workplace. In FYE 2023, we established a Human Rights Policy that serves as a guiding principle for Gadang and its Third Parties to ensure protection of fundamental human rights, which include the following:

 Diversity and Inclusion	 Health and Safety
 Freedom of Association	 Women's Rights
 No Child Labour/No Forced Labour/ No Human Trafficking	 Prohibition of Inhumane Treatment
 Minimum Wages, Working Hours and Benefits	

As for working conditions, we comply with Workers' Minimum Standards of Housing and Amenities Act, 1990 (Act 446).

In FYE 2023, there were no reported incidents pertaining to violation of human rights.



Gadang has established dedicated parking space for expectant mothers and mother's room for lactation, providing them more comfort and convenience.



SUSTAINABILITY STATEMENT

DIVERSITY AND EQUAL OPPORTUNITY

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 construction industry is a male-dominated sector, we continue to welcome capable women workforce to join our operations.

For FYE 2023, 33% of our Board members were women.

Total Employees as at 31 May 2023

575

458 (Malaysia), 117 (Overseas)

Number of New Hires

173

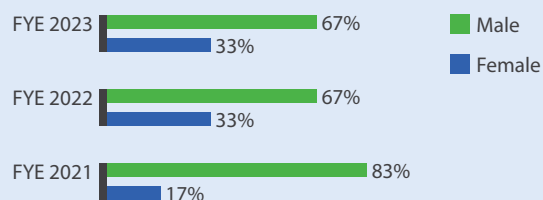
Retention Rate

73%

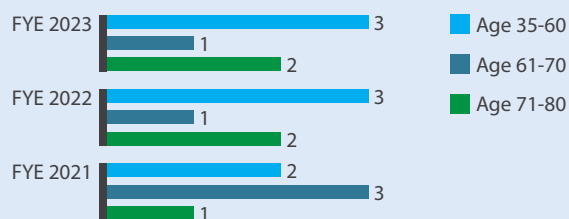
Women Director

33%

BOARD GENDER DIVERSITY

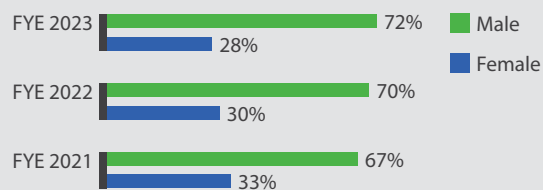


BOARD AGE GROUP

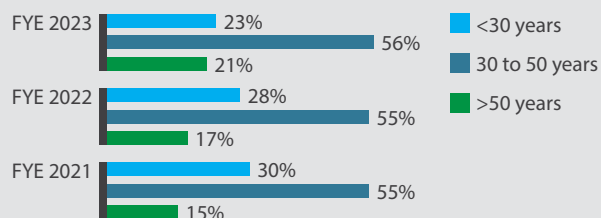


WORKFORCE PROFILE

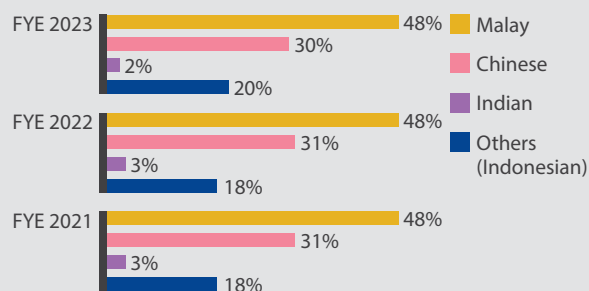
GENDER DIVERSITY



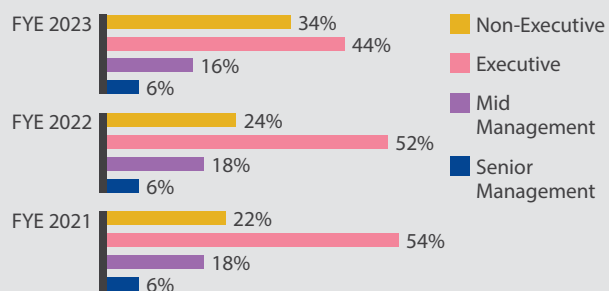
AGE DIVERSITY



ETHNIC DIVERSITY



EMPLOYEE CATEGORY



EMPLOYEE COMPOSITION

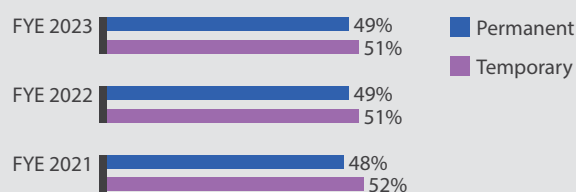
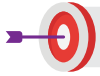


Diagram 4 – Directors and Employees Profiling

EMPLOYEE WELL BEING: CARING FOR OUR PEOPLE



To promote togetherness, diversity, equity & inclusion



To encourage healthy lifestyle

We recognise that our employees are our greatest assets and their wellbeing such as happiness, physical and mental health are the backbone contributing to the success of our Company.

We believe that in creating a culture of togetherness, diversity, equity and inclusion, we are able to bring a multitude of benefits.

Benefits	Expected Outcome
 Positive workplace culture	Positive workplace culture where employees feel respected and valued
 Improved communication	Employees communication becomes more effective which results in better collaboration and team work
 Increased productivity	Happy employees are more productive which results to higher quality output
 Improved retention	Employees feel valued resulting in lower turnover
 Better client/customer satisfaction	Provide better service, resulting in higher client/customer satisfaction rates and repeat business

In FYE 2023, a range of employee engagement activities were successfully carried out.



Chinese New Year Gathering



Football Tournament



Hari Raya Gathering



Christmas Celebration



Gadang Movie Day



FRIM Skywalk



Durian Feast



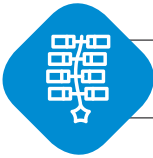
Cancer Awareness Talk



Badminton Tournament



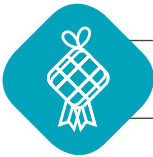
Fitness Activities, Badminton, Yoga, Jazzercise & Gym



Chinese New Year Gathering



Gadang welcomed the Chinese New Year with open arms and togetherness



Hari Raya Gathering

Gadang joins in the celebration of Hari Raya with our Muslim colleagues, embracing the warmth and joy of this special occasion of togetherness





Gadang Movie Day

Gadang employees take a break from work and enjoy a fun-filled movie day together.
#TeamBonding
#EmployeeEngagement
#WorkLifeBalance



Durian Feast

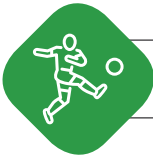
Getting ready to indulge in the king of fruits - it's Durian Day!



Badminton Tournament

Promoting happiness, togetherness and joy through friendly badminton tournament





Football Tournament

A tournament in collaboration with CIDB, DOSH and MEDIA to strengthen our bonding and engagement. It is not about winning or losing, it is about teamwork, camaraderie and enjoying the game



Christmas Celebration

Gadang celebrate the joy of Christmas with our employees



SUSTAINABILITY STATEMENT

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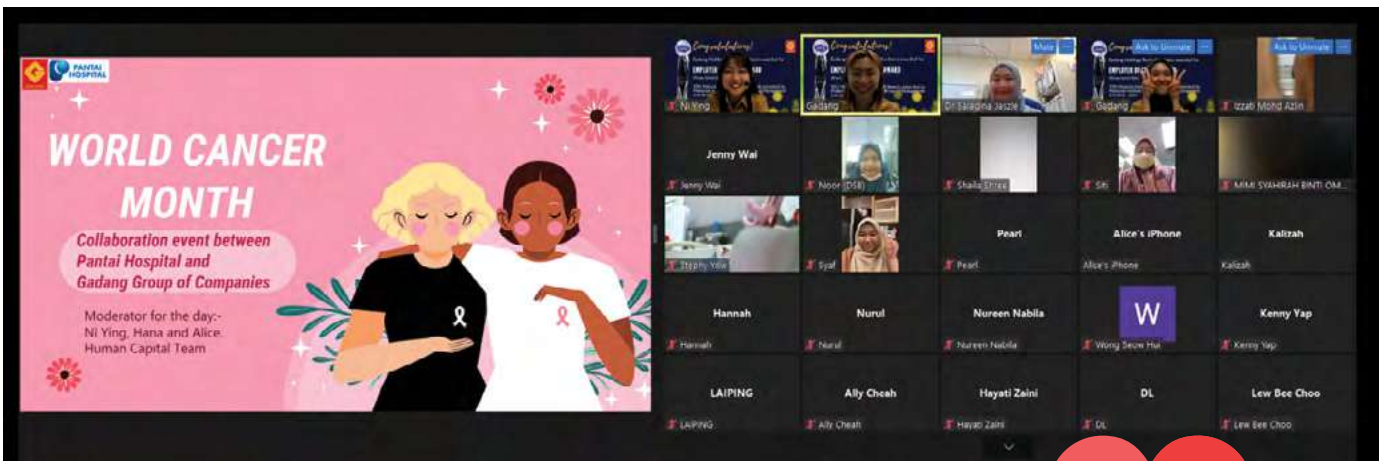
FRIM Skywalk

Fresh air, adventure and lots of laughter – that was what our forest skywalk activity all about



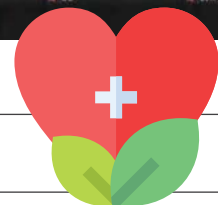
Cancer Awareness Talk

Raising awareness and educating our employees on the importance of breast cancer prevention and early detection



Fitness Activities, Badminton, Yoga, Jazzercise & Gym

As the famous saying goes, “health is wealth.” Hence, Gadang’s regular activities, including badminton, yoga and jazzercise, serve to enhance our employees’ health and fitness, increasing their energy levels, burn calories and promote overall well-being



COMMUNITY

TAKING CARE OF OUR COMMUNITIES

- To foster a caring community
- To help the needy

Safety and Health in School (“SHERO”)

We are committed to investing in our community’s future by dedicating time for safety and health education in schools, fostering the development of safety-conscious habits to prevent accidents and injuries. Additionally, we actively engage with the younger generation through tree-planting initiatives, working towards a greener future for all.

This year, we forged collaborations with various organisations, including Johor Youth, Sports, Entrepreneurial Development, Cooperatives, and Human Resources Committee, DOSH Johor, MiSHA and the school PIBG. Together, we have organised a SHERO campaign at SK Sri Tebrau in Johor, aimed at raising awareness and fostering a culture of safety and health from an early age.



SUSTAINABILITY STATEMENT

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Care for Mentally Challenged Children

We are wholeheartedly committed to provide support and empowerment to the mentally challenged children community, helping in whatever we can to enhance their quality of life and promote inclusivity.



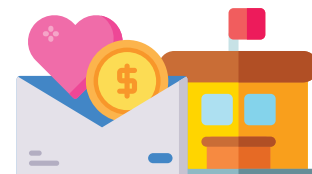
Care for the Indigenous

We provide aid and support to the indigenous society, as part of our commitment towards uplifting their well-being and preserving their unique cultural heritage.



Batang Kali Landslide Aid

Gadang extended financial assistance to the victims affected by the Batang Kali landslide that occurred in December 2022, providing much needed relief during their challenging times.



Donation and Sponsorship

In FYE 2023, we have contributed a total of RM219,000 through our Corporate Social Responsibility ("CSR") program to help the community. This CSR programme is a continuous initiative with the goal to making a lasting and sustainable impact on the communities that we serve.