#### SUSTAINABILITY REPORT

# **Value Creation Strategy**

Gamuda optimises its business model through effective implementation of value creation strategy to achieve business objectives, and deliver the best outcomes for our stakeholders.

# INPUTS Key resources to optimally manage our business



# **Financial Capital**



**Human Capital** 



Social and Relationship
Capital



**Intellectual Capital** 



**Manufactured Capital** 



## **BUSINESS ACTIVITIES**

Gamuda's management of resources to create and sustain value for our stakeholders

- RM13.9 billion of capital employed
- RM4.5 billion construction order book
- RM4.6 billion unbilled property sales
- RM3.5 billion cash position

Refer to pages 172 to 347 for the Group's Financial Statements.

- 3,615 employees (in the Group)
- Strong leadership with highly skilled engineering capabilities (tunnelling, project management, design and technical, planning and programming)
- Reward structures linked to performance and value drivers including ESG KPIs
- Diverse and inclusive workforce

Refer to pages 92 to 115 of the SR2021.

- Yayasan Gamuda, a foundation arm that focuses on socio-economic, community investment and development
- Responsive stakeholder engagement with communities along our project alignment, investors, clients, supply chain and employees
- Embracing sustainable development and responsible ESG practices

Refer to pages 95 to 99 of the SR2021.

- Specialist capabilities in construction, tunnelling and climate science
- Digital engineering excellence and innovation Autonomous Tunnel Boring Machine (A-TBM), Digital IBS
- Establishment of internal strategic green technology fund to realise the Gamuda Green Plan 2025 (GGP 2025) targets

Refer to the Statement from the Group Managing Director on pages 10 to 16.

- Gamuda Digital Transformation and Fourth Industrial Revolution (IR 4.0) roadmap
- Digitalised sustainable procurement with SAP Ariba and ERP with SAP S/4HANA
- Sustainable business investment and certification
- Integrated digital ecosystem with Building Information Modelling (BIM) technology as a key enabler for sustainable growth

Refer to pages 124 to 131 of the SR2021.

- GGP 2025
- Reduce direct and indirect corporate greenhouse gas emissions intensity by 30 percent in 2025, and 45 percent in 2030
- One million trees and saplings by 2023 under the Advance Tree Planting scheme Refer to pages 77, 79-91, 118-123 of the SR2021.

### **OUTCOMES**

Our business activities and outputs have the following impacts on our stakeholders

- Revenue of RM5 billion
- Core profit before tax of RM786 million
- Healthy balance sheet with low gearing of 0.2 times
- Effective executive leadership and new appointments to key operational positions
- Develop in-house SMEs to lead in new market opportunities on renewable energy (RE) and divest carbon intensive assets
- Rigorous COVID-19 control measures (RM8 million in RT-PCR laboratory, Gamuda Clinics and Triage Centre) to protect employees and sustain business
- 43 percent of women representation on the Board
- The Group allocates around two percent of its profits to Yayasan Gamuda
- RM51 million disbursed to Gamuda Scholarship since 1996
- Gamuda is the first corporate company in Malaysia to operate Employment Transition Programme (ETP) for people with autism
- Awarded a total of RM50,000 to 10 outstanding winners of the Star Golden Hearts Award (SGHA) 2021
- Awarded an additional RM150,000 to two winners of the Gamuda Inspiration Award (GIA) 2021 Crisis Relief Services and Training (CREST) and Suriana Welfare Society Malaysia (Suriana)
- Heightened engagement with stakeholders on ESG matters to align with the GGP 2025
- Education and employment programmes for the Orang Asli
- Successful completion of Phase One MRT Putrajaya Line
- 100 percent Digital IBS adoption across Gamuda Land's developments
- USD5 million collaboration in a Silicon Valley technology venture studio for co-development in the green technology space
- Group's clean energy growth plan comprising development of over 300MW of RE projects in the next five years
- ESG evaluation criteria in Gamuda's procurement framework in efforts to reduce our Scope 3 emissions
- The Group's operation in Malaysia (excluding Gamuda Land, joint ventures and associate companies, except for MRT Putrajaya Line included in the percentage) recorded 99.5 percent of its procurement sourced from local suppliers, while Gamuda Land recorded 98.1 percent spending on local suppliers
- Saved more than RM300 million from sustainable e-procurement through SAP Ariba while leveraging on ERP solution via SAP S/4HANA
- ISO 9001, ISO 14001, ISO 19650, Green Building Index (GBI), Green Real Estate (GreenRE), Infrastructure Sustainability Council of Australia (ISCA) and Low Carbon Cities Framework (LCCF)
- 100 percent of Gamuda's operational sites are certified with ISO 45001
- First main contractor in Malaysia to be BIM Level 2 certified by the Research Establishment
- Investment of RM33 million in Gamuda Parks' programmes for the development of 2,000 acres greenspaces and waterscapes across 12 urban forest clusters within Gamuda Land's developments
- Low carbon operations and effective monitoring on Scope 1 and Scope 2 usage across the Group, with Limited Assurance
- Maximising efficiency in water consumption (reduction of freshwater demand) across the Group's managed infrastructures and construction sites