

Myanmar

SUSTAINABILITY

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CONSTRUCTING A BETTER TOMORROW

At SunCon, we build more than just towering skyscrapers and vast infrastructures; we're building a better world. We care about the well-being of both the community and natural environment that arise amid our projects.

Our vision also includes forging sustainable collaborations with trustworthy international partners like Myanmar.

The inking of a Memorandum of Understanding (MoU) with Capital Construction Limited (CCL), the construction division of Myanmar's major conglomerate, Capital Diamond Star Group (CDSG), has enabled us to cooperate in future developments.

ABOUT THIS SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

102-1, 102-50, 102-52

As a leading construction company, Sunway Construction Group Berhad (“SunCon” or “the Company”), is responsible for creating a positive legacy in the communities where it builds, for responding to the needs of its employees and supply chain, and for reducing our carbon footprint without compromising quality. For this reason, the Company’s sustainability initiatives are aligned with its core values, and are integral to the construction of buildings and infrastructure assets which meet international standards.

Underscoring our commitment to sustainability, we developed a long-term view of the impacts of our construction operations by focusing on seven selected United Nations Sustainable Development Goals (UNSDG). This effort will enable us to further enhance our contributions to the economy, environment and society.

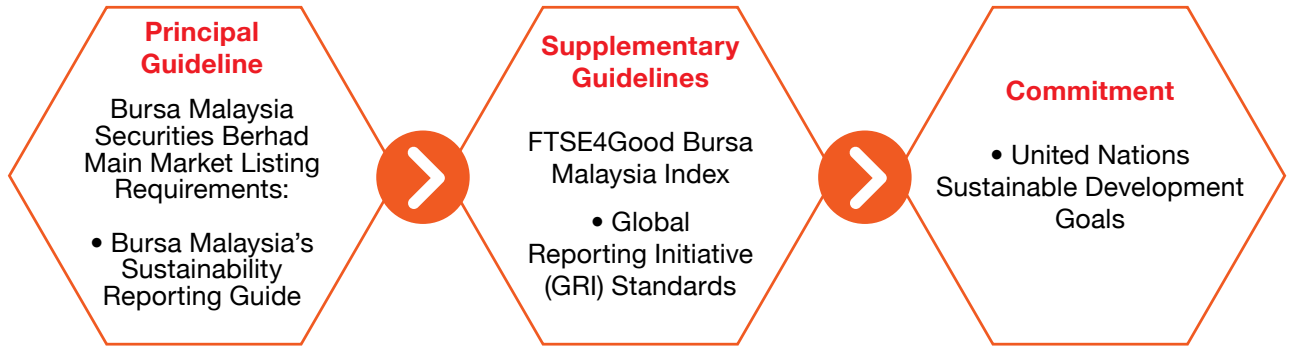
This year, we are pleased to report how our robust management approach has improved the Company’s sustainability performance from 1 January 2019 to 31 December 2019.

Looking towards the future, we will continue to provide the world’s best assets, making us the choice of today’s builders.

REPORTING FRAMEWORK

102-54, 102-55

This report has been prepared in accordance with the following guidelines and references to assist us in improving our disclosures and management of material sustainability matters.



Throughout the report, where applicable, references to the GRI standards are specified with indicator numbers under the corresponding subtopics. The GRI content index and relevant references are provided on pages 174 to 175 of this report.

SCOPE OF REPORTING

102-2, 102-46

This report covers the activities and projects of Sunway Construction Group Berhad and its subsidiaries; Sunway Construction Sdn. Bhd., Sunway Geotechnics (M) Sdn. Bhd., Sunway Engineering Sdn. Bhd., Sunway Precast Industries Sdn. Bhd. and Sunway Concrete Products (S) Pte. Ltd.

Below are the list of projects that will be discussed in SunCon’s Sustainability Statement 2019.

Project Name	Description	Location
1. 3C4	Office & Service Residence	Klang Valley
2. 7MD7	Piling Works	Putrajaya
3. BBCC Tunnel (BBCCT)	Piling Works	Klang Valley
4. Sunway Big Box Hotel	Hotel	Johor Bahru
5. Sunway Big Box Retail	Retail Park	Johor Bahru
6. CP2	Retail, University & Office Blocks	Klang Valley
7. Gas District Cooling P1 (GDC P1)	District Cooling Plant	Putrajaya
8. GDC P2	District Cooling Plant	Putrajaya
9. HUKM	Engineering Works	Klang Valley
10. Sunway Serene (KJ P1)	Service Residence	Klang Valley
11. LRT3 GS06	Piling Works	Klang Valley
12. LRT3 GS07&08	Elevated rail from Sri Andalas to Kawasan 17	Klang Valley
13. LRT3 GS10	Piling Works	Klang Valley
14. MRT201	Elevated rail from Persiaran Dagang to Sungai Buloh	Klang Valley
15. Nippon Express	Warehouse	Klang Valley
16. Oxley	Engineering Works	Klang Valley
17. Parcel F	Government Office Buildings	Putrajaya
18. Petronas New Leadership Center (PNLC)	Education Facilities	Klang Valley
19. Sunway GEOLake Residence (RC 1)	Service Residence	Klang Valley
20. SUKE CA1	Piling Works	Klang Valley
21. Sunway Medical Center 4 (SMC 4)	Medical Center	Klang Valley
22. Sunway Medical Center Velocity (SMCV)	Medical Center	Klang Valley
23. Sunway Carnival Mall Extension (SCME)	Shopping Mall	Seberang Perai
24. Sunway Medical Center Seberang Jaya (SMCSJ)	Medical Center	Seberang Perai
25. TNB 2B	Piling Works	Klang Valley
26. TNB 2C	Office Blocks	Klang Valley
27. Sunway Velocity 2 (SV2)	Office & Service Residence	Klang Valley

ABOUT THIS SUSTAINABILITY STATEMENT (CONT'D)

MEMBERSHIP AND ASSOCIATIONS

102-13

We actively participate in several associations besides maintaining affiliations with trade groups to actively engage with various stakeholder groups and industry peers and to be cognisant of best practices. Our membership are listed in the table below:

Name of the Association	SunCon Membership
Master Builders Association Malaysia (MBAM)	Membership since 1988
Construction Industry Development Board (CIDB)	CIDB Grade 7 Contractor since 1988
Singapore Precast Association	SunCon is the only Malaysian organisation affiliated with this association
National Institute of Occupational Safety and Health (NIOSH)	NIOSH membership since 1996
Malaysian Society for Occupational Safety and Health (MSOSH)	MSOSH membership since 2000

FEEDBACK

102-53

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DEFINING OUR COMMITMENT TO SUSTAINABILITY

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The launch of the 2030 SDGs in September 2015 is a call to action by all countries to promote prosperity and end poverty while protecting the environment. As of today, the implementation of the SDGs has become a global consensus between governments, non-governmental organisations and the private sector. In line with Malaysia's pledge to commit to the 17 SDGs, SunCon is committed to not only raising awareness within its business operations, but also channelling this awareness to our stakeholders as well as the community at large.

SunCon and the SDGs

In line with our operations and activities, we have adopted all 17 SDGs in 2017 with the exception of SDG 6: Clean Water and Sanitation and SDG 14: Life Below Water. However, in 2019, we adopted SDG 14 which is in line with our CSR programme towards coral conservation. For this year, the Company has prioritised seven SDGs which are most material to its operations and stakeholders.



OUR FOOTPRINT IN OTHER SDGS

1

NO POVERTY

- Contributed funds to Yayasan Anak-Anak Yatim Wardatul Jannah, Kota Damansara for the management of the home and care of the orphans

2

ZERO HUNGER

- Provision of liveable home for a family of seven in Kampung Orang Asli Gurney, Batang Kali, Selangor under the Build A Home programme. This is SunCon's 3rd consecutive year participating in this programme which aims to contribute to the improvement of quality of life for the orang asli community
- SunCon contributed to the #sunwayforgood social inclusion programmes which aims to address the 17 UNSDGs. In 2019, #sunwayforgood's programmes reached 221,709 beneficiaries

4

QUALITY EDUCATION

- We have built strong collaborative partnerships with public and private universities, as well as polytechnic schools
- Created platform for 42 young graduates to enhance their employability skills
- Provide training for employees to sharpen their skills, knowledge and competency through our robust learning framework
- Provision of study leave for employees to pursue tertiary education
- 4 employees are current pursuing Master in Sustainable Development Management offered by Sunway University under the prestigious Jeffrey Sachs Center on Sustainable Development which would benefits the organisation in its journey to be a sustainable builder

7

AFFORDABLE AND CLEAN ENERGY

- We incorporated green energy features into our Green Building Index (GBI) projects such as installation of solar panels
- Installation of solar PV systems for buildings within Bandar Sunway

5

GENDER EQUALITY

- We provided equal opportunity for men and women, in which our employees received similar pay despite being in a male-dominated industry
- Representation of women, 13% in the Board of Directors

6

CLEAN WATER AND SANITATION

*Due to the nature of our business, SunCon does not have much involvement in this pillar

15

LIFE ON LAND

- We incorporate the inclusion of green spaces in our design and build projects to create a green ecosystem within the development

17

PARTNERSHIPS FOR THE GOALS

- Our active involvement in Master Builders Association Malaysia (MBAM) demonstrated our dedication to promoting and developing the construction industry in Malaysia
- SunCon's joint venture with Pekat Solar Sdn Bhd formed a subsidiary, Sunway Pekat Solar Sdn Bhd which aims to focus on renewable energy sector, especially enhancing our capabilities on solar energy

10

REDUCED INEQUALITIES

- We provided equal opportunity for all races and promoted meritocracy by embracing our Diversity and Inclusion Policy
- In 2019, SunCon's ratio of men to women pay equity are 1.00 : 0.93

14

LIFE BELOW WATER

- We participated in a Coral Reef Conservation programme in which we promoted the rehabilitation of coral reef and marine ecosystem

SUSTAINABILITY GOVERNANCE

102-18, 102-19, 102-20, 102-26, 102-32

Sustainability governance plays a leading role in setting the Company's direction. The Board of Directors (BOD), supported by the Sustainability Steering Committee (SSC), oversees the Company's sustainability strategies to ensure sustainable returns while providing key inputs pertaining to the economic, environmental, social and governance (EESG) aspects of the Company's performance. The SSC is supported by the Sustainability Working Committee (SWC) comprising various departments. The SWC is helmed by the general Manager of Operations who in turn supported by the Sustainability Coordinator.

The business of sustainability planning and initiatives falls within SWC's ambit of responsibility which held four meetings in 2019 to put proposals in place to further underscore the company's stance on creating positive value for its stakeholders.



STAKEHOLDER ENGAGEMENT

102-40, 102-43, 102-44

Working in tandem with stakeholder groups strengthens our ability to address sustainability issues. Through active and transparent lines of communication and engagement with our stakeholders, we are able to gauge and prepare for the changing expectations of SunCon’s diverse stakeholder groups.



The table below illustrates our method of engagement with each stakeholder group, frequency of engagement, their expectations and the manner in which we address their expectations.

Stakeholder	Their Expectations	Engagement Method	Frequency Of Engagement	Addressing Their Expectations
Clients	<ul style="list-style-type: none">• Proper project management• Project completion in compliance with standards, high quality and on time delivery• Safety and security of sites• Compliance with Environmental, Safety and Health laws and regulations	Client Satisfaction Survey (CSS)	• Annually	<ul style="list-style-type: none">• Continuous monitoring of Client Satisfaction Survey (CSS) score and quality performance:<ul style="list-style-type: none">› Achieved score of 93.8% for CSS› Achieved average QLASSIC score of 75%› 2 ESH campaigns were conducted at our projects as an engagement platform with clients and workforce
		Quality Assessment System in Construction (QLASSIC)	• Project completion	
		Progress meetings and updates	• Monthly/ weekly	
		Progress reports	• Monthly	
		Site walk with Top Management	• Monthly	
		Townhall	• Annually	
		Environmental, Safety and Health (ESH) Campaign	• Annually	

Stakeholder	Their Expectations	Engagement Method	Frequency Of Engagement	Addressing Their Expectations
Authorities & Regulators	<ul style="list-style-type: none">• Compliance with guidelines and regulations	Inspections	• As per the operational requirements	<ul style="list-style-type: none">• Collaboration with authorities and regulators• Engagement sessions with surrounding community of project sites, where we communicate our control measures on environmental concerns, security issues and provide project updates to the residents• Ensure operational activities are conducted in compliance with legal and other requirements
		Training, seminar and workshops	• Ongoing	
		Reports submissions	• Monthly	
		Site visits and audits	• Spot checks/ Ongoing	
		Engagement with Department of Occupational Safety and Health (DOSH), Department of Environment (DOE), Ministry of Health (MOH) and BOMBA	• As and when necessary	
		Spot checks by Malaysian Immigration Department	• Ad-hoc	
		Green Card Certification training with Construction Industry Development Board (CIDB)	• As and when necessary	

STAKEHOLDER ENGAGEMENT (CONT'D)

102-40, 102-43, 102-44

Stakeholder	Their Expectations	Engagement Method	Frequency Of Engagement	Addressing Their Expectations
Shareholders, Investors & Analysts	<ul style="list-style-type: none"> Effective communication and business strategies Timely and transparent reporting Strong corporate governance Prudent Risk Management Market and business performance outlook and strategies 	Statutory Announcements	<ul style="list-style-type: none"> As and when necessary 	<ul style="list-style-type: none"> Provide timely updates of business performance: <ul style="list-style-type: none"> 124 Bursa announcements in 2019 Regular engagement with shareholders, investors and analysts: <ul style="list-style-type: none"> Analyst house that covers SunCon: 14 out of which 7 were buy call 37 one-on-one management meetings Attended 5 IR of conferences organised by bankers (held in Malaysia and Singapore) Participated in Bursa Bull Charge 2019 (Help raise funds to promote financial literacy, entrepreneurship and support underprivileged communities)
		Annual General Meetings	<ul style="list-style-type: none"> Annually or when any changes occur in the Group 	
		Corporate Events	<ul style="list-style-type: none"> Annually 	
		Small group meetings	<ul style="list-style-type: none"> As and when necessary upon request by bankers and analyst 	
		Conferences	<ul style="list-style-type: none"> Ad-hoc 	
		One-on-one management meetings	<ul style="list-style-type: none"> Ad-hoc 	
Employees	<ul style="list-style-type: none"> Career development and progression Knowledge and skills enhancement Fair remuneration Work-life balance Safe, healthy and conducive workplace 	Employee engagement surveys	<ul style="list-style-type: none"> Biennially 	<ul style="list-style-type: none"> Provision of environment friendly, safe and healthy workplace, training and career progression opportunities Open communication with employees Activities conducted by SunCon Social Club in 2019: <ul style="list-style-type: none"> Skytrex Adventure Movieganza Jump Street Overseas trip to -Bandung Merdeka Conservation Dive Tasik Kenyir Short Getaway
		Dialogue and engagement	<ul style="list-style-type: none"> 4 sessions 	
		ESH committee meeting	<ul style="list-style-type: none"> Monthly 	
		Townhall	<ul style="list-style-type: none"> Annually 	
		SunCon Social Club	<ul style="list-style-type: none"> 6 programmes 	
		Festive celebrations	<ul style="list-style-type: none"> Annually 	
		Training programmes	<ul style="list-style-type: none"> As per the training plan 	

Stakeholder	Their Expectations	Engagement Method	Frequency Of Engagement	Addressing Their Expectations
Suppliers & Subcontractors	<ul style="list-style-type: none"> Safe working environment Professional and transparent procurement process Timely payment 	Subcontractors assessment	<ul style="list-style-type: none"> Annually 	<ul style="list-style-type: none"> Provision of transparent supply chain and contract management Continual implementation of the E-bidding system to ensure transparency and paperless transactions Continual implementation of Esker software for payment processes for timely payments Provision of environment friendly, safe and healthy workplace for workforce
		Suppliers assessment	<ul style="list-style-type: none"> Annually 	
		ESH committee meeting	<ul style="list-style-type: none"> Monthly 	
		Regular engagement with suppliers and subcontractors to understand their needs	<ul style="list-style-type: none"> Daily/ Weekly 	
Trade Union & Professional Bodies	<ul style="list-style-type: none"> Sharing of best practice and knowledge to improve the industry as a whole Implementation of policies and requirements by relevant agencies or professional bodies 	Dialogue	<ul style="list-style-type: none"> Ad-hoc 	<ul style="list-style-type: none"> Association with professional bodies SunCon's representation in Masters Builders Association of Malaysia (MBAM): <ul style="list-style-type: none"> Honorary Advisor Vice President Publications, ICT & Data Resource Center Committee Chairman International Affair Committee Deputy Chairman Material Resources & Exhibition Committee Member Education Fund Committee Member Safety & Health Committee Deputy Chairman Foster good relations with industry peers
		Meetings	<ul style="list-style-type: none"> Ad-hoc 	
		Training	<ul style="list-style-type: none"> As and when needs arise 	
		Project site visits	<ul style="list-style-type: none"> Spot-check 	
		Technical committee	<ul style="list-style-type: none"> Ad-hoc 	

STAKEHOLDER ENGAGEMENT (CONT'D)

102-40, 102-43, 102-44

Stakeholder	Their Expectations	Engagement Method	Frequency Of Engagement	Addressing Their Expectations
General Public	<ul style="list-style-type: none">Responsible corporate governanceProject transparency and progress updatesTimely feedback resolutionSafe construction practicesTalent attraction	Complaint management system for MRT and LRT projects	<ul style="list-style-type: none">Throughout the project's construction phaseContinually	<ul style="list-style-type: none">Dialogue with general public via calls, mail drops, and radio announcements on project information and updatesTownhall session before project commences to notify residents about projectInformation box updates every 3 months to update on project progress and any changesSocial media serves as platform to attract potential talents
		Mail drops to provide project updates and information		
		Media communication via radio announcements		
		Resident townhalls		
		Information box at public areas around project site		
		Social media		
Media	<ul style="list-style-type: none">Immediate notification of financial releases and material developmentsTimely and transparent communication	Press release	<ul style="list-style-type: none">Quarterly/ annuallyAs and when necessary	<ul style="list-style-type: none">Direct engagement and timely press releases:<ul style="list-style-type: none">8 press releases in 2019 (including announcement to Bursa)3 exclusive interviews conducted by SunCon in 2019
		Media coverage	<ul style="list-style-type: none">As and when necessary	
Community	<ul style="list-style-type: none">Responsible corporate citizen which gives back to the communityResponsible for the livelihood of the surrounding community throughout the construction phasePublic safety	Sponsorship and donations Community service	<ul style="list-style-type: none">AnnuallyAd-hoc	<ul style="list-style-type: none">Provision of sponsorships and donations:<ul style="list-style-type: none">Donated 10 wheelchairs to Persatuan Kesejahteraan Rakyat Malaysia (PKRM)Sponsored 9 Castle Reefs to conserve marine ecosystemCollaboration with EPIC Homes to build homes for the Orang Asli community. Number of houses built in 2019: 1. Number of houses built to date since 2017: 5
		Community building	<ul style="list-style-type: none">Project-to-project basis	

Stakeholder	Their Expectations	Engagement Method	Frequency Of Engagement	Addressing Their Expectations
Business Partners	<ul style="list-style-type: none">Adherence to corporate governance and national regulationsTransparent Joint Venture (JV) relationshipOpen knowledge sharing between industriesMeeting targets and expectations	Satisfaction survey	<ul style="list-style-type: none">Annually	<ul style="list-style-type: none">Foster collaborative partnerships:<ul style="list-style-type: none">JV with Taisei Corporation to build a new warehouse for Nippon Express MalaysiaJV with HL Building Materials Pte. Ltd. for the development of ICPHSchedule committee meeting with JV partner on a quarterly basis or as and when required
		JV-client meetings	<ul style="list-style-type: none">Monthly for ongoing projects	
Civil Society Organisations (CSO)	<ul style="list-style-type: none">Employment opportunities to local community	Implementing the Skim Latihan 1 Malaysia (SL1M)	<ul style="list-style-type: none">Completed	<ul style="list-style-type: none">Creation of employability skills<ul style="list-style-type: none">42 graduates undergoing training under SL1M programme as trainees for 2019



ESH campaign at Sunway Medical Centre, Seberang Jaya

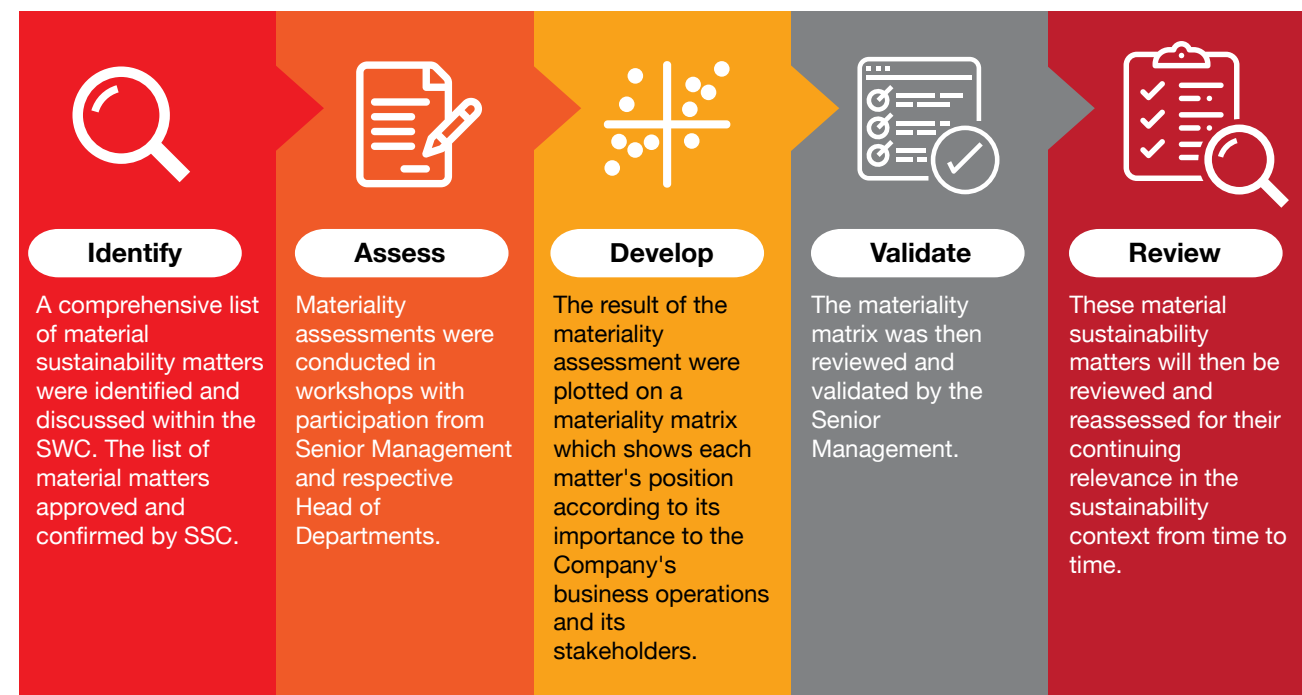
IDENTIFYING OUR MATERIAL MATTERS

This year, the Company reassessed the list of material sustainability matters identified in 2018, taking into consideration each matter’s level of impact, risk, influence on decision making and relevance in 2019.

Other key parameters taken into consideration for the reassessment were:

- The material matters of 2018;
- Issues highlighted by the Senior Management;
- GRI Standards;
- FTSE4Good Rating Index requirements; and
- Sustainability matters prioritised by peer Industry.

MATERIALITY REASSESSMENT PROCESS



The assessment ranking of the 19 material sustainability matters identified in 2019 were mapped onto a materiality matrix, where the ‘x’ axis represents each matter’s significance to business operations and the ‘y’ axis, its significance to stakeholders.



REPORTING PILLARS

Led by the Sunway Group’s corporate vision, “to be Asia’s model corporation in sustainable development, innovating to enrich lives for a better tomorrow”, we formalised our sustainability pillars in 2018 to define our main thrust in achieving sustainable development while enriching the lives of people in and around our business operations.

In 2019, we recognised the importance of sustainable governance in managing material sustainability matters. Therefore, we have included ‘Responsible Governance’ as an additional pillar which encompasses the matters ‘Governance and Ethical Business’ and ‘Risk and Regulatory Compliance’.

IDENTIFYING OUR MATERIAL MATTERS (CONT'D)

MAPPING MATERIAL SUSTAINABILITY MATTERS

We recognise that in order to be a reliable leader in the civil construction sector and to always create value for society, it is essential for us to identify the opportunities and risks as per governance and EES aspects within our business operations. We have identified the Company's risks and opportunities to underline our commitment to this sphere of activity. As shown below, each of these pillars represent our motivation for sustainable development as well as risks, opportunities and appropriate action we have undertaken to address material matters.

Responsible Governance

Pillars

To uphold good corporate governance practices throughout the business operations.

Material Sustainability Matters

Governance and Ethical Behaviour
Risk and Regulatory Compliance

Risks

- SunCon's unavailability to actively participate in countries where corruption is rampant.
- Financial penalties if non-compliance issues are not resolved.

Opportunities

- SunCon will be recognised as a builder that upholds high ethical standards and will be known for being transparent with no hidden cost. Today, contracts awarded tend to emphasize the need for a company to comply with Anti-Bribery Policy. The Company has been at the forefront of being awarded contracts based on merit and open tender.
- We attract talent who identifies with SunCon's corporate values. Employees misconduct is reprimanded and fitting actions are taken to ensure all employees are aware that SunCon treats this matter seriously.

Our Actions

- SunCon developed and implemented policies and procedures to ensure good corporate governance practices and to effectively address corruption and non-compliance.
- At SunCon, we are governed by standard operating procedure (SOP) with different levels of approval and no one person can approve any award of contract unilaterally to receive pay off.

Refer to section Responsible Governance on pages 134 to 135 for further details.

Strengthening Economic Integrity

Pillars

To continuously have a positive impact on the local economy and our stakeholders and to expand our business in a sustainable manner which includes management of investment.

Material Sustainability Matters

Economic Performance
Indirect Economic Impacts
Sustainable Procurement Practices

Risks

- Running a sustainable business involves spending towards the provision of central labour quarters for foreign workers and towards the upkeep of good environmental, safety and health practices at project sites.
- May not be competitive for smaller scale projects and in the short run if emphasis is placed on good practices.

Opportunity

- We are at the forefront of technology for precast and Building Information Modelling (BIM).

Our Actions

- Continuing with our journey on Virtual Design & Construction (VDC) to reduce clashes and rework on site. Refer to page 86 for more information on VDC at SunCon.
- We are building a mechanised integrated precast hub in Singapore to further utilise our IBS technology that will reduce safety issues and reliance on foreign workers, and improve construction quality.

Refer to section Strengthening Economic Integrity on pages 136 to 137 for further details.

Managing Our Environmental Impacts

Pillars

To mitigate any negative environmental impact by observing best industry practices and strict adherence to environmental regulations.

Material Sustainability Matters

Waste management
Materials Management
Energy Management
Water Conservation
Climate Resilience
Protecting Biodiversity

Risks

- Emergence of more stringent environmental laws and regulations.
- Susceptible to effects of climate change and adverse weather.
- Increasing standards and demands of clients.

Opportunity

- Continual improvement and strengthening of SunCon's environmental best management practices.

Our Actions

- We are cognisant of our impacts on the environment, therefore we continually monitor our waste generation, materials consumption, energy management, water efficiency and the effect of climate change at our projects sites.

Refer to section Managing Our Environmental Impacts on pages 138 to 151 for the details of our initiatives.

Embedding Safety, Innovation and Quality in Construction

Pillars

To create a safe and healthy working environment for all employees and prioritise quality construction.

Material Sustainability Matters

Safety and Health Innovation
Quality Management Customer Privacy

Risks

- Emergence of more stringent safety, health and welfare laws and regulations.
- Inconsistent safety and health compliance standards across our business partners and nominated business partners by clients may result in undesirable events and reputational damage
- Company's reputation may be affected if product quality does not meet the required standards.
- Skilled labour shortage may cause inconsistency in product quality resulting in re-work, increased cost and project delay.

Opportunities

- Continual improvement for SunCon to strengthen its safety and health through best management practices.
- Advancement of technology in the market simplifies our workflow and improves communication.

Our Actions

- SunCon ensures the safety and health of all its employees and public surrounding the construction sites via various training and safety programmes.
- We assess the quality of our products and services that directly affect our stakeholders through Quality Management System, Total Quality Management (TQM) and Sunway Quality Merit System (SQMS).

Refer to section Embedding Safety, Innovation and Quality in Construction on pages 152 to 164 for the details of our initiatives.

IDENTIFYING OUR MATERIAL MATTERS (CONT'D)

Human Capital Development

Pillars

To create a conducive workplace where our employees can grow professionally and personally.

Material Sustainability Matters

Diversity and Inclusiveness

Talent Retention

Capacity Building

Risks

- Staff turnover
- Succession to key positions
- Illegal foreign workers

Opportunities

- Staff engagement is a continual process at SunCon, where feedback from the employees is directly channeled to the Top Management.
- Structured performance management system allows for better talent management.

Our Actions

- SunCon embraces diversity and inclusivity at all levels and does not condone any form of discrimination at the workplace. We foster an inclusive working environment which is reflected in the Group's core values.
- SunCon believes in providing learning opportunities such as the internship programme so that the youth can broaden their industry exposure before making career decisions.

Refer to section Human Capital Development on pages 165 to 171 for the details of our initiatives.

Building Community Resilience

Pillars

To support the vulnerable sections of the community and engage the public to gather feedback to understand their concerns.

Material Sustainability Matters

Corporate Social Responsibility

Risks

- Disturbance to the surrounding community due to the nature of our activities which may result in negative publicity therefore affecting the company's reputation, branding and project completion.

Opportunity

- Good communication with communities around us would ensure smooth progress throughout the project duration and uplift the company's reputation as the preferred construction company.

Our Actions

We continuously create opportunities for the local communities to better their living conditions and donate towards enrichment programmes which assist in community development.

Refer to section Building Community Resilience at pages 172 to 173 for further details of our initiatives.



LRT3 Package GS07&08, Klang



Sunway Medical Centre 4, Bandar Sunway

SUSTAINABILITY PERFORMANCE

102-7, 102-8, 102-38, 401-1, 405-1, 403-9

	2019	2018	2017
Environment			
Total Water Use (m³)	327,167	387,932	369,300
Electricity Consumption (kWh)	1,170,985	1,058,342	1,037,382
Diesel Consumption (litres)	4,618,973	5,818,880	5,292,948
CO ₂ Emissions from Company-Owned Vehicles and Machinery (CO ₂ e in tonnes)	12,458	15,704	14,285*
CO ₂ Emissions from Purchased Electricity (CO ₂ e in tonnes)	273	282	278
CO ₂ Emissions from Air Travel (CO ₂ e in tonnes)	63	84	45*
Construction Waste Disposal (MT)			
Concrete	32,289**	12,366	36,821
Steel	1,416	1,401	2,510
Timber	-	3,245	1,473
Material Purchased (MT)			
Steel Bar	50,192	37,311	49,518
Cement	4,182	6,317	12,547
Sand	37,325	55,648	102,977
Ready Mixed Concrete	39,503	52,005	51,092
Quarry	140,291	150,001	285,554
Premix	3,971	2,674	153
Workplace			
Employees			
Total Number of Employees	2,152	2,448	2,097
Executives	36%	35%	42%
Non-Executives	24%	24%	35%
Foreign Skilled Labour	40%	41%	23%
Permanent Staff	51%	48%	64%
Non-Permanent Staff	49%	52%	36%
Number of Physically Challenged Employees	3	2	2
Percentage of Women in Management	24%	27%	23%

* Restated
** Increase in disposal quantity due to improved reporting

	2019	2018	2017
Gender – Overall			
Female	14%	14%	16%
Male	86%	86%	84%
Gender (Executive Level Employees EG1-9)			
Female	32%	31%	29%
Male	68%	69%	71%
Gender (Non-Executive Level Employees)			
Female	5%	5%	7%
Male	95%	95%	93%
Age Group – Overall			
< 30	40%	40%	37%
30 - 50	51%	51%	52%
>50	9%	9%	11%
Age Group (Executive Level Employees EG1-9)			
< 30	28%	29%	34%
30 - 50	58%	55%	50%
>50	14%	16%	16%
Age Group (Non-Executive Level Employees)			
< 30	47%	46%	39%
30 - 50	48%	48%	53%
>50	5%	6%	8%
Years in Service			
Less than 1 year	14%	28%	15%
1 - 3 years	33%	25%	28%
3 – 6 years	21%	20%	37%
6 – 10 years	23%	18%	12%
10 – 15 years	5%	5%	5%
15 years and above	4%	4%	3%

SUSTAINABILITY PERFORMANCE (CONT'D)

	2019	2018	2017
Workplace			
Diversity			
Malay	49%	50%	51%
Chinese	35%	33%	34%
Indian	14%	14%	12%
Others	2%	3%	3%
Diversity (Executive Level Employees EG1-9)			
Malay	39%	39%	36%
Chinese	48%	49%	52%
Indian	11%	10%	10%
Others	2%	2%	2%
Diversity (Non-Executive Level Employees)			
Malay	65%	66%	68%
Chinese	14%	13%	12%
Indian	18%	18%	15%
Others	3%	3%	5%
Board Of Directors			
By Gender			
Female	14%	14%	14%
Male	86%	86%	86%
BY AGE			
30 – 50	14%	14%	14%
> 50	86%	86%	86%
BY ETHNICITY			
Malay	14%	14%	14%
Chinese	72%	72%	72%
Indian	14%	14%	14%
Others	0%	0%	0%

	2019	2018	2017
Senior Management (EG10 & Above)			
By Gender			
Female	10%	8%	8%
Male	90%	92%	92%
BY AGE			
< 30	0%	0%	0%
30 - 50	29%	31%	29%
>50	71%	69%	71%
BY ETHNICITY			
Malay	5%	4%	5%
Chinese	86%	83%	86%
Indian	9%	13%	9%
Others	0%	0%	0%
Employee Turnover Rates			
Industry Average	13.8%	9%	15%
Attrition Rates	10.8%	13%	13%
By Gender			
Female	2%	3%	2%
Male	8%	10%	11%
By Age Group			
< 30	4%	7%	6%
30 - 50	5%	5%	6%
>50	1%	1%	1%

SUSTAINABILITY PERFORMANCE (CONT'D)

	2019	2018	2017
Total New Hires			
By Gender			
Female	9%	7%	19%
Male	91%	93%	81%
By Age Group			
< 30	72%	65%	64%
30 - 50	24%	34%	31%
> 50	4%	1%	5%
By Nationality			
Malaysia	43.7%	25.8%	91.1%
Indonesia	52.2%	70.7%	0.5%
Philippines	3.7%	0.3%	0.3%
Bangladesh	0.4%	0.7%	6.1%
Others	0%	2.5%	2.0%

	2019	2018	2017
Comparison of Pay			
Total Men Basic Salary (RM)	68,428,992	73,981,915	75,379,611
Average Annual Men Basic Salary (RM)	68,021	59,471	60,264
Average Number of Men Paid	1,006	1,244	1,251
Total Women Basic Salary (RM)	19,870,680	20,325,544	20,193,860
Average Annual Women Basic Salary (RM)	63,282	61,780	62,423
Average Number of Women Paid	314	329	324
Ratio of Men to Women Pay Equity	1.00:0.93	0.96:1.00	0.97:1.00
Remuneration data disclosure (Annual pay)			
Group MD Annual Total Remuneration to Median Annual Total Remuneration	34.1: 1.0	34.7: 1.0	33.9: 1.0
Mean pay (RM)	109,558	111,986	112,229
Median pay (RM)	82,449	84,732	86,078
Lowest total pay (RM)	18,659	18,546	18,904
Highest total pay* (RM)	1,648,640	1,639,680	1,654,690
Training			
Employee Participation in Training	728	820	963
Average Attendance Per Training Programme	20	20	20
Average Training Budget Per Employee (RM)	730	859	805
Average Man Days of Training Per Employee	3.41	2.83	1.23
Percentage of Employees with a Minimum of 3 Man Days of Training (An Employee Development Target Set by Management)	18%	12%	13%
Occupational Health And Safety			
Worked Man-Hours	16,611,284	20,242,286	18,790,437
Fatal Accidents	1	0	0
Lost Time Injury Accidents	0	2	4
Total Recordable Cases	4	4**	7**
Accident Frequency Rate	0.06	0.10	0.21

* Highest total pay excludes remuneration of Group Managing Director

** Restated

RESPONSIBLE GOVERNANCE

16

PEACE, JUSTICE AND STRONG INSTITUTIONS

Promoting peaceful and inclusive societies by following good governance and adhering to laws and regulations

At SunCon, we abide by all relevant laws, rules and regulations in jurisdictions and countries within which the Company operates. We take various measures including establishment of policies and procedures and risk management to guide the business towards creating value for all stakeholders.

GOVERNANCE & ETHICAL BUSINESS

102-16, 102-17, 205-2

The Company’s corporate governance practices are developed to achieve its goals and realise shareholders and other stakeholders’ value over the long term. Corporate governance underpins multiple areas such as ethical conduct, accountability, transparency and sustainability. In promoting greater internalisation of the corporate governance culture, we adhere to the Malaysian Code on Corporate Governance (“MCCG”). Detailed initiatives on corporate governance are described on page 177 under the Corporate Governance Section of this Annual Report.

Among key control mechanisms to ensure proper corporate governance practices are Diversity and Inclusion Policy, Code of Conduct, and Whistleblowing Policy and Procedures.

Diversity and Inclusion Policy

This policy is strongly driven by the Group’s core values of Integrity, Humility and Excellence.

This policy aims to create a culture that encourage respects and value of each other differences in order to promote collaboration, flexibility, equity and fairness.

Code of Conduct

The Code of Conduct provides guidance on the standard behaviour expected of all directors and employees.

It also addresses Conflict of Interest, No Gift Policy, Anti-Bribery and Corruption and responsibility to protect the environment among others.

Whistleblowing Policy

This policy provides a mechanism for all employees and stakeholders to report concerns, of any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuse. Whistleblower will not be discriminated or suffer any act of reprisal for reporting in good faith. Concerns can be raised via email or hotline number available in the policy.

To complement our “No Gift” Policy which was established in 2018, we have rolled out our Anti-Bribery and Corruption Policy in January 2020. All policies and procedures are communicated to directors and employees via various platforms such as training sessions, induction programmes and our website. In 2019, we have recorded zero reported cases of unethical or unlawful activity in relation to bribery and corruption matters within the Company. Apart from bribery and corruption matters, a total of nine (9) reported unethical cases were recorded within the company in year 2019. The reported cases were mainly due to falsification of overtime claims and theft of company properties. The Company has investigated and taken appropriate disciplinary actions against the employees on these cases.

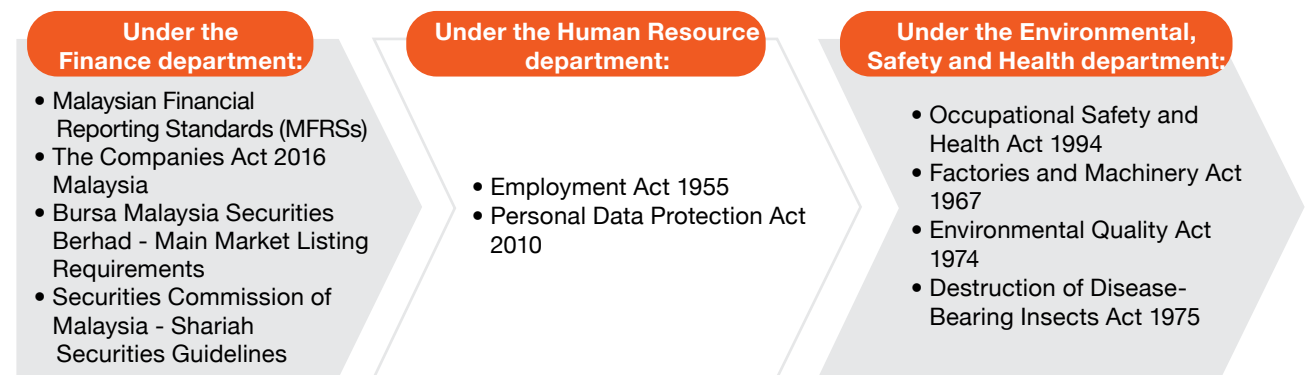
RISK AND REGULATORY COMPLIANCE

102-15, 102-30

At Board level, Risk Management Committee (RMC) has been established as part of the Board Committee which oversees the Company’s risk management framework and policies. The Company conducts risk management meetings on a quarterly basis with key personnel from respective divisions and subsidiaries, which reviews findings of the risk report is undertaken with discussions aimed towards better and more effective solutions. The scope of the review involves the identification and review of all principal risks and management of corresponding controls of risks through activities such as monitoring, measuring, analysing and communication to all business units.

In addition, as SunCon is certified with ISO 9001:2015, 14001:2015 and OHSAS 18001:2007, the standards require actions to address risk and opportunities in operations. Therefore, risk and opportunities registers are established at site level and reviewed on a quarterly basis. These risk registers are summarised and presented at the RMC, as well as discussed during the annual management meeting.

Organisations are increasingly raising the bar on processes and structures needed to identify and enhance regulatory compliance. The adherence to regulatory compliance at SunCon is driven by the following regulations as part of the defined Economic, Environmental, Social and Governance (EESG) risks applicable to the Company’s business operations:



In 2019, SunCon did not receive any fines and compounds due to violation of regulations above, specifically on occupational safety and health and environmental management. However, SunCon paid a fine of RM 5,000 due to vector issues, a matter in which action has been taken to prevent recurrence.



Silt trap for temporary containment of surface runoff to allow sedimentation before discharging

STRENGTHENING ECONOMIC INTEGRITY



ECONOMIC PERFORMANCE

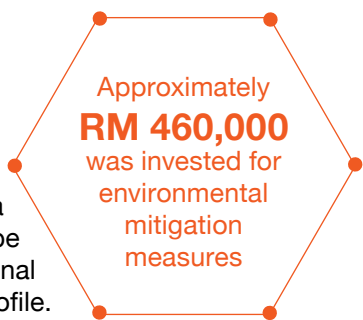
201-2

At SunCon, we are committed to delivering profitability in terms of generating attractive returns for our shareholders while boosting local economic growth. In 2019, we recognise the importance and impact of climate change as such awareness continues to increase among our industry peers and stakeholders. Following the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), we have assessed the climate-related risks and opportunities, besides improving our risk management and strategy.

This has helped in our effort to analyse the effects of climate change that could pose a threat to our sustainable growth. The impact of climate change covers various aspects of opportunities and risks involving the environmental to social facets of company operations.

The impact of these risks can be linked to material financial risk for a company. For the year under review, SunCon has identified potential risks posed by climate change and consequent mitigation measures which has resulted in growth opportunities.

SunCon's construction activities involve a change in the landscape and alters the original landuse and profile. Therefore, we are susceptible to the effects of changes in the microclimate around our construction sites in terms of increased frequency of rainfall events and intensity, as well as an increase in temperatures as a result of the 'urban heat island phenomenon' (where an area becomes significantly warmer than its surrounding rural areas due to human activities). These effects will potentially result in project delays, regulatory non-compliance and higher cost. As such, we have considered mitigation measures to reduce the impact on our operations which includes identifying flood prone areas in the vicinity of our project sites, constructing sufficiently sized detention ponds, ensuring denuded land is vegetated as soon as possible and, monitoring for continuous improvement of abatement measures.



INDIRECT ECONOMIC IMPACTS

203-1, 203-2

SunCon aspires to develop a sustainable future by actively contributing towards improving the socio-economic conditions of communities it operates in. Our business activities focus on training employees and ensuring development of their skills. Our efforts towards building optimal supply chain levels throughout our business operations nationwide support the creation of local businesses besides providing opportunities in the job market.

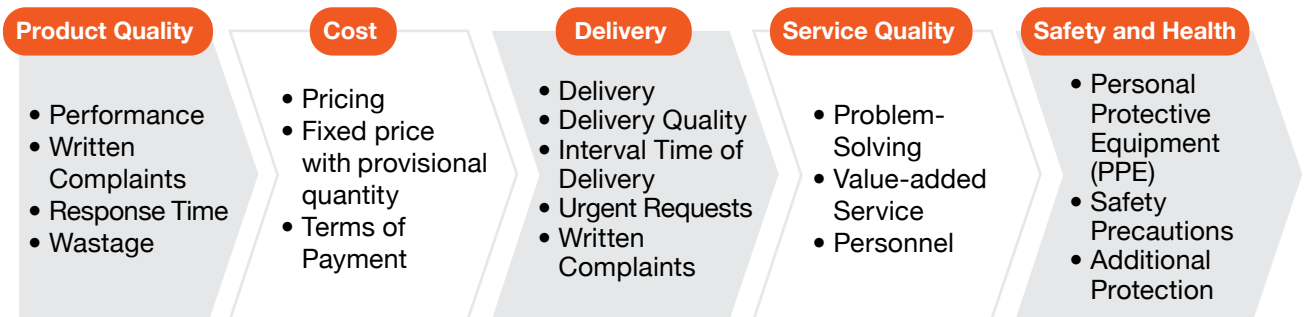
The construction of public infrastructural projects such as MRT and LRT has indirectly helped improve public transportation. As a responsible corporate citizen, we encourage corporate volunteering and sponsorship in social and environmental initiatives as part of our key role in the development of communities.

SUSTAINABLE PROCUREMENT PRACTICES

102-9, 204-1

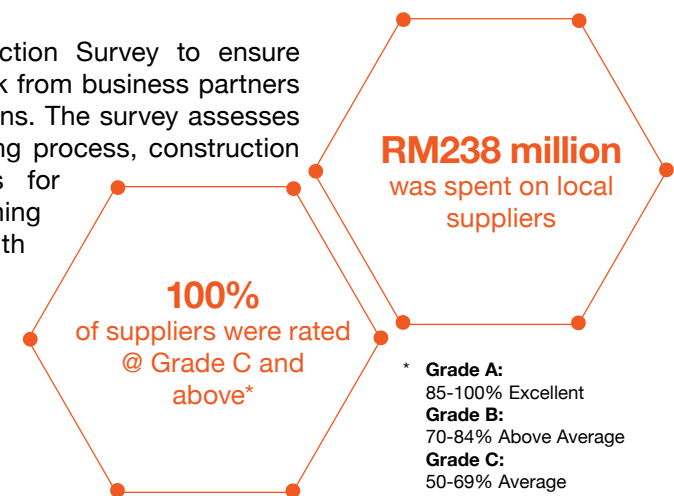
SunCon believes that our transparent partnership with suppliers and subcontractors is the cornerstone of our business success. It is our standard practice for suppliers and subcontractors to be screened and assessed by SunCon's Supply Chain and Contracts Management (SCCM) every year.

We conduct an Annual Suppliers and Business Partners Assessment to ensure our supply chain has the skills, capability and capacity to work safely to deliver a quality product. Prospective suppliers have to meet the following criteria:

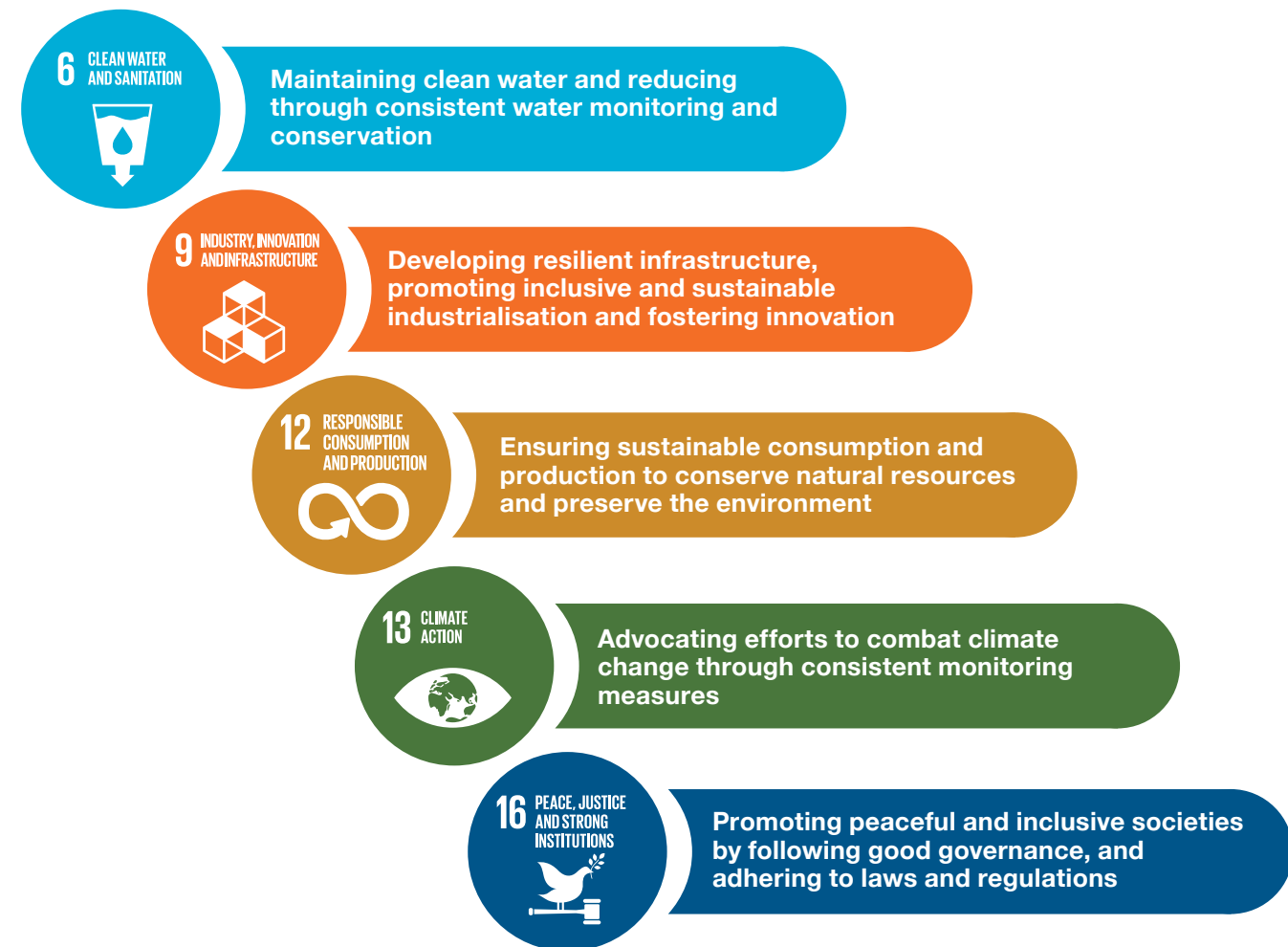


We conduct a biannual Business Partners Satisfaction Survey to ensure cohesiveness is our top priority by gathering feedback from business partners on how to synergize and improve our business relations. The survey assesses our supply chain management based on the tendering process, construction processes, people, payment and potential areas for improvement. The survey indicated that an overwhelming 98% of business partners were likely to work again with SunCon.

In 2019, we engaged 100% local suppliers (444) who were responsible for commodity products, specialist products, total sub-contracts, sub labour and material purchase.



MANAGING OUR ENVIRONMENTAL IMPACTS



The Company acknowledges that construction activities can impact the environment and cause poor water quality, excessive noise, dust pollution and traffic congestion. To reduce and manage such environmental impact, we observe best management practices that enable us to develop urban infrastructure while protecting the environment.

SunCon implements stringent and effective environmental management practices which includes regular inspections, audits and monitoring activities to ensure projects' compliance with relevant environmental laws and regulations.

ENVIRONMENTAL COMPLIANCE

303-2, 305-7, 306-1, 306-3, 307-1

At SunCon, we place great emphasis on operating in a safe and healthy working environment whilst minimising our environmental footprint. Environmental compliance is crucial to maintain our license to operate and avoid unnecessary costs such as financial penalties. We ensure our employees are kept informed of the latest environmental laws and regulations through training.

We are ISO 14001 certified which is an environmental standard that requires stringent policy implementation, environmental aspect and impact assessment, regular monitoring, commitment from Senior Management and setting targets to measure performance.

Air Monitoring

Open burning is strictly prohibited at all SunCon's construction sites. We have air quality monitoring programmes in place to ensure compliance with the emission limits stipulated by the Department of Environment (DOE) and to minimise the impact of our construction activities (land clearing, operation of diesel engines and other dust generating activities) on the ambient air quality.

Total Suspended Particulates (TSP) is a measure of the mass concentration of particulate matter in the air. At SunCon projects, TSP is monitored on a biweekly, monthly or quarterly basis depending on project requirements. The TSP readings across all our project sites showed that the data ranged from 12 to 216 $\mu\text{g}/\text{m}^3$ which is below 260 $\mu\text{g}/\text{m}^3$, the limit set by DOE.

In 2019, SunCon commenced the monitoring of PM_{10} (particulate matter with size less than 10 microns) at two of our project sites in our effort to comply with Malaysia's new Ambient Air Quality Standards. Moving forward, we will ensure that our new project sites adopt the monitoring of PM_{10} as part of our monitoring programme.

PM_{10} Monitoring

Project	Average Baseline ($\mu\text{g}/\text{m}^3$)	2019	
		Min ($\mu\text{g}/\text{m}^3$)	Max ($\mu\text{g}/\text{m}^3$)
TNB 2C	-	10.8	60.2
PNLC	33.0	32.0	58.0

Nitrogen Oxide (NOx) and Sulphur Oxide (SOx) are also parameters monitored as part of our air monitoring programmes. NOx and SOx readings across our monitoring stations are within the limit set by DOE.

Nitrogen Oxide (NOx)

Project	Permissible Limit	Baseline ($\mu\text{g}/\text{m}^3$)	2017		2018		2019	
			Min ($\mu\text{g}/\text{m}^3$)	Max ($\mu\text{g}/\text{m}^3$)	Min ($\mu\text{g}/\text{m}^3$)	Max ($\mu\text{g}/\text{m}^3$)	Min ($\mu\text{g}/\text{m}^3$)	Max ($\mu\text{g}/\text{m}^3$)
MRT201	75 $\mu\text{g}/\text{m}^3$ (24 hours)	<1	<1	12	<1	<1	<1	<1
LRT3 GS07&08		<0.5	-	-	<0.5	<1	<0.5	1

Carbon Monoxide COx

Project	Permissible Limit	Baseline ($\mu\text{g}/\text{m}^3$)	2019	
			Min ($\mu\text{g}/\text{m}^3$)	Max ($\mu\text{g}/\text{m}^3$)
MRT201	10 $\mu\text{g}/\text{m}^3$ (8 hours)	<0.5	1	2.1
LRT3 GS07&08		0.9	0.8	2.4

MANAGING OUR ENVIRONMENTAL IMPACTS (CONT'D)

Noise Monitoring

Noise pollution from construction activities involving the use of heavy machinery, tools and equipment affects the health of the public and construction workers. We are, therefore, instituting measures to control excessive noise exposure including the installation of noise barriers and limiting work activity at night and engage with local communities on efforts to mitigate noise pollution.

Noise monitoring is conducted on a monthly or quarterly basis and in some instances on weekly basis. Based on the readings recorded across our construction sites as listed below, our average noise levels are largely within the general limit and baseline value.

Project	Noise Monitoring (Day) General Limit: 65 dB		Noise Monitoring (Night) General Limit: 55 dB	
	Baseline	Average	Baseline	Average
MRT201	66.2	66.9	62.2	62.1
LRT3 GS07&08	68.3	67.2	63.8	64.5
SMCSJ	62.2	65.1	65.5	60.4
SCME	65.9	67.4	60.9	60.2
RC 1	66.4	60.5	62.8	50.1
Big Box	64.2	57.0	53.2	45.8
Parcel F	60.6	62.3	50.0	53.2
SMC 4	65.2	67.3	58.6	59.7
SMCV	69.0	66.5	62.6	61.4
KJ P1	61.2	59.5	-	-
3C4	-	69.3	-	61.5
GDC P2	-	62.9	-	62.4
SV 2	60.5	66.9	55.2	53.8
SMC 4 Annex	62.1	66.5	60.1	53.4
TNB 2C	50.3	55.2	48.2	52.2
7MD7	61.0	60.3	57.0	54.2
PNLC	60.8	64.9	54.6	57.2

Water Monitoring

303-2, 306-1

Our construction activities generate surface water runoff which is discharged into water bodies within or adjacent to project sites. We conduct monthly monitoring of total suspended solid (“TSS”) at final discharge points to ensure its levels are within DOE limit or Conditions of Approval's compliance limit.

Project	Compliance Limit	Average Baseline	Minimum	Maximum
MRT201	150 mg/L	10.7	2.0	105.0
LRT3 GS07&08	50 mg/L	27.0	14.0	167.0*
SMC 4	100 mg/L	100.0	3.0	90.0
RC 1	100 mg/L	5.0	2.0	14.0
SV 2	150 mg/L	21.0	6.0	19.0
PNLC	150 mg/L	8.0	5.0	432.0*

* High reading arise from one-off event due to upstream activity at LRT3 GS07&08 and monsoon season at PNLC

In the event of high TSS readings detected at any monitoring stations, we take immediate remedial actions to rectify the issue and conduct evaluation on the current management measures to prevent recurrence.

Silt Trap

The silt trap, a temporary ponding area built to collect and store sediment from water runoff, helps to filter water prior discharge into water bodies. The trap requires frequent maintenance to ensure efficient filtration of sediment from water runoff. We monitor the TSS of water discharged from the silt trap on a fortnightly or monthly basis. Although the TSS concentration levels in some of the silt trap discharges from our projects listed below complied with DOE's limit, the samples collected from the MRT201, LRT3 GS07&08, SMCSJ, SCME and KJ P1 projects recorded levels exceeding the compliance limit. The high TSS concentration observed was largely due to heavy rainfall and ineffective design of silt traps. In mitigation, we conducted silt trap maintenance works and redesigned and rebuilt some of the silt traps.

Project	Compliance Limit	Average Baseline	Minimum	Maximum
MRT 201	50 mg/L	50.0	No discharge	114.0
LRT3 GS07&08	50 mg/L	12.7	No discharge	94.0
SMCSJ	100 mg/L	290.0	No discharge	480.0
SCME	100 mg/L	75.0	No discharge	136.0
RC 1	100 mg/L	71.0	5.0	36.0
Big Box	50 mg/L	16.0	No discharge	0
Parcel F	50 mg/L	50.0	No discharge	49.0
KJ P1	100 mg/L	125.0	No discharge	146.0
SV 2	100 mg/L	109.0	No discharge	74.0
SMC 4 Annex	100 mg/L	0	No discharge	59.0
7MD7	50 mg/L	-	2.0	10.0
TNB 2C	100 mg/L	-	<5.0	69.0
PNLC	100 mg/L	-	No discharge	38.0

Chemical Management

306-3

We ensure that occurrences such as chemical spills and leakages do not take place at our project sites as this will potentially lead to surface water, groundwater and soil contamination.

At SunCon, we comply with the legal requirements for chemical classification, labelling, handling and storage, as well as the implementation of best management practices to mitigate pollution across all our project sites. In 2019, we recorded zero incidences of major chemical spillage at our project sites.

CLIMATE RESILIENCE

SunCon recognises the risks posed by climate change on its operations. Our focus for 2019 was to reduce and monitor emissions from our activities that may contribute to greenhouse gas (GHG) including operations at construction projects, transportation of building materials and use of heavy machinery at project sites.

MANAGING OUR ENVIRONMENTAL IMPACTS (CONT'D)

ENERGY MANAGEMENT

302-1, 302-3, 302-4

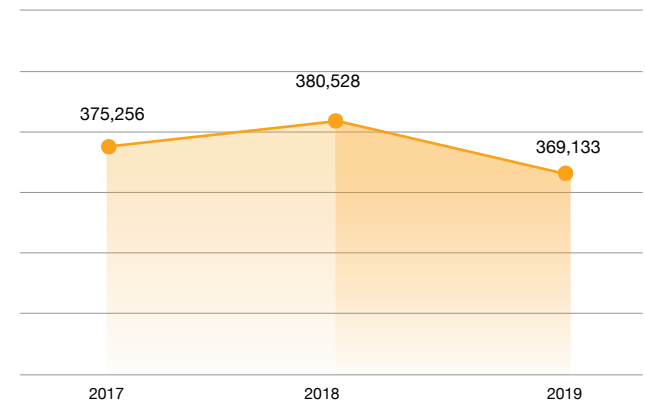
SunCon uses direct and indirect sources of energy such as electricity from the grid and diesel for machineries and vehicles at our construction sites. We monitor energy consumption to ensure efficient use and detect energy wastage in business operations.

We promote efficient use of electricity by posting signage that encourage employees to use electricity wisely. The Company is in the midst of examining the feasibility of installing solar panels at project site cabins. This effort aims to reduce our dependency on fuel, especially generator set (genset) which uses diesel to generate energy. The adoption of renewable energy through the use of solar panels will lead to reduction in carbon footprint.

Electricity Efficiency

In 2019, we have begun to install motion sensor lights at headquarters focusing on areas that have medium-to-low movement of people. Our electricity intensity at headquarters was 154.39 kWh/m² with 3% decrease in energy consumption compared to last year. This decrease is reflected from the installation of motion sensors, reducing consumption.

Electricity Consumption At Headquarters, kWh

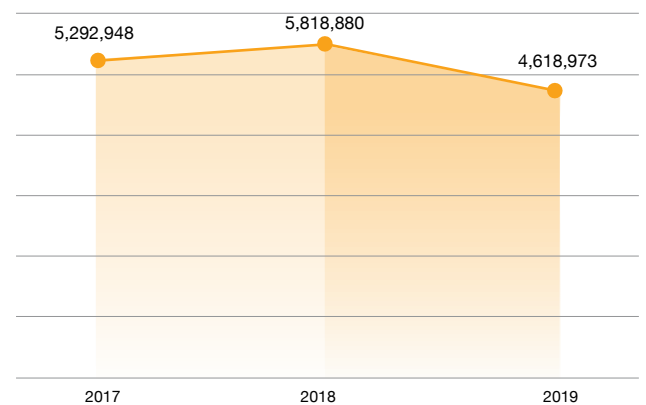


Moving forward, SunCon will embark on monitoring the electricity consumption at project sites.

Diesel Efficiency

At our construction sites, we depend on diesel to generate electricity and for fuel for heavy machinery and vehicles. In 2019, we recorded a 21% reduction in fuel consumption. 2019 marks our first year of reporting fuel intensity, which was 3.53 L/m² across our project sites. Henceforth, we aim to regularly monitor our fuel intensity and after studying our fuel consumption behaviour, we plan to formulate key performance indicators (KPI) to optimise consumption.

Diesel Consumption At Sites, L



Machine Renewal and Revitalising Programme

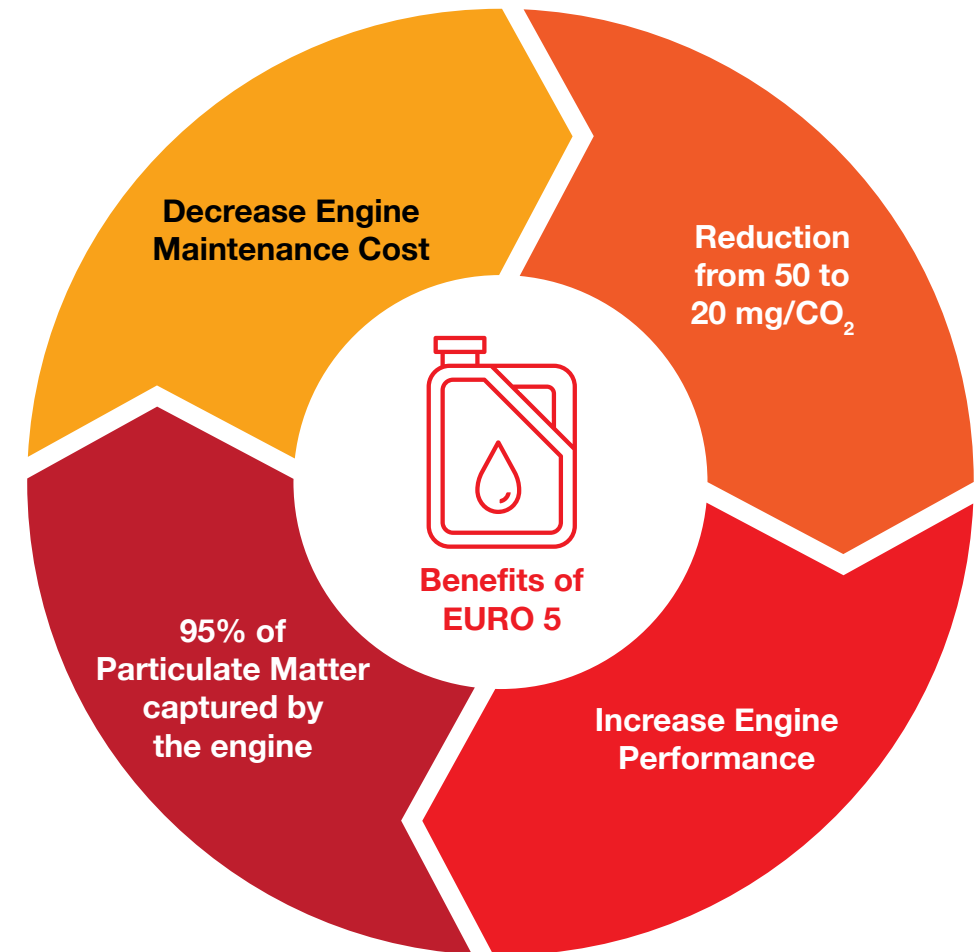
SunCon continues to invest in its Machine Renewal Programme where we periodically replace our machinery with those that are more energy efficient, i.e. with reduced fuel consumption and exhaust emissions. In 2019, the percentage of machineries that were 5 years or less was approximately 45%.

Our Revitalisation Programme which complements the Machine Renewal Programme aims to replace machine parts to prolong the lifespan of the machine. Typically, parts are replaced when they exceed 10,000 hours of operation. This is part of our preventive maintenance programme to avoid major breakdowns that can delay our projects.

Efficient Fuel Initiatives

As per the Company's policy, 35% of 213 company-owned vehicles were powered by Euro 5 diesel which emits lower carbon/CO₂ emissions. The use of Euro 5 diesel not only improve fuel efficiency but also extends the vehicles' engine life.

Euro 5 limits pollutants that are considered harmful to human health such as carbon monoxide (CO), hydrocarbons (HC), nitrogen oxides (NOx) and particulate matter (PM). It further tightens the limit on particulate emission from diesel engines which had hitherto needed the use particulate filters.



Tracking of electricity and diesel consumption is used to estimate carbon emission from Company operations. The carbon emission disclosures are described in the Emissions section.

MANAGING OUR ENVIRONMENTAL IMPACTS (CONT'D)

EMISSIONS

305-1, 305-2, 305-3, 305-5

Our strategy in this aspect is to continue working closely with policy makers, strategic partners and our stakeholders to decarbonise operations.

The GHG Protocol Corporate Standard classifies a company’s direct and indirect emissions into three scopes and SunCon’s GHG emissions have been categorised into these three scopes.

Scope	Category	Indicator Measured	Emissions Sourced
1	Direct Emissions	Company owned vehicles and machineries	Company owned controlled resources
2	Indirect GHG Emissions	Electricity	Purchased energy
3	Other Indirect GHG Emissions	Air Travel	Transport not owned by company

SCOPE 1

Diesel is mainly used by heavy machinery that requires high consumption of fuel such as backhoe, cranes and

vehicles at the site with high consumption of fuel. Although carbon emissions at our operation sites have fallen slightly, this reduction needs to be sustained in all upcoming projects.

We are currently utilising Katsana Fleet Management System solution in all our lorries, which includes lorry cranes, water truck, tipper truck, trailer and low loader. The installation of Global Positioning System (GPS) tracking allows for efficient fleet management and helps us track driver performance, vehicle performance and maintenance cost.

Some of the advantages of the Katsana Fleet management System are:

- Refuelling and fuel siphoning

Area restriction/ geofence

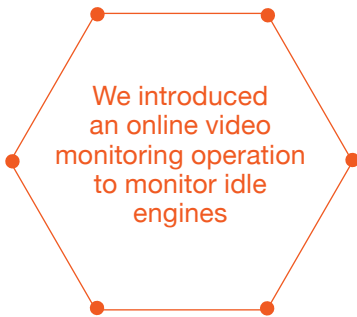
Speed limit

Live GPS tracking

Operator travel log and route history

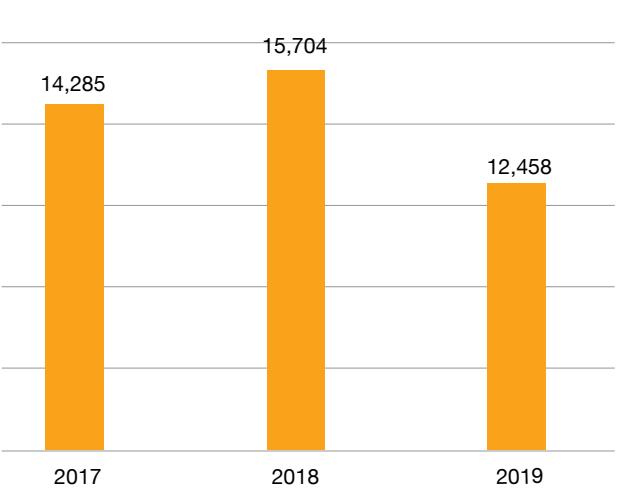
Fleet violation summary

Create driver profile and behaviour



In 2019, we replaced the use of industrial gas oil (IGO - B7) diesel with automotive gas oil (AGO) resulting in a reduction of CO₂ emissions/km by 50%. We will continue to monitor the advantages of using AGO in terms of reducing CO₂ emissions from our machine fleet.

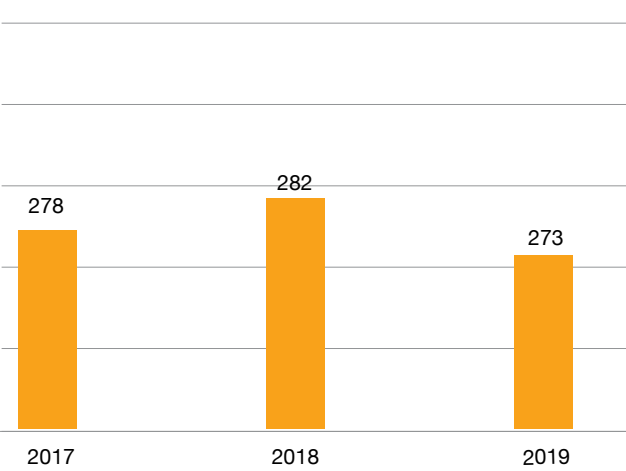
CO₂ Emissions from Company-owned Machineries, Tonnes



SCOPE 2

In 2019, our disclosure for Scope 2 CO₂ emission (i.e. purchased electricity) covers only Sunway headquarters. Based on the results, there was a reduction in Scope 2 CO₂ emission during the reporting period.

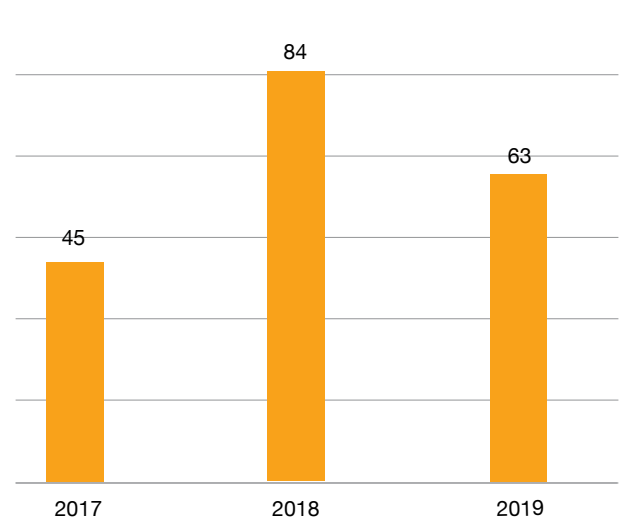
CO₂ Emissions from Purchased Electricity (HQ), Tonnes



SCOPE 3

Air travel for business involves the use of aircraft that are not owned or controlled by SunCon. In 2019, there was a reduction in business-related trips as we organised more video conference and virtual meetings in an effort to reduce carbon emissions.

CO₂ Emissions from Air Travel, Tonnes

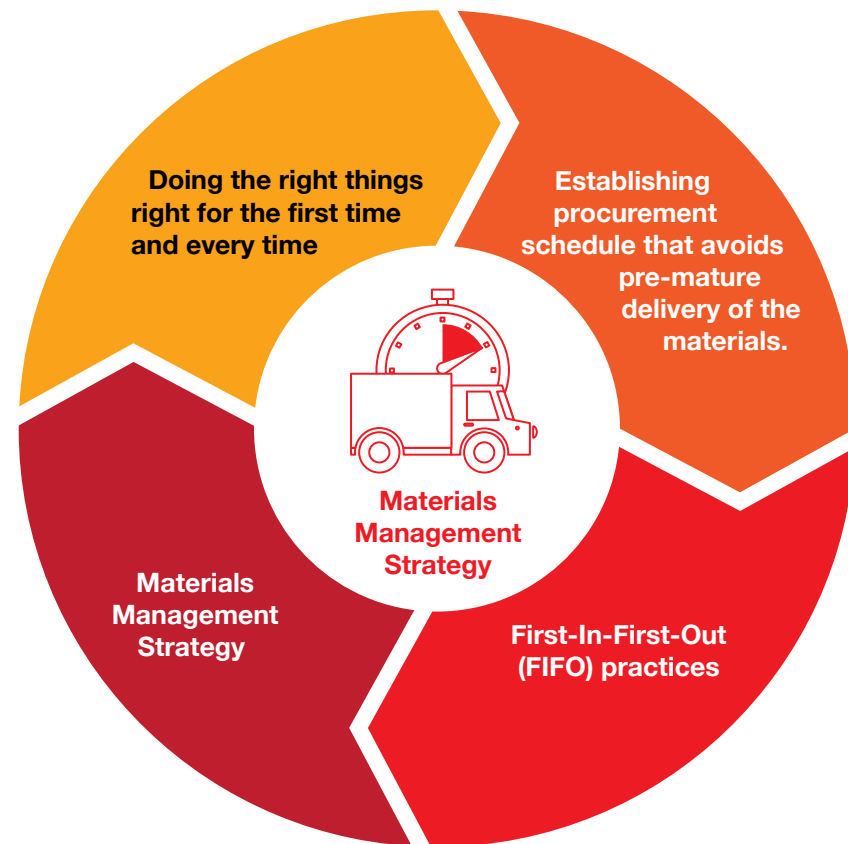


MANAGING OUR ENVIRONMENTAL IMPACTS (CONT'D)

MATERIALS MANAGEMENT

301-1

Sustainable construction material in buildings has greater reusability and reduces dependency on natural resources. It increases industry efficiency as these materials are readily available in the global market. SunCon manages materials by adopting a structured Management Strategy to guide and ensure the sustainable consumption of materials.



In our journey towards green and sustainable construction, we endeavour to use of environment friendly materials, which reduces energy consumption at construction sites, promotes conservation of non-renewable resources and reduces our environmental impacts.

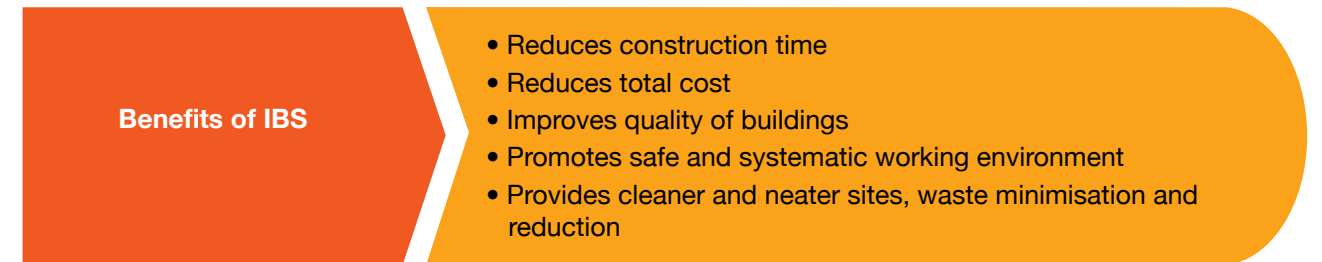
We also monitor the amount of building material used in every project to ensure sustainable sourcing and to maintain building costs. With each project, we encourage innovative construction practices and usage without affecting the quality and durability of building material.

ALC Blocks

ALC blocks represent an excellent type of building material which can resist high temperatures and fire besides being sound resistant. This material is environment friendly as it is easy to shape and reduces the amount of solid waste that will otherwise have been generated, thereby reducing associated carbon dioxide emissions. ALC blocks are lightweight and provide maximum workability, versatility and longevity. These blocks help reduce at least 30% in industrial waste, 50% in greenhouse radiation and over 60% integrated energy on the surface of bricks.

Industrialised Building System (IBS)

The Industrialised Building System (IBS) also known as prefabrication, involves components that are manufactured off-site and requires minimal site work on installation. IBS is a home-grown term to describe the use of automation, mechanisation and prefabrication for making components for the building industry.



SunCon implements the IBS system for non-load bearing walls at KJ P1, RC 1 and SV 2 projects. Benefits of the IBS system include a reduction in time, storage problem, manpower, quality problems, wastage, materials used and housekeeping issues. One of the important aspects of the IBS System is the elimination of working at heights hazard. The percentage of IBS walls in SV 2, KJ P1 and RC 1 are at 70%, 91%, and 100% respectively.

System Formwork

Formwork is the term used for the process of creating a temporary mould into which concrete is poured and formed. Traditional formwork is fabricated using timber but it can also be constructed from steel and glass fibre reinforced plastics.

SunCon uses System formwork with standard prefabricated modular components and a large casting panel. After the modular components are put together, system formwork will suit the required shape of concrete structures. Benefits accrued from using system formwork include a reduction in use of materials, wastage, manpower, time and safety issues. System formwork is also reusable which makes it more economical than conventional formwork.

Low Volatile Organic Compounds Paint as Eco Option

Low Volatile Organic Compounds (VOC) paints are used where possible. This is to avert the release of dangerous substances and fumes from paints and lacquers, paint strippers, cleaning supplies, pesticides, building materials and furnishing, and craft materials including adhesives and permanent markers that emit VOC, which are considered one of the top five risks to human health.

Pavement with Environmental Perks

Our pavement products are sourced from a company which has Singapore's Green Label certification which endorses industrial and consumer products with reduced undesirable effects on the environment.

MANAGING OUR ENVIRONMENTAL IMPACTS (CONT'D)

WASTE MANAGEMENT

306-2, 306-4

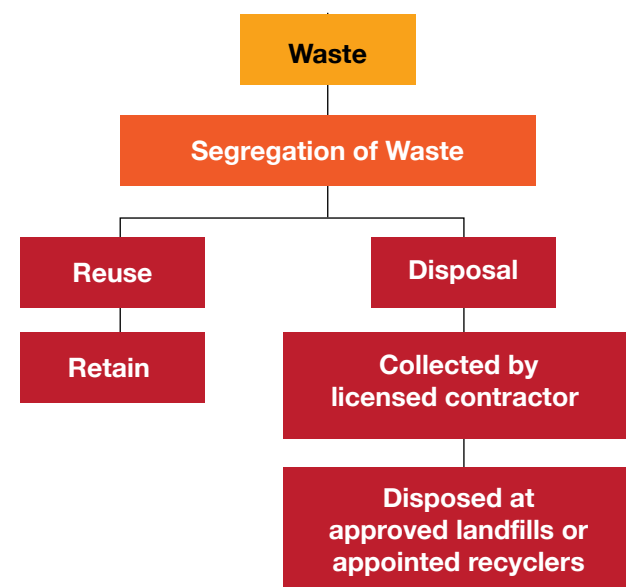
Our business operations involving construction activity and office work unavoidably generate solid waste with environmental impact including the disposal of waste at landfills. The Company takes proactive measures to minimise waste generation leading to lesser environmental impact and cost saving in terms of tipping fees at landfills and transportation for waste disposal.

We generate hazardous and non-hazardous waste. Hazardous waste is waste regulated under the Environmental Quality (Scheduled Wastes) Regulations 2007 and non-hazardous waste comprises domestic waste, construction waste and recyclable waste. The recyclable waste is collected by an appointed contractor and sent for recycling.



Reduction of Waste

At both construction sites and headquarters, we encourage waste minimisation practices such as reuse and recycling. We provide recycling (3R) bins for paper, plastics and aluminium across our operations, headquarters and project sites, especially at workers' rest areas and canteens. Recyclables are segregated and subsequently collected by an appointed contractor.



At construction sites, valuable building material such as steel bars, concrete and timber are segregated for recycling purposes. Steel bars are recycled, concrete becomes crusher runs and timber is reused for signage, landscaping and for erecting welfare facilities such as rest areas and barricades for sanitary facilities. This minimises the extraction of virgin raw materials and reduces the amount of waste sent to landfills.

In alignment with the directive from the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), we are progressively ensuring all our project sites are free from single-use plastic.



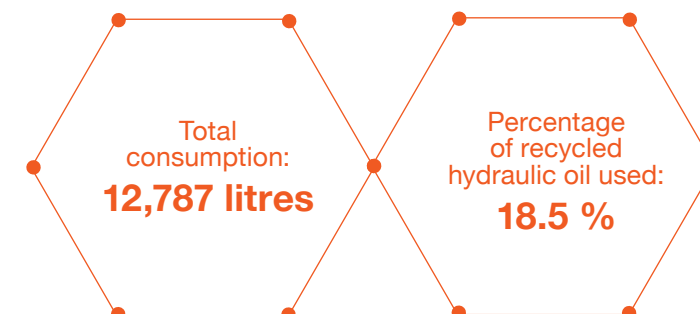
Workers are encouraged to “Bring Your Own Bottle” to minimising single use plastic waste

Recycle and Reuse of Hydraulic Oil

In 2019, we continued to reuse and recycle hydraulic oil from machinery at our construction sites. This has led to minimal soil and water pollution and encouraged the conservation of natural resources. Our idea to recycle hydraulic oil requires hydraulic oil change to take place as per the interval set by the manufacturer in order to prevent the deterioration of the oil. Since this recycling process undergoes thorough filtering processes, there are no additives in the recycled oil and we can only use it for topping up purposes. As for other used oil, we ensure it is disposed as scheduled waste via licensed contractors.

To further extend the reuse of the hydraulic oil, we are considering options such as mixing additives and enhancing our filtration system to increase the frequency of reuse.

Below is the summary of our hydraulic oil consumption:



Construction Waste

The amount of construction waste generated at our projects sites depends on the scale and stage of a project. We ensure our construction practices minimise the amount of waste generated to optimise the use of materials and reduce associated cost for waste disposal. We monitor the amount of waste generated at our project sites in categories such as construction waste, domestic waste, steel bars, concrete and timber.



Designated construction waste disposal bins

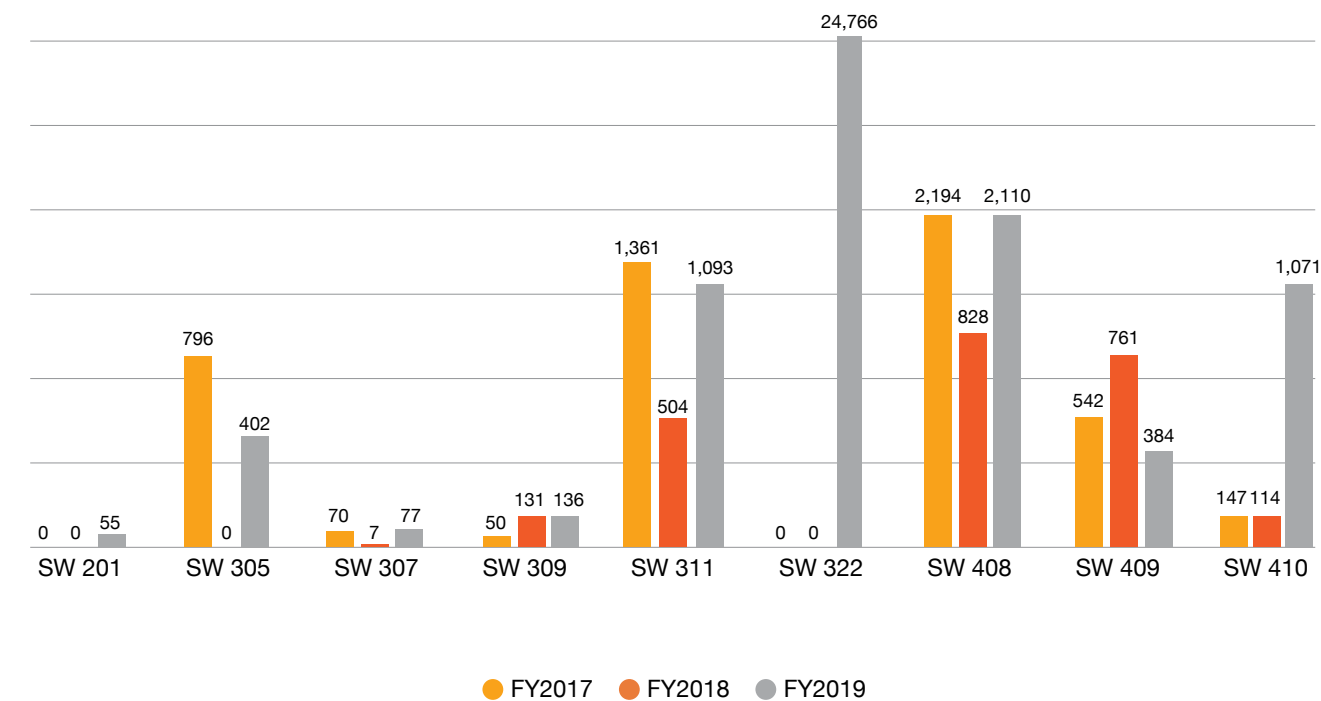
MANAGING OUR ENVIRONMENTAL IMPACTS (CONT'D)

Scheduled Waste

Scheduled waste requires cautious handling due to its hazardous constituents which can have an adverse impact on the environment and public health. Scheduled wastes generated at our project sites are stored, transported and treated according to local laws and regulations.

In 2019, we generated additional type of scheduled waste, SW 201 as a result of demolition works carried out at LRT3 GS07&08 project and SW 322 at GDC P2 project due to replacement of chiller plant. These wastes were managed in accordance to the legal requirement. Generally, the scheduled waste generated in 2019 was higher than waste generated in 2018 due to improved reporting and enhanced awareness from our staff and workers.

Amount Of Scheduled Waste Generated, kg



- SW 201 - Asbestos wastes
- SW 305 - Spent lubricating oil
- SW 307 - Spent mineral oil-water emulsion
- SW 309 - Oil-water mixture
- SW 311 - Waste oil or oily sludge
- SW 322 - Non-halogenated organic solvent
- SW 408 - Contaminated soil, debris or matter
- SW 409 - Disposed containers contaminated with chemicals, pesticides, mineral oil or scheduled wastes
- SW 410 - Rags, plastics or papers contaminated with scheduled wastes

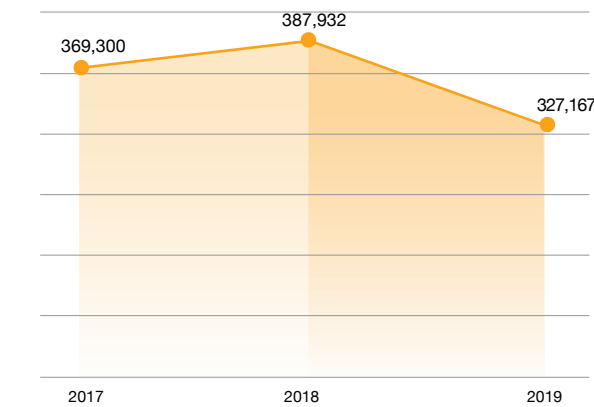
We closely monitor the management of scheduled waste at our project sites and ensure the waste is transported by a licensed contractor to approved treatment facilities prior to disposal.

WATER CONSERVATION

303-1, 303-5

SunCon's operations, especially at construction sites, require the use of piped water and water from natural sources. We do not operate in water stressed areas and our operations at project sites practices efficient use of water. Currently, we are exploring alternative water sources and studying the feasibility of rainwater harvesting at our project sites, whereas for dust suppression and road work cleaning, we reuse water from silt traps.

Water Consumption at Sites, m³



Timber waste is reused for various facilities on site

PROTECTING BIODIVERSITY

103-2

Biodiversity of wildlife, plants and their habitats provide salient ecosystem services which create a natural environment conducive for the coexistence of man and nature. Development can take place, while possibly having a major negative impact on biodiversity, and can also lead to enhancing of property value if done with care. It has been observed that property values increase with the provision of green spaces in developed areas.

SunCon does not operate in areas of high conservation value or biodiversity critical sites. The Company acknowledges the importance of protecting the natural environment in areas where our construction sites are located. If require, we conduct biodiversity assessments to identify sensitive or high value flora and fauna species and and if the biodiversity value is high, we are required to obtain relevant approval especially on biodiversity management prior to the commencement of construction activity. We continuously monitor the impact of business operations on the environment, during the development stages.



EMBEDDING SAFETY, INNOVATION AND QUALITY IN CONSTRUCTION

To create a safe and healthy working environment for all employees and safeguard public safety whilst maintaining quality construction.



SAFETY AND HEALTH

403-1, 403-8

At SunCon, we value safety, health and welfare of our employees, general public and communities at areas where we operate by promoting a culture where safety and health is a vital element of our operations. The tenets of our Quality, Environment, Safety and Health (QESH) Policy serve as the guiding principles to ensure the hazards and risks that arise from our construction works are minimised to as low as reasonably possible, continually safeguarding those who work with us and around us. With strategic and measurable ESH objectives and targets in place, we strive to develop, incorporate and maintain good workplace safety and security, health and environment friendly practices in tandem with our corporate core values, vision and mission.

- QESH Policy

It is the policy of SunCon Group of Companies to meet and satisfy the quality, environmental, safety and health requirements of its clients through the following:
- To ensure that all staff are effective, efficient and consistent in the performance of their duties and responsibilities by providing requisite leadership, training, support and motivation.
 - To optimise total costs by doing things right the first time and every time.
 - To strive towards a ZERO life loss at all project work sites.
 - To continually improve and innovate to achieve the highest standards of work quality and service excellence.
 - To comply with applicable, environmental, safety and health laws, legal and other requirements.
 - To prevent environmental pollution, managing construction waste and conserving resources through environmental aspects and impacts evaluation, implementing operational controls and training.
 - To prevent accidents, near misses and health hazards through systematic hazard identification, risk assessments, determining controls and training.

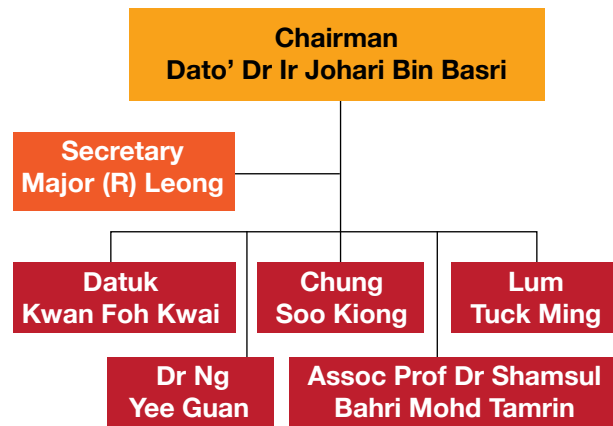
Our Commitment to Good ESH Governance

For reporting this year, we have consolidated material matters: “Public Safety” and “Occupational Safety and Health” into a material matter: “Safety and Health” to ensure exhaustive disclosure on safety and health. This material matter has been one of our top priorities for the past 3 years. To demonstrate our commitment to championing safety and health in our business operations, the stewardship of this material matter is driven by our BOD itself.

High Level Environmental, Safety and Health Council (HLEC)

In 2019, the HLEC continues to lead the development and implementation of ESH approaches and policies aimed at improving the quality of SunCon’s ESH performance. Led by Dato’ Ir Johari Bin Basri, our Senior Independent Non-Executive Director of SunCon Group, who assumes the role as the Council’s chairman, joined by Mr. Chung Soo Kiong, Managing Director of SCG, Datuk Kwan Foh Kwai, Advisor of SCG and subject experts from the industry; the Council regularly visited work sites and had three meetings in the year under review. The HLEC discusses issues such as emerging challenges in ESH legal requirements and implementation within the construction industry and across the company, corrective and preventive actions arising from accidents and incidents, strategic directions and approaches for continual improvement in ESH matters.

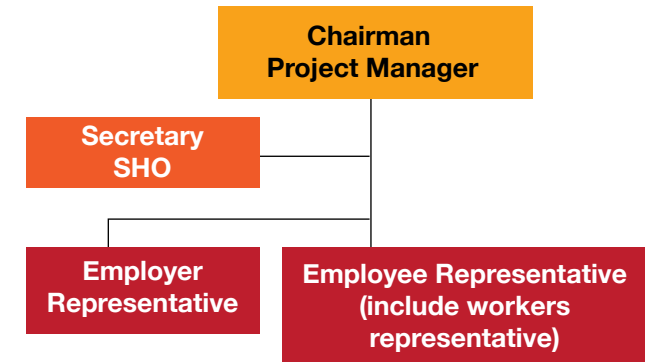
HLEC Structure



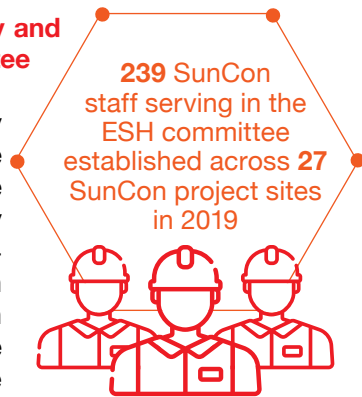
Environmental, Safety and Health (ESH) Committee

403-4

SunCon continually adheres to the requirements of the Occupational Safety and Health Act 1994 (OSHA 1994) which requires the formation of an ESH committee should there be more than 40 people employed at the workplace and appointment of Safety and Health Officer (SHO) for projects with a contract sum of more than RM 20 million. As such, there is an ESH committee at every SunCon project site with the Project Manager assuming the position of the chairman of the Committee while the SHO assumes the position of Secretary in the Committee.



The members of ESH committee consist of employer and employee representatives from both SunCon and our subcontractors in accordance to requirements stipulated in OSHA 1994, where every member is appointed officially. The ESH committee meets on a monthly basis with discussion centred on the environmental, safety and health issues faced at workplaces, as well as development and implementation of short and long-term action plans to address ESH findings arise from workplace inspections and audits.



EMBEDDING SAFETY, INNOVATION AND QUALITY IN CONSTRUCTION (CONT'D)

Our Strategy to Environmental, Safety and Health Stewardship
403-2

At SunCon, Environmental, Safety and Health is Our Passion, Our Pride. In essence, we are committed not only to provide an environment friendly, safe and healthy workplace, but also to promote the well-being of communities around us, in compliance with applicable ESH regulations and directives. Our steadfastness in ensuring highest ESH standards in our business operations is reflected through a structured hazard identification, prevention and mitigation process, which requires strict adherence by staff and subcontractors' workers while conducting works at our project sites. Our management approach is through the integration of strategy at all stages of design, delivery and management of operations.

- 1.Compliance to ESH statutory requirements

 - Occupational Safety and Health Act (OSHA) 1994
 - Factories and Machinery Act (FMA) 1967
 - Environmental Quality Act (EQA) 1974
 - CIDB Act 520
 - All related regulations and guidelines
- 2.Safe Work Method Statement which incorporates work method statement, resources management, Hazard Identification, Risk Assessment and Risk Control (HIRARC) and Environmental Aspects and Impacts assessments
- 3.Implementation of Permit to Work System

 - Working at heights
 - Lifting
 - Confined Space
 - Excavation
 - Hot Work
 - Night Work
 - Traffic Diversion
 - Blasting
 - Concreting
- 4.Provision of safe system of work through implementation of best management practices incorporated in SunCon Minimum Requirements (SCMRs)

- 5.Compulsory Induction prior to work on-site. Pre-Task-Talk / Special Toolbox Briefing to all personnel involved in construction activity prior to work commencement
- 6.Continual learning through awareness and on-the-job training especially on high risk activities such as working at height, lifting, and excavation, among others.
- 7.Compulsory Personal Protective Equipment (PPE), but not limited to:
 - Safety helmet with chin strap
 - Full body harness
 - Reflective vest
 - Safety footwear
 - Hearing protection and ear plugs
 - Eye and face protection
 - Hand protection
 - Dust mask



Edge protection to prevent person falling from height



Morning toolbox at TNB HQ Campus project

Safety and Health Accident and Incident Management

We work closely with our employees and contractors to deliver the best quality in class buildings and approaches to safety and health. Our aim is to maintain zero life loss at workplaces and ensure more robust controls are in place to reduce risk as low as reasonably practicable. As such, we ensure that every accident and incident that occurs are investigated thoroughly to identify its root causes to help us in mapping prevention strategy and improvements. Our internal guidelines on handling accidents and incidents at our workplaces are in accordance to the requirements stipulated in:

- Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (NADOPOD) Regulation 2004
- OHSAS 18001:2007 Clause 4.5.3
- ISO 14001:2015 Clause 10.2

Report findings and lessons learned are communicated and disseminated to all levels through our daily toolbox meetings at work sites, safety alerts, ESH committee meetings and sharing sessions on site.

The incident and accident statistics throughout our ongoing projects from 2017 to 2019, and our safety performance in 2019 against SunCon targets is shown in the Sustainability Performance table. Our statistics consider accidents transpired and the man-hours generated by staff, direct workers and subcontractors' workforce from all our project sites in 2019.

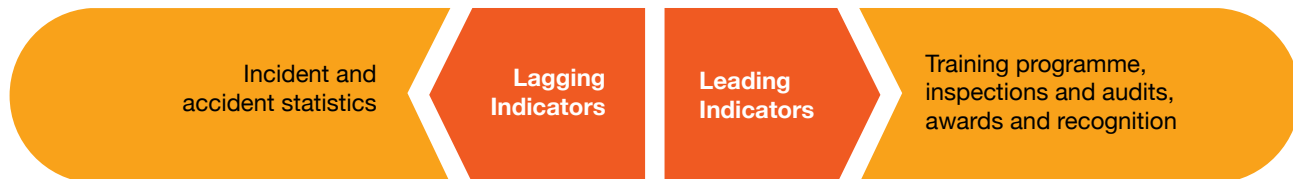
EMBEDDING SAFETY, INNOVATION AND QUALITY IN CONSTRUCTION (CONT'D)

MEASURING SAFETY AND HEALTH PERFORMANCE

403-2, 403-5

“Quality, Environment, Safety and Health, Our Culture, Our Shared Commitment”

In 2019, we have streamlined our corporate safety and health key performance indicators (KPI) with the intention to provide insights for better targeted plans and actions so as to uphold our objective “To achieve ZERO life lost at all project sites”.



Lagging Indicators:

• Incident and Accident Statistics

SunCon defines Lost Time Injury (LTI) accident as undesirable occurrence resulting in injury, preventing any person from performing his normal occupation for 4 calendar days or more as guided by the OSH (NADOPD) Regulations 2004. In 2019, our Accident Frequency Rate (AFR) or also known as Lost Time Injury Rate (LTIR) reduced to 0.06 from 0.10 in 2018. Despite the positive improvement, one subcontractor worker lost his life in 2019. The fatal accident was subjected to a thorough investigation and reviewed by our Top Management and further reviewed by SunCon High Level ESH Council and the Board of Directors to ensure lessons learnt are promulgated across the Company.

Leading Indicators:

• U-See-U-Act Program (UCUA)

Launched and implemented since July 2019, the UCUA program aims to create a platform for staff and workers to report any unsafe act, unsafe conditions and environmental concerns observed on site. At its core, UCUA serves as an instrument to inculcate and drive sustainable ESH culture by sharing the responsibility and accountability in creating a safe workplace for stakeholders on site.



Achievement in 2019:

1,042 findings were recorded and resolved within agreed time frame.



Site walk and inspection at Petronas New Leadership Centre project



Mr Cho Chun Fai, Project Manager, Parcel F was awarded MBAM Safety and Health Award for Site Personnel during the MBAM Annual Safety and Health Conference 2019. The award is presented to a person who has shown high commitment to the implementation of Safety and Health at construction site(s)

• Best ESH Management Practices

To demonstrate that we walk the talk, we strive to creating and implementing best ESH management practices. These practices were designed in accordance to legal requirements and outcome from the Hazard Identification, Risk Assessment and Risk Control (HIRARC) process and are embedded into the SunCon Minimum Requirement (SCMR). The essence of SCMR is to document these practices for ease of standardisation across all our project sites and are reviewed periodically to ensure they remain relevant in the face of advancement in construction methodologies.



Achievement in 2019:

5 SCMRs were launched and updated

• Inspection And Audits

In 2019, we continued our journey in Sunway Safety Merit System (SSMS) which acts as a tool to measure project ESH performance on a monthly basis. Inspections are carried out by internal inspectors across all active project sites through a set of inspection criteria where the scores and inspection findings are routinely tracked and analysed. These findings are reported to respective head of division on monthly basis, while the summary is presented in the annual Management Review Meeting (MRM).



Achievement in 2019:

Average OSH inspection score 83.2%
Environmental score 84.4%

SunCon is certified to OHSAS 18001:2007 since 1999 which covers operation of all SunCon project sites and has been reassessed by external auditors periodically

EMBEDDING SAFETY, INNOVATION AND QUALITY IN CONSTRUCTION (CONT'D)

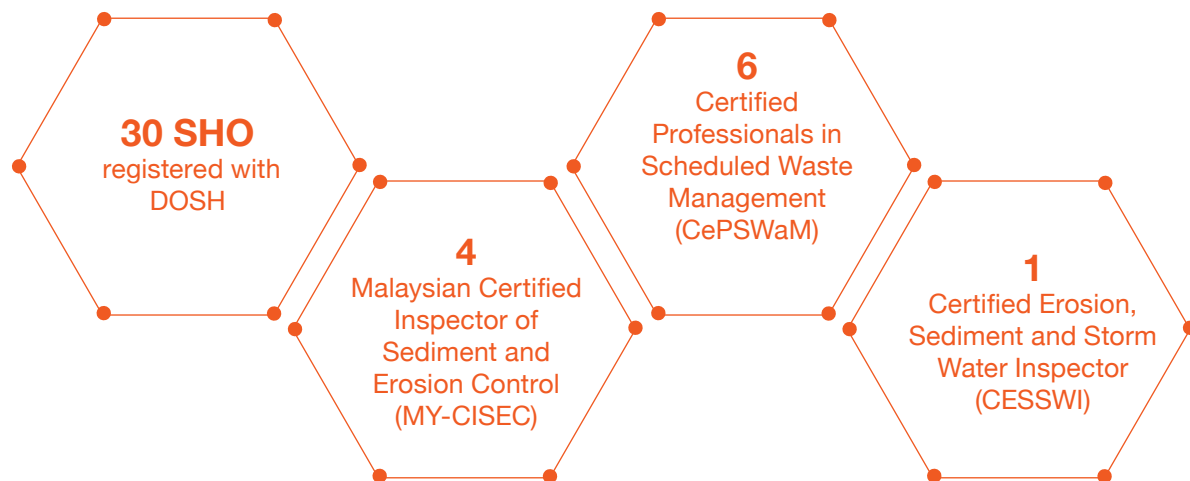
• Training & Awareness Programme

In 2019, we have streamlined our ESH training programme under the SunCon Learning Framework (SLF) which is developed from a comprehensive Training Needs Analysis (TNA) conducted throughout the company. Under this framework, SunCon staff are required to attend 3 compulsory training programmes: Construction (Environmental), Occupational Safety and Health Training (COST), Scaffold Awareness Training (SAT) and Lifting Supervisor training, besides the compulsory Induction training prior to working on site. The training modules are crafted to close the gaps that arise from our accidents and incidents trends, as well as the inspection and audit findings. In addition, targeted training are also conducted for our workers and subcontractors specific to the nature of their job scope through both formal and informal training. Formal training is a classroom training which includes awareness and competency training (such as signalman, rigger, Authorised Entrant and Standby Person (AESP) for confined space works) whilst informal training is usually conducted on site such as on-the-job training and Pre-Task Talk.



Achievement in 2019:
Staff trained – COST 116 | SAT 42 | Lifting Supervisor 92

For more information on other ESH training, refer to page 171 for SunCon Capacity Building.



• Awards and Recognition

The Malaysian Society for Occupational Safety and Health (MSOSH) gives due recognition to organisations which have achieved commendable safety and health records and shown improvement in occupational safety and health processes. Participation in MSOSH provides an opportunity for our project sites to be inspected by subject experts, giving us a third lens into the ESH performance of our workplaces.

Achievement in 2019: At the MSOSH OSH Awards 2018 ceremony, several SunCon projects received Gold Class I, Gold Class II and Silver Awards.



ADDRESSING HEALTH AND PUBLIC SAFETY

We acknowledge that risks created from our construction activities are not only affecting the internal workforce, but also members of the public who are near or adjacent to our property boundary or to any public areas where our activities are being carried out.

• Traffic Management Plan

Besides the Project Environmental, Safety and Health Plan as well as our Safe Work Method Statements, Traffic Management Plans were established based on legal requirements and technical guidelines in relation to road safety to ensure hazards and risks arising from road diversions and road closures are identified, controlled and reduced to a level of as low as reasonably practicable. The implementation of Traffic Management Plan is monitored by a trained and competent Traffic Management Officer.

• Lifting Plan

As some of our activities involve lifting of materials in close proximity to the communities around us or to public road users, a comprehensive and approved Lifting Plan is mandatory prior to work commencement at our project sites. This is to ensure the works are conducted in a safe manner without jeopardising the safety of others. We recognise that public safety is as important as workplace safety and continually strive to maintain our records of ZERO accidents involving public.

Criteria for Lifting Plans

- Detailed calculations of lifting activity
- Competency of lifting crew (operator, signalman, rigger)
- Availability of competent lifting supervisor
- Safe Work Method Statement (including sketch of lifting zone)
- Crane specification (load charts, working radius and etc.)
- Crane's Certificate of Fitness
- Lifting gears certificates
- Traffic Management Plan (if required)

• Complaint Management System (CMS)

Complaint Management System (CMS) has been established for MRT201 and LRT3 GS07&08 projects which serves as a platform for public road users to lodge feedback on issues encountered along the project alignment or any inconveniences caused by our construction activities. All feedback received are managed effectively by the project team members, which include engaging stakeholders to find a practical and satisfactory solution for both parties. The CMS is monitored by our Project Delivery Partner (PDP), where the response time and time frame for complete rectification KPIs are set for all Work Package Contractor (WPC). In 2019, SunCon received 284 feedback from MRT201 and LRT3 GS07&08 project respectively, and all feedback was managed and rectified within the stipulated time frame.

In cases where our projects are not included in the CMS, regular engagement sessions with representatives from communities around us are conducted to manage their needs and expectations as part of our grievance management processes.

• Health and Welfare of Our Workers

At present, the construction industry remains highly dependable on foreign workers and it is therefore important for us to ensure our foreign workers are free from carrying any communicable diseases. We, at SunCon strictly adhere to the requirements of Immigration Act 1959/63 where all foreign workers shall be screened for Malaria, AIDS/HIV and Tuberculosis before being allowed to work at the project sites. In addition, SunCon strives to comply to Factories and Machinery (Safety, Health and Welfare) Regulations 1970 to put in place welfare provisions such as appropriate Personal Protective Equipment (PPE), first aid room, workers rest areas, temporary sanitary facilities, canteen and labour quarters, among others. Our foreign workers are screened for the following diseases which is tested by Foreign Workers Medical Examination Monitoring Agency (FOMEMA).

Fomema Tests:

- | | |
|---------------|--|
| • Cancer | • Sexually Transmitted Diseases (Syphilis) |
| • Hepatitis B | • Leprosy |
| • Malaria | • Epilepsy |
| • HIV/AIDS | |

EMBEDDING SAFETY, INNOVATION AND QUALITY IN CONSTRUCTION (CONT'D)

• Zero Larvae, Zero Dengue

We continue to promote our “Zero Larvae, Zero Dengue” programme at our workplaces through the implementation of a structured Four-Pronged Anti-Dengue strategy. This strategy was materialised in 2016 and has been continually driving our anti dengue programmes on site, not only to protect our workers, but also the community around us. Despite our effort to totally eradicate dengue at our workplaces, we received 2 notices from the State Health Department in 2019. Since then, we have enhanced current strategies to prevent recurrence of such events.

Four-Pronged Anti-Dengue Strategy

1. Search and Destroy
2. Larvaciding and Fogging
3. Gotong-Royong
4. Anti-dengue awareness and communications

We continue to actively participate in the Communication for Behavioural Impact (COMBI) programme championed by the State Health Department for our workplaces across the country. In fact, our anti-dengue strategies are in line with the COMBI guidelines and have received commendable feedback from the State Health Officers.

INNOVATION

Minimising Construction Waste with Technology

SunCon has invested RM 31 million in cutting-edge Virtual Design & Construction (VDC) technology since 2010 which has enabled us to have better coordination throughout the entire construction stages.

Every step of the VDC process saves time, reduces mistakes, eliminates rework, enhances constructability and improves efficiency in project controls. VDC provides quantifiable savings and benefits to construction workflow resulting in positive impact on sustainability throughout the construction lifecycle.

Upon project close-out, a wealth of operational information can be handed over to the building owner to improve their ability to operate the building at its maximum potential. In this respect, VDC supports the entire philosophy behind sustainable construction and extends beyond design and construction into long-term maintenance and operation of the completed facility.

SunCon has established a VDC roadmap that provides guidance to us in embracing innovation into our construction workflow. We have implemented e-invoicing and e-bidding which has eliminated the use of paper in work processes.

Green Construction and Buildings

As part of our commitment to stakeholders, acquiring the Green Building Index (GBI), Leadership in Energy and Environmental Design (LEED) and GreenRE certifications are the best selling points for our clients. These certifications in a way will lead to a number of benefits for SunCon and allow us and our valued stakeholders to achieve operational sustainability.

In accordance with GBI, LEED and GreenRE certification and accreditations, we continually train and accredit our managers and staff in green design, construction and operations. Our trained professionals are equipped to effectively engage and promote more sustainable living and explore other opportunities. This also ensures that we provide elite solutions and services to clients.

Below are our completed and on-going Green Building projects.

Completed Projects	Details
ISKL	GBI NRNC Platinum
Sunway Pinnacle	GBI NRNC Certified & Green Mark Gold
KLCC Package 2	GBI NRNC Gold and LEED Platinum
PZ10, Everly Hotel & Office	GBI NRNC Certified
Sunway Pyramid Phase 3	GBI NRNC Certified & Green Mark Gold
Parcel F	GBI NRNC Gold (Pending)
Ongoing Projects	
PNLC	GBI NRNC Platinum
TNB	GBI NRNC Platinum
LRT3 GS07&08	GBI NRNC Silver

Solar Capabilities

As a sustainable builder and to further expand our capabilities, we have embarked on the renewable energy sector through establishment of a new subsidiary, Sunway Pekat Solar Sdn Bhd, to provide solar photovoltaic (PV) solutions for large scale solar farms. We have teamed up with Pekat Solar Sdn Bhd, a pioneer in Malaysia's renewable energy field, to develop and implement innovative solar PV solutions to help address the nation's growing need for renewable energy sources. This is in line with the Malaysian Government's plan to increase the use of renewable energy in Malaysia as an initiative to reduce CO₂ emissions by building more large-scale grid-connected solar PV power plants. This venture also complements our integrated construction services business and is a step towards our commitment of achieving carbon reduction and sustainability.

QUALITY MANAGEMENT

416-1

At SunCon, we are committed to deliver to the highest quality by increasing client satisfaction, mitigate risk in project delivery and our supply chain, improve market value and reputation, and improve employee wellbeing and engagement. By doing this we help maintain a sustainable business. In this era of increasing urbanisation and competitive industry, we strive to be the best of the best through continuous improvement and excellent management.

Management Systems

Our Quality, Environmental, Safety and Health Management System has been set up and certified in accordance with requirements by international standards of Environmental Management System Requirements (ISO 14001:2015), Occupational Health and Safety Management System Requirements (OHSAS 18001:2007) and Quality Management System Requirements (ISO 9001:2015).

Client / Consultants Satisfaction Survey (CSS)

Guided by our QESH Policy, we ensure the highest standard of quality by conducting an annual online Client/Consultant Satisfaction Survey (CSS) online.

CSS assessed areas:

- Quality of work

• Planning

• Job knowledge

• Timely completion

• Responsiveness
- Resources

• ESH

• Communication

• Sub-contractor performance

• Overall performance

Subsidiary	Scope	Standards
Sunway Construction Sdn Bhd	Provision of design management and construction services for building and civil engineering works	ISO 9001:2015 ISO 14001:2015 OHSAS 18001:2007
Sunway Geotechnics Sdn Bhd	Provision of design management and construction services for geotechnical engineering works	ISO 9001:2015 ISO 14001:2015 OHSAS 18001:2007
Sunway Engineering Sdn Bhd	Provision of design management and construction services for mechanical, electrical and information technology engineering works	ISO 9001:2015 ISO 14001:2015 OHSAS 18001:2007
Sunway Concrete Products Pte Ltd	Design, production and supply of precast components	ISO 9001:2015 ISO 14001:2015 OHSAS 18001:2007
Sunway Concrete Products Sdn Bhd	Design, production and supply of precast components	ISO 9001:2015

Quality Assessment System in Construction (QLASSIC)

QLASSIC is carried out by the Construction Industry Development Board (CIDB) based on the Construction Industry Standards (CIS 7) to measure the quality level achieved in a completed project, specifically in products workmanship.

2019 QLASSIC Scores

Project	Score
Emerald Residence	79%
Parcel F	77%
SMCV	69%

EMBEDDING SAFETY, INNOVATION AND QUALITY IN CONSTRUCTION (CONT'D)

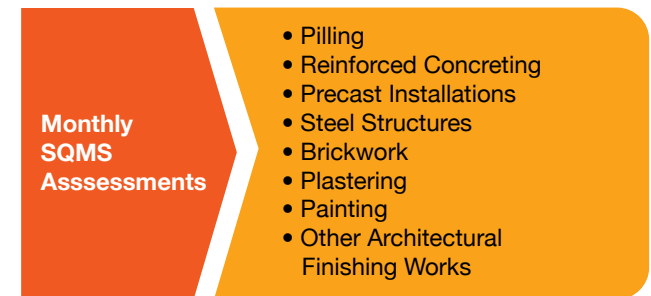
TOTAL QUALITY MANAGEMENT

The company launched the Total Quality Management (TQM) in 2010 to be a leading regional construction and engineering group. We strive to use TQM not only to meet clients' expectations but exceed them and deliver exceptional quality.



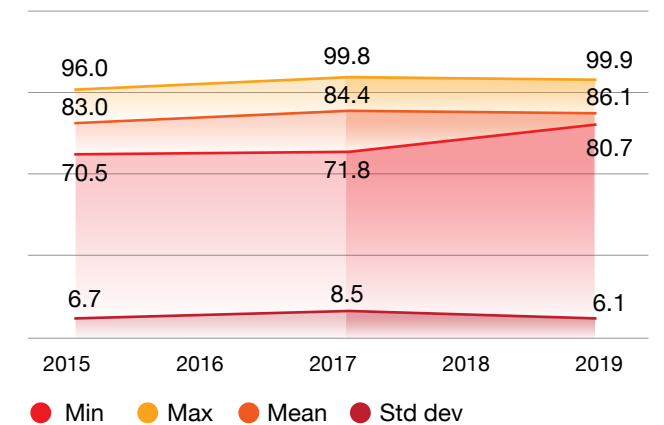
Sunway Quality Merit System

SunCon introduced the Sunway Quality Merit System (SQMS) to ensure systematic measurement of project quality level. SQMS is based on QLASSIC requirements which are known for assessment of product workmanship and also based on ISO 9001 standards known for inspection effectiveness and document records. The system aims to evaluate the quality of product workmanship and management of records on a monthly basis at all our projects to cover the following criteria.



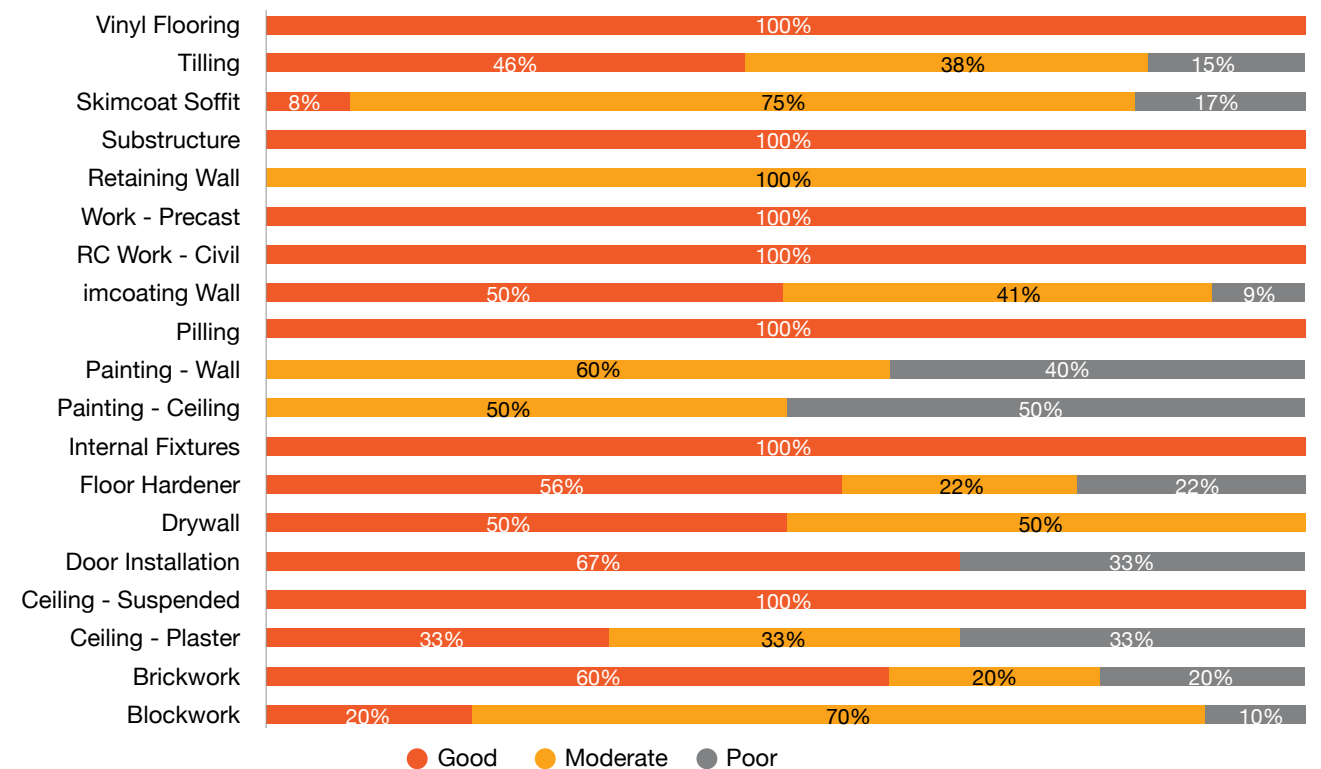
The graph below shows our achievement scores from 2017 to 2019. We note that for this year, our SQMS score improved by 1.7.

Yearly Comparison of SQMS Score



In terms of SunCon's workmanship, we are pleased to disclose that our ratings for blockwork, skimcoat soffit, plastering/skimcoating wall, RC work for Civil and Building divisions have seen an improvement over last year's ratings.

WORKMANSHIP RATING 2019



EMBEDDING SAFETY, INNOVATION AND QUALITY IN CONSTRUCTION (CONT'D)

OPTIMISING OUR WORKMANSIP WHILE PROMOTING SUSTAINABLE FEATURES IN DEVELOPMENT

PARCEL F

SunCon with its 38 years of experience is the builder of the future.

Owing to our expertise in construction, and absolute strength of capability and capacity in innovation especially green building, we strive to enhance building performance in line with the megatrends in the construction industry.



Received Platinum Awards from Putrajaya Holdings (PJH) for outstanding achievement of 8 million man-hours without lost time injury



Recipient of the prestigious Master Builders Association Malaysia (MBAM) Safety and Health Award for Site Personnel for three consecutive years (2017 to 2019)

Designed to integrate occupants, public and surrounding environment, the project was fitted with safety features, green spaces and allocation of connections from indoor to outdoor. Parcel F is a Building Information Modelling (BIM) enabled project where related tools (3D, 4D, 5D, 6D and 7D) were adopted through all project phases, from design and planning, scheduling, estimating, sustainability and facility management. BIM has helped to improve the accuracy, management and integration of multiple project information. The BIM model is further integrated with Facilities Management (FM) solutions, ARCHIBUS, a well-developed FM platform which allows space management, asset management, building operation and maintenance with KPI management, complaints management and condition assessment.

Parcel F, a GBI Gold project, is designed for sustainable water management and energy by incorporating features such as:

- ACMV condensate water recovery which complements rainwater harvesting and grey water recovery for toilet flushing and landscape irrigation system reduces dependency on main water supply

- Solar photovoltaic (PV) system with capacity of 40 kWp and heat recovery wheel reduces electricity consumption
- Daylight sensor and water leak detection system to reduce electricity and water wastage
- Energy Management System to monitor building energy usage including electrical system, air conditioning and mechanical ventilation and water detection system



Night view @ Parcel F, Putrajaya

HUMAN CAPITAL DEVELOPMENT



DIVERSITY AND INCLUSIVENESS

Although the construction industry is a male-dominated sector, we at SunCon do not discriminate on gender, age and ethnicity. Instead, we strive to foster an inclusive work environment for employees where they feel safe and engaged with the management. As stated in our Code of Conduct, we recruit candidates who are best suited for the job.

Diversity and inclusion are about creating a conducive working environment besides combining intellectual prowess for us to flourish as a Company. We also aspire towards a work environment that reflects and values all. Hence, in line with the recommendations of the Malaysian Code on Corporate Governance 2016, we are conscious of women representation in the SunCon's Board of Directors ("Board"). We believe that the diversity in Board composition not only gives added value but also infusion of new ideas and fresh perspectives.

Despite the absence of a policy designed to address gender inequality, the company practices are designed to ensure equal opportunity in terms of training, benefits, remuneration, recognition and career advancement.

Employee gender breakdown strength averages 85% men over the three years listed in the Sustainability Performance table despite efforts to hire based on merit.



Diversity & Inclusion @ SunCon

HUMAN CAPITAL DEVELOPMENT

TALENT RETENTION

202-1, 401-1, 405-2

SunCon is committed to the practice of “equal pay for equal work done’ regardless of employees’ gender, age and ethnicity in line with the SDG 8 goal target of achieving full and productive employment for women and men with equal pay for work of equal value. For this year, we adhere to the National Minimum Wage required salary, which is RM 1,100 effective on 1 January 2019. The salary ratio of men to women pay in 2019 was 1:0.93.

To continually improve the manner of doing business, we conduct a biennial Employee Engagement Survey aimed at gathering employees’ feedback on work experience which includes leadership, workload and career development. Through this process, we are able to identify causes behind employee dissatisfaction and areas that need improvement. In 2019, the survey involved 1,258 employees whose feedback will help us strive to ensure improved employees engagement.

The employee turnover rate in 2019 was 8% for men and 2% for women. This reflects the higher proportion of men employed by the Company. On the other hand, the turnover rate by age shows that employees below 30 and between the ages of 30 and 50 have a greater propensity to leave.

Employee New Hires

In 2019, we hired a total of 270 employees (inclusive of Foreign Workers), of which 91% were men. To ensure all employees understand the Company’s policies, all new employees are informed of SunCon’s policies, procedures and the Code of Conduct during orientation. Subsequently, all employees are then required to pass a series of e-policy online quizzes, which include Sunway e-Policy, Sunway Conflict of Interest Declaration Policy, and Sunway Code of Conduct and Business Ethics. Our staff handbook entails details regarding benefits, allowances and platforms for employee feedback including the grievance mechanism and the sexual harassment policy, both of which the Company takes very seriously. At SunCon, we strictly ensure and have successfully achieved a zero incident of discrimination in 2019.

Employee Benefits

401-2, 401-3

The well-being of our employees is essential to us as they are the driving force behind our Company. We note that when employees feel engaged and valued, they are motivated to succeed and perform better to ultimately contribute to better business performance.

We provide various forms of leave for employees from annual leave, emergency leave, examination or study leave, medical and hospitalisation leave to maternity and paternity leave. In terms of flexibility and to ensure a personal and professional life balance, SunCon offers paternity leave of three days and maternity leave of 60 days to employees.

In 2019, 18 women cumulatively took 1,080 days of maternity leave and of the number, only 2 employees resigned within a year after maternity leave. Where paternity leave was concerned, 73 men took a total 212 days of paternity leave. Of the number, only 2 employees resigned within a year after paternity leave but for non-family related reason.

Sunway’s Employee Assistance Programme (EAP) is a platform where employees can freely discuss challenges that affect their mental health and emotional well-being in a safe and non-judgemental setting. Underpinned by our commitment to SDG 3: Good Health and Well-Being, we strive to provide a nurturing environment where employees are able to exhibit good morale and increase their motivation to contribute better to the Company.

We offer a special staff discount rate at Sunway Group of hotels and properties developed by the Group as well as discount on entrance fee to Sunway Lagoon Theme Park.

In our effort to empower women, we provide facilities for nursing mothers and special parking privileges for pregnant mothers. Extended unpaid maternity leave is also given as an option to mothers. We introduced flexible working hours for working mothers who can start work early and finish earlier in the day.

10 working mothers are using the Flexi Work Arrangement

Foreign Worker Management

The construction industry is labour intensive with the number of foreign workers growing to approximately 40% of our total workforce in 2019. It has been our priority to ensure conducive working and living conditions for all workers including those from abroad. In our foreign workers’ centralised labour quarters (CLQs), we provide proper and safe workers’ accommodation and amenities that include toilets, showers, a cafeteria, a sundry shop, a futsal and table tennis court, cooking bays, washing bays, prayer rooms, 24-hour security and CCTV surveillances and an on-site clinic. We have a total of 5 CLQs in 2019, in which 4 are situated in the Central Region and 1 is situated in the Southern Region.



Training for and with workers

Region	CLQ	Location
Central	CLQ Dengkil	Putrajaya
	CLQ MRT	Sungai Buloh
	CLQ LRT	Klang
	CLQ Subang	Subang
Southern	Cobra Camp	Nusajaya

SunCon has been collaborating closely with CIDB’s development of MS 2593:2015 in improving workers’ wellbeing. Local authorities have been satisfied with the cleanliness and functionality of our facilities with regular inspection of CLQs throughout the year. The SunCon Code of Conduct emphasises a culture of respect, diversity and equal opportunity besides safeguarding the wellbeing and human rights of the workforce.

In relation to wages and compensation, we ensure strict compliance with the Workers’ Compensation (Foreign Workers Compensation Scheme) (Insurance) Order 1996 and/or the Social Security Insurance and/or employer’s Liability Insurance and/or any other insurance with statutory limits as requested by Malaysian law as stated clearly in our Environmental and Social Requirements for SunCon’s Direct Workers, Suppliers, Contractors and Subcontractors. Our respect for human rights is consistent with relevant national laws and the United Nations Guiding Principles on Business and Human Rights in all places that we operate in.

SunCon's Commitment to Human Rights

- Pay at least the minimum wage.
- Do not use child labour.
- Provide associates with a safe and healthy workplace.
- Do not use forced, prison, indentured, bonded or involuntary labour.
- Suppliers and contractors must not allow their workers to work excessive hours.
- Prompt action required by our grievance procedure.
- Prohibit discrimination in hiring and employment practices including gender, race, religion, age, disabilities and nationalities.
- Prohibit physical abuse and harassment of associates and threats of either.

In accordance to our strict adherence to Malaysia’s Employment Act 1955, which is in line with the labour principles of the International Labour Organisation, we ensure that child labour and forced or compulsory labour is strictly prohibited in our operations.

Onboarding Foreign Workers

In 2019, we recruited 141 workers from Indonesia with basic construction skills. They augmented existing 673 foreign workers who had been with us for more than a year.

Length of Tenure	Number of Workers
More than 10 years*	9
6 to 9 years	107
2 to 5 years	158
1 year	399

Upon arrival of foreign workers in Malaysia, they are given an advance allowance of RM500 as daily meal allowances for the first month besides safety and legal briefings by our Safety and HR team. Subsequently, they will go for a medical check-up organised by FOMEMA for certification that they are fit to work. They will also be required to enrol in the CIDB Safety Induction Construction Workers (SICW) Course to obtain CIDB Green Card that permits them to work at construction sites. In addition, they will be registered for accreditation by CIDB to further develop their technical skills. This is to ensure that our manual labour workforce is skilled and productive to increase efficiency at our construction projects. In 2019, approximately 71% of our foreign workers had been accredited to remain competent in the workforce. They are protected under 3 types of insurance schemes (CIDB Insurance, Foreign Workers Hospital & Surgical Insurance and Foreign Workers Compensation Scheme). For outpatient medical expenses, foreign workers can claim up to RM1,500 per year from the project site.

*Note: These workers had a renewal of their visa duration via a Governmental Programme that allowed for their stay above 10 years.

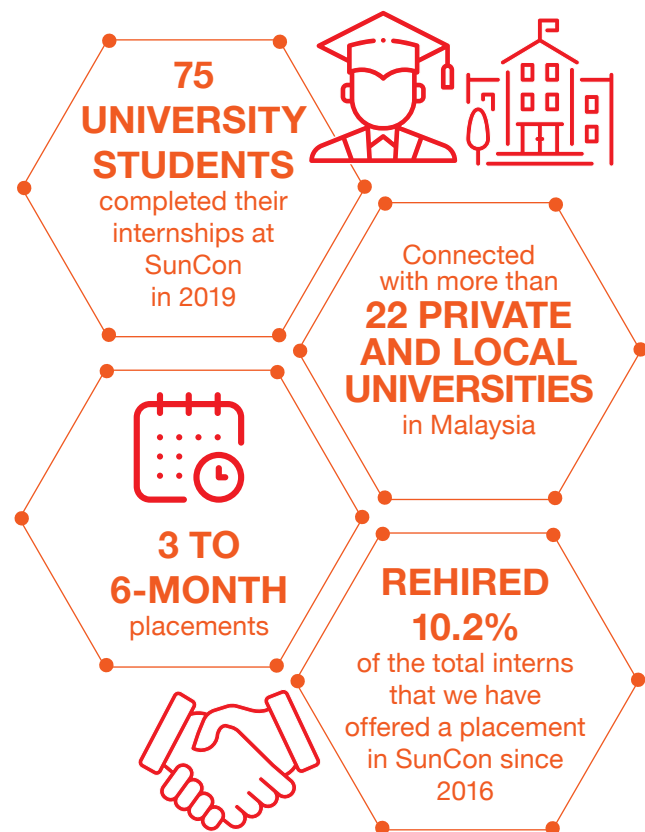
HUMAN CAPITAL DEVELOPMENT (CONT'D)

Our workers are paid according to skill levels with hourly overtime rates calculated on their basic wage.

Skill Category	Basic Pay
General Workers	RM1,300 per month / RM50 per day
Semi-skilled Workers	RM1,508 per month / RM58 per day
Skilled Workers	RM1,690 per month / RM65 per day

Hiring of Interns

We are aware of the need for additional opportunities for the local talent pool to enhance their skills. We provide a platform for them to undergo internships at the Company. This has provided them with an opportunity to experience the work environment in the construction sector. In 2019, we continued to maintain strong collaborative partnerships with various public and private universities and polytechnic schools to provide meaningful work-based learning and internship programmes at our project sites.



Our Collaborations with Public and Private Universities

Local Universities	Private Universities
Universiti Tun Hussein Onn, Malaysia	Heriot Watt University
CONSIST College	INTI International College
International University of Malaya Wales	INTI International University
KLIA Professional & Management College	Swinburne University of Technology
Politeknik Sultan Azlan Shah	UCSI University
Politeknik Ungku Omar, Perak	University of Cambridge
Tunku Abdul Rahman University College	University of Nottingham
Universiti Islam Antarabangsa, Malaysia	University of Reading
Universiti Sains, Malaysia	University of Southampton
Universiti Teknologi MARA (UiTM)	Memorial Universities of Newfoundland
Universiti Tunku Abdul Rahman	
University of Malaya	

MD Engagement Sessions

In 2019, 46 employees were given the opportunity through 4 sessions to get ‘up close and personal’ with our Managing Director, Mr Chung Soo Kiong. These sessions served as a platform for an engaging conversation between the MD and our employees in terms of, among others, motivation, the manner to address challenges and career growth. They further enhanced senior management-employee understanding to strengthen the Company towards sustainable growth.

Long Service Recognition

In appreciation of our long serving employees, the following received awards in 2019 based on their total number of years of service in SunCon.

Years of Service	Number of Award Recipients
10 years of service	83
20 years of service	11
30 years of service	3

SunCon Social Club (SSC) Activities

In order to encourage team building and facilitate cross-departmental communication, the SSC organised a range of events throughout the year. Some of the employee engagement programmes that took place in 2019 are listed in the table below.

Name of Programme	Date	Description
Skytrex Adventure	27 January 2019	SSC organised a fun-filled adventurous day for participants to challenge themselves and to overcome their fears as they complete a series of different obstacles.
Movieganza, Sunway Pyramid	12 April 2019	SSC organised a movie night for the employees to unwind and declutter themselves after dealing with a long working day.

Name of Programme	Date	Description
Trip To Bandung, Indonesia	26 – 29 July 2019	SSC organised a four-days, three-nights retreat for employees to build engagement and relationships among themselves while having fun away from work.
Jump Street	3 August 2019	SSC organised a team-building activity for extreme sports lovers to promote a healthy lifestyle as they conquer a series of thrilling and exciting activities.

These activities build employee self-confidence and problem-solving skills and serve as bonding sessions among employees. Such activities have enabled employees to rekindle their creativity and teamwork besides getting to know each other better. The Sunway Sports Club (Kelab Sukan Sunway) house located at Menara Sunway is fully equipped with recreational facilities such as a gymnasium, sauna, squash court, snooker, karaoke, Astro, table tennis and carom.



A day's outing at Skytrex Adventure

HUMAN CAPITAL DEVELOPMENT (CONT'D)

CAPACITY BUILDING

404-1, 404-2

Given that skills and capabilities of workers are paramount in the construction industry, we continued to invest in our employees' training needs in 2019. We identified, analysed and evaluated the training that our employees needed to advance in their careers.

In 2019, 3.41 man-days were dedicated to training for 728 employees who participated in these formal classroom training sessions. Through these sessions, we strive to upskill employees and extend capabilities.

The training programmes that we provide to employees cover key aspects of leadership, workers training, Environment, Safety & Health, Quality, Machinery, Construction and Contracts Management. A total of 121 employees completed the UNSDG Portal Training in 2019. In 2019, we spent a total of RM 541,547.55 on training with RM 730 being the average amount spent on training per employee. The key programmes that were conducted in 2019 are listed in the table below.

Key Formal Classroom Training Programme

LEADERSHIP TRAINING	FINANCIAL TRAINING
SCOPE Orientation Programme	Finance for Non-Finance (Managers)
Microsoft Excel - Pivot Table	PROJECT MANAGEMENT
Microsoft Excel – Intermediate & Advanced Class	Negotiation Skills for Procurement
CAL : Harvard Way of Developing a Talent	FOREIGN WORKER TRAINING
CAL : Adaptive Leadership Leading Agile Workforce	Mandatory CIDB Green Card Training
Business English Programme (16 Sessions)	QUALITY TRAINING
Managing Poor Performance of Confirmed Employees & Probationers	QLASSIC Assessor Training
Managing Leave & Absenteeism at Workplace	ISO 9001:2015 Management System Awareness Training
First Time Manager (2 Days Session)	DESIGN AND TECHNICAL TRAINING
	C3D System Training
Managing Misconduct at Workplace & Domestic Inquiry	Revit Multifamiliarisation Modelling Training (MEP/Archi/Structural)
	Design Management Training - Design Coordinator
7 Habits of Highly Effective People	Autodesk Workshop Sharing Session
	BIM Masterclass Series P2

In 2019, a total of RM541,547.55 was spent on training with RM730.00 being the average amount spent on training per employee

ESH TRAINING	
External Training	Internal Training
Certified Environmental Professional in Scheduled Waste Management (CePSWaM)	Scaffold Awareness Training (SAT)
Certified Erosion, Sediment & Stormwater Inspector Course (CESSWI)	Construction Occupational Safety Training (COST)
Certified Inspector Sediment and Erosion Control (CISEC)	Hazard Identification Risk Assessment & Determining Control (HIRADC)
Scaffold Training (Basic / Intermediate / Advance)	Accident Investigation & Report Writing Workshop
Signalman, Slinging & Rigging Competency	
ISO 14001 & ISO 45001 Awareness	
Internal Auditor	
Lifting Supervisor Competency Training	
Basic Office Ergonomics Awareness Training	
Occupational First Aid & CPR Training	
Train the Trainer (TTT-1)	



Scaffold Awareness Training (SAT) for employees



Construction Occupational Safety and Health Training (COST) for employees

BUILDING COMMUNITY RESILIENCE



CORPORATE SOCIAL RESPONSIBILITY

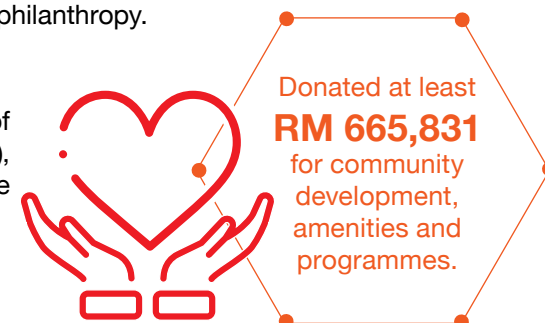
413-1, 413-2

Being at the fore of the construction sector brings both the responsibility and opportunity for constantly developing and implementing the highest standards of social wellbeing in the communities where we operate.

Construction projects are drivers for change in local communities. They create positive economic impacts by providing opportunities for employment and skill enhancement of the local workforce and generating new contracts that lead to business growth. Our project teams frequently engage with local communities and we strengthened our involvement in 2019 with our volunteerism and philanthropy.

Community Support

We contributed to various charitable causes including donation of wheelchairs to Persatuan Kesejahteraan Rakyat Malaysia (PKRM), our annual “Build-A-Home” project and sponsoring 9 man-made reefs for marine ecosystem rehabilitation.



“Merdeka Conservation Dive”

In conjunction with the 62nd National Independence Day, 20 SunCon-ians celebrated the significant day by participating in the 3-days-2-nights “MERDEKA CONSERVATION DIVE” that was held at Pulau Redang, Terengganu. The main objective of this event is to preserve and conserve the ecosystems in the ocean, which is important in protecting the Earth.

Non-divers visited the Marine Turtle Research Station to experience the conservation and hatching of turtles which are in danger of extinctions.



Community Engagement Programmes

Our efforts towards building community resilience include community programmes that address various social issues and concerns by supporting the vulnerable sections of society, strengthening access to education, fund-raising, conducting environmental programmes as well as creating health and safety awareness. Details of our community engagement programmes are elaborated upon under the SunCon in Calendar section on pages 27 - 31.



The castle reefs support the growth of corals, which provides shelter and habitats for many marine organisms.



CONCLUSION

The Company constantly endeavours to exceed current achievements and enhance sustainability initiatives to achieve greater milestones in all EES aspects whilst strengthening the economy, protecting the environment and embracing human and community development.

GRI CONTENT INDEX

GRI Standard		Section	GRI Standard		Section	GRI Standard		Section	GRI Standard		Section
ORGANISATIONAL PROFILE			STAKEHOLDER ENGAGEMENT			RESPONSIBLE GOVERNANCE			ENSURING SAFE AND QUALITY CONSTRUCTION		
102-1	Name of the organisation	About This Report	102-40	List of stakeholder groups	Stakeholder Engagement	205-2	Communication and training about anti-corruption policies and procedures	Governance and Ethical Business	403-1	Occupational Health and Safety management system	Safety and Health
102-2	Activities, brands, products and services	Scope of reporting				STRENGTHENING ECONOMIC INTEGRITY			403-2	Hazard identification, risk assessment, and incident investigation (HIRARC)	
102-7	Scale of the organisation	Sustainability Performance	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	201-2	Financial implications and other risks and opportunities due to climate change	Economic Performance	403-4	Worker participation, consultation and communication on occupational health and safety	
102-8	Information on employees and other workers		102-43	Approach to Stakeholder Engagement	Stakeholder Engagement	203-1	Infrastructure investment and services supported	Indirect Economic Impacts			
102-13	Membership of associations	Membership and Associations	102-44	Key topics and concerns raised	Stakeholder Engagement, Customer Satisfaction	203-2	Significant indirect economic impacts	Indirect Economic Impacts	403-5	Worker training on occupational health and safety	
102-46	Defining report content and topic boundaries	Scope of Reporting	102-47	List of material topics	Material Sustainability Matters	102-9	Supply Chain	Sustainable Procurement Practices	403-8	Workers covered by an occupational health and safety management system	
102-50	Reporting period	About This Report	MANAGEMENT APPROACH			204-1	Proportion of spending on local suppliers		403-9	Work related injuries	Sustainability Performance
102-52	Reporting cycle	About This Report	103-1	Explanation of the material topic and its Boundary	Material Sustainability Matters	MANAGING OUR ENVIRONMENTAL IMPACTS			103-2	The management approach and its component	Innovation
102-53	Contact point for questions regarding the report	Feedback	103-2	The management approach and its components	Mapping material sustainability matters & SDGs, Sustainability Performance, Corporate Governance, Governance & Ethical Business, Risk and Regulatory Compliance, Economic Performance, Indirect Economic Impacts, Sustainable Procurement Practices, Environmental Compliance, Climate Resilience, Energy Management, Emissions, Materials Management, Waste Management, Water Conservation, Protecting Biodiversity, Safety and Health, Public Safety, Innovation, Quality Management, Diversity and Inclusiveness, Talent Retention, Foreign Worker Management, Hiring of Interns, Capacity Building, Corporate Social Responsibility	303-2	Management of water discharge-related impacts	Environmental Compliance	416-1	Customer health and safety	Quality Management
102-54	Claims of reporting in accordance with the GRI standards	Reporting Framework				305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Environmental Compliance	HUMAN CAPITAL DEVELOPMENT		
102-55	GRI Content Index	Reporting Framework GRI Content Index				306-1	Water discharge by quality and destination		405-1	Diversity of governance bodies and employees	Sustainability Performance
STRATEGY						306-3	Significant spills		405-2	Ratio of basic salary and remuneration of women to men	Sustainability Performance Talent Retention
102-15	Key impacts, risks, and opportunities	Overall Approach to Sustainability, Mapping Material Sustainability Matters, Risk and Regulatory Compliance				307-1	Non-compliance with environmental laws and regulations		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Talent Retention
ETHICS AND INTEGRITY						302-1	Energy consumption within the organisation	Energy Management			
102-16	Values, principles, standards, and norms of behaviour	Governance and Ethical Business				302-3	Energy intensity		401-1	New employee hires and employee turnover	Sustainability Performance Talent Retention
102-17	Mechanisms for advice and concerns about ethics	Governance and Ethical Business				302-4	Reduction of energy consumption		401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	
GOVERNANCE						305-1	Direct (Scope 1) GHG emissions	Emissions			
102-18	Governance structure	Sustainability Governance				305-2	Energy indirect (Scope 2) GHG emissions		401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Employee Benefits
102-19	Delegating authority	Sustainability Governance				305-3	Other indirect (Scope 3) GHG emissions				
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Governance				305-5	Reduction of GHG emissions		401-3	Parental leave	
102-26	Role of highest governance body in setting purpose, values and strategy	Sustainability Governance				301-1	Materials	Materials Management	404-1	Average hours of training per year per employee	Capacity Building
102-30	Effectiveness of risk management processes	Risk and Regulatory Compliance				306-2	Waste by type and disposal method	Waste Management	404-2	Programs for upgrading employee skills and transition assistance programme	
102-32	Highest governance body's role in sustainability reporting	Sustainability Governance				306-4	Transport of hazardous waste		BUILDING COMMUNITY RESILIENCE		
102-38	Annual Total Compensation Ratio	Sustainability Performance				303-1	Interactions with water as a shared resource	Water Conservation	413-1	Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility
						303-5	Water consumption	Water Conservation			
						103-2	The management approach and its components	Climate Resilience Protecting Biodiversity			