

SUSTAINABILITY STATEMENT

Sustainability is embedded in the DNA of SunCon and leads the way we manage and conduct our business. In 2020, we have established the SunCon Future Value Goals to better align our sustainability agenda against the key processes in our business operations. This year, we have further refined the goals to:

Goal 1: Enabling sustainable construction

Goal 2: Investing in fair, safe and inclusive workplace

Goal 3: Ensuring compliance and embracing transparency

Goal 1: Enabling Sustainable Construction

Key Topics

Material Issues Addressed

SDGs Covered



- 01 Environmental Stewardship
- 02 Supply Chain Management
- 03 Product Safety and Innovation

Physical Impacts of Climate Change, Protecting Biodiversity, Waste Management, Energy Management, Water Conservation, Materials Management, Sustainable Procurement Practices, Innovation, Product Quality and Responsibility

SunCon Future Value Goals Achievement

2030 Targets	Interim 2021 Annual Targets	FY 2021 Performance
Achieve reduction of Carbon Emission Intensity (CEI) per unit revenue by 10% from 2020 levels (Baseline: 98 tonnes CO ₂ e/RM mil)	4% reduction	9% reduction (89 tonnes CO ₂ e/RM mil)
Achieve reduction of Water Use Intensity (WUI) per unit revenue by 10% from 2020 levels (Baseline: 253 m ³ /RM mil)	4% reduction	25% reduction (189 m ³ /RM mil)
Achieve 10% of waste diversion from landfill	In progress of establishing baseline	Work in progress. Target completion by 2022
Achieve 100% of major commodity suppliers are ISO 14001 certified	20% for steel bar supplier	85% steel bar supplier certified
Maintain ≥ 80% QLASSIC score for all building projects directly controlled by SunCon	80% score	83% (only 1 project was assessed for QLASSIC in 2021)

Legend: Progress tracking

- Meeting interim target, maintain performance towards meeting 2030 target
- Falling short of interim target for one year, review current practices
- Falling short of interim target for more than two years, review and revise target (if necessary)

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01 Environmental Stewardship

- Managing our pollutants
- Chemical management
- Waste management
- Materials management
- Water management
- Energy management
- GHG emissions disclosure
- Protecting biodiversity



Sunway International School, Subang

quantities of dust and waste landfills. As such, we employ the best practices and strict policies that guide us in preventing further pollution and damage to the environment by ensuring good stewardship in air, waste, water and noise management. We are guided by our QESH policy and we remain compliant with all the relevant rules and regulations. All the projects we have under our belt are within legal parameters and we will continue to work towards developing the best urban infrastructures while minimising and mitigating our negative impacts on the environment.

In 2021, we continued to monitor our impacts on air, noise and water through periodic environmental monitoring. We have noted several non-compliances on our water monitoring results which was due to externalities not arising from our operations, whilst those due to our operations were immediately rectified to prevent recurrence.

For more information on SunCon's air, noise and water monitoring data, please refer to Key Performance Data from pages 226 - 228.

Life Cycle Perspective

At SunCon, we take into account the environmental aspects and impacts of our company's activities, products and services. This is where life cycle mapping comes in; incorporated into the QESH Management System, it involves managing boundaries for all our activities, products and services. SunCon has been certified with the ISO 14001:2015 Environmental Management System since 2018, a progression from the previous ISO 14001:2004. As Environmental Aspects and Inspects Assessments form a prerequisite to any of our activities, we will continue to identify and alleviate environmental impacts and further incorporate practices that will preserve the environment.

Embedding Good Environmental Practices

SunCon's Objectives in Environmental Management

Objectives	Targets
TO PREVENT ENVIRONMENTAL POLLUTION AT PROJECT SITES	To achieve zero compounds and fines from federal and local authorities. To maintain notice received from the authorities on vector issues at 0.10 or below Company-wide .
TO MANAGE CONSTRUCTION WASTE AT PROJECT SITES	To segregate construction waste at designated areas by type of waste for 3R and disposal .
TO IMPROVE AWARENESS ON GOOD ENVIRONMENTAL PRACTICES AT PROJECT SITES	To achieve a monthly environmental inspection score of 80% and above .

All our projects are certified with the ISO 14001 Environment Management System, which ensures we follow strict guidelines and comply with regular monitoring, commitment from senior management and set targets to measure performance. We have designated Environmental Officers at our construction sites to ensure that the system set by the management and the policies are followed through.

SunCon has:

- 7 Environmental Officers based at various project sites
- 1 Certified Erosion, Sediment and Storm Water Inspector (CESSWI)
- 7 Certified Environmental Professional in Scheduled Waste Management (CePSWaM)
- 2 Malaysian Certified Inspectors of Sediment and Erosion Control (MY-CISEC)

MANAGING OUR POLLUTANTS

As one of the country's leading construction companies, we are committed to reduce our carbon footprint by striving towards our goal of building sustainable development. We understand the impact of how construction can negatively impact the environment - from noise pollution to affect water quality and cause increasing

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CHEMICAL MANAGEMENT

Management of chemicals is most crucial to avoid contributing to pollution at all project sites and as such, SunCon ensures that it complies with all the necessary legal requirements for chemical classification including processes such as labelling, handling and storage. We are aware that in the process of construction, leakages and chemical spills might happen and cause contamination in water and soil pollution. In 2021, there were zero major spill incidents in all our project sites.

WASTE MANAGEMENT

Managing our waste while conserving natural resources is vital in all our construction activities and business processes. We take proactive measures in minimising waste and lowering waste disposal cost, which covers about 0.13% of total site operational costs. We remain guided by SunCon's QESH policy, which sets out the guidance for us to evaluate our impacts, manage systematic environmental aspects and control implementation to ultimately minimise waste and optimise use of raw materials.

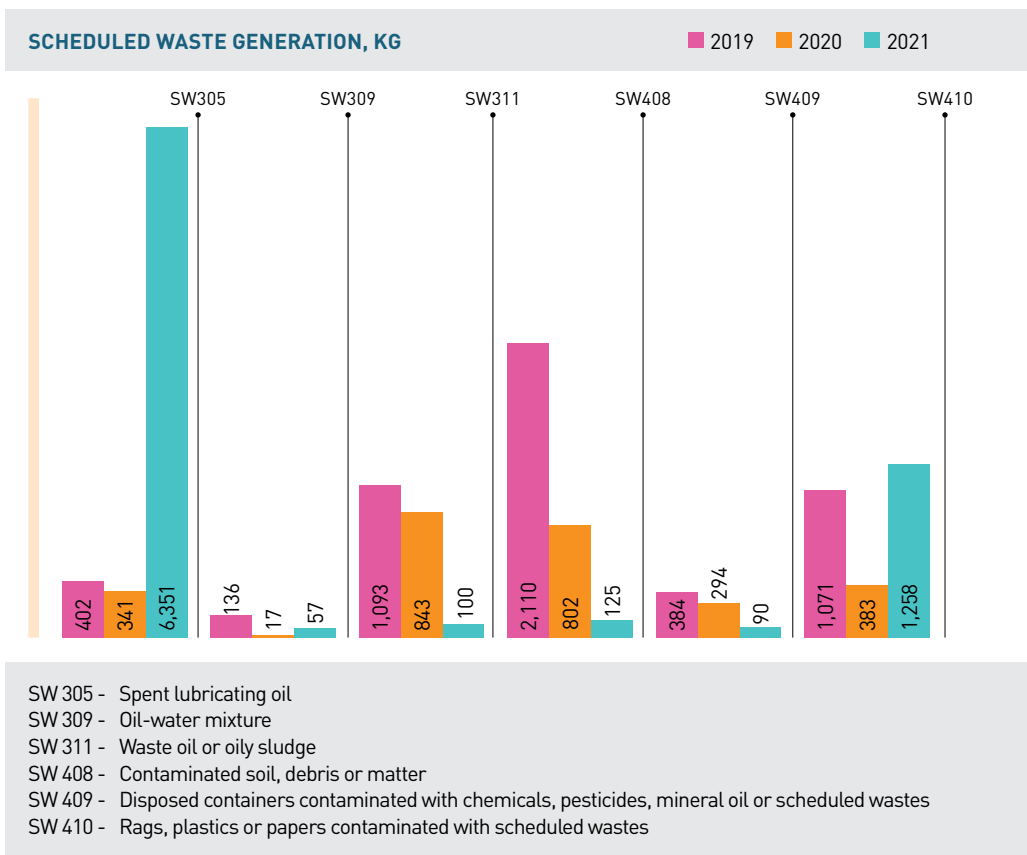
The kinds of waste produced at our project sites are both hazardous and non-hazardous. While hazardous waste is categorised as scheduled waste regulated under the Environmental Quality (Scheduled Wastes) Regulations 2007, non-hazardous waste is mainly domestic waste, construction waste and recyclable waste.

We are highly aware of the consequences of improper hazardous waste disposal, emissions and discharges as it can result in legal repercussions, a fine of up to RM500,000 for every offence. Violations of environmental regulatory compliance will impact the company's reputation and branding. In 2021, we have achieved our target of zero environmental violations and fines from federal and local authorities, and we will strive to continue to maintain this clean slate.

Hazardous Waste

Hazardous waste contains properties that are harmful to humans and the environment. Hence, we are committed to manage our waste efficiently by complying with all the required environmental regulatory rules. This includes ensuring our hazardous waste is properly stored and managed from its collection point to its final disposal by appointed licensed scheduled waste contractors. The hazardous waste we generate includes lubricating oil, waste oil sludge, contaminated soil and used chemical containers.

The significant spike in the generation of SW 305 was due to improved reporting with data inclusion from our operations at Sunway Enterprise Park (SEP), Machinery division. The significant increase in SW 410 generations was primarily due to the increase in activity at all our project sites post pandemic. We will continue to strive to reduce our waste as part of our environmental stewardship by continuously providing awareness training to our staff and carrying out regular maintenance operations to ensure minimal contamination across all our project sites.



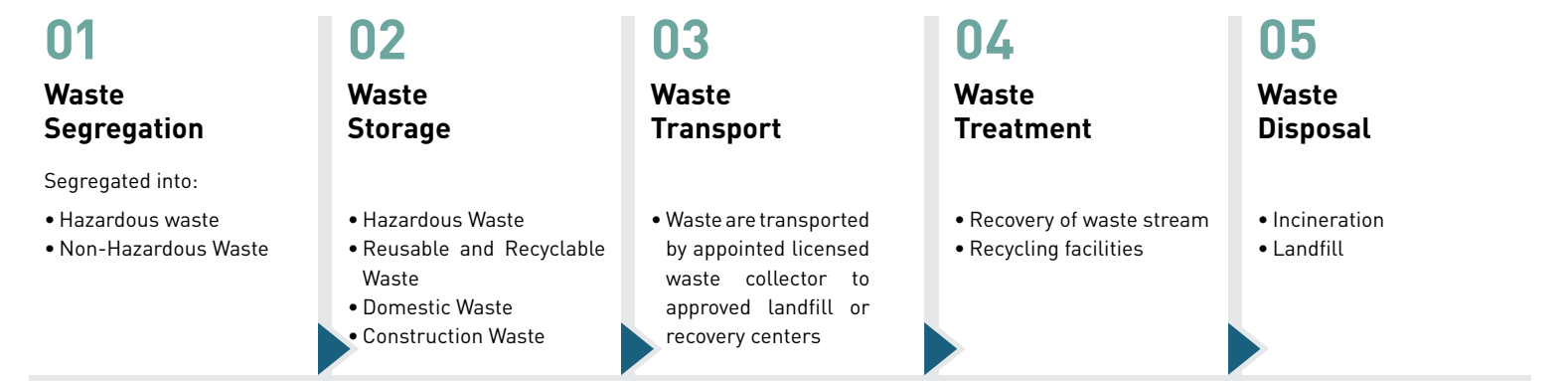
Non-hazardous waste

Although non-hazardous waste does not pose a direct threat to human health or the environment, careful consideration must still be taken to dispose of them. This includes waste such as construction waste, domestic waste and recyclable waste like timber, concrete, steel, paper, plastic, aluminium and glass. We are committed to reducing our waste to landfill by promoting awareness and practising waste reduction through the 3R approach: by reducing, reusing and recycling our resources at construction sites and headquarters. Employees are encouraged to reuse and recycle anything from paper to plastics and aluminium and we encourage waste segregation by providing bins for different types of waste material. While recyclable waste is processed at recycling centres, waste that cannot be recycled is sent to landfills.



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SunCon's Waste Management Process



CIRCULAR ECONOMY

As part of our effort to advance towards a more resource efficient construction conglomerate, we have embarked onto the circular economy journey by turning waste into valuable inputs.

<p>Concrete Waste Concrete waste is reused as crusher run for the temporary internal access within a project site</p>	<p>Timber Waste Timber waste is mainly reused for signage, storage facilities and other site facilities</p>	<p>Steel Waste Steel bars are sent to mills or foundries for recycling</p>	<p>Domestic Recyclable waste from domestic and construction waste are sent to recycling centers for further processing</p>
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To ensure waste is at the bare minimum across all construction sites, we have set the following targets for each raw material:

	Target	2021
Ready-mix concrete foundation		
Piling works	25.0%	-*
Basement works	15.0%	14.8%
Ready-mix concrete		
Building works	5.0%	4.9%
Civil works	8.0%	-
Steel bars		
Geotechnical works	10.0%	-
Building works	8.0%	7.9%
Civil works	8.0%	-
Bricks (building works)	7.0%	7.0%
Tiles (building works)	8.0%	8.0%

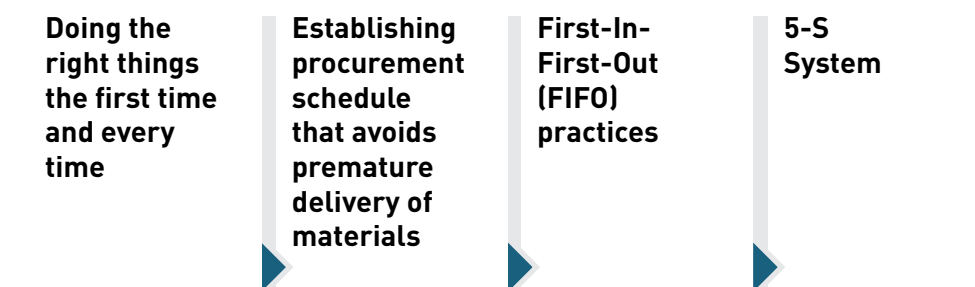
* No piling works in 2021
 Note: Wastage percentage only covers labour-sub projects

MATERIALS MANAGEMENT

As natural resources are finite, SunCon is determined to ensure our materials are put to good use, maximising its functions and life cycle. Stemming from our Materials Management Strategy, we have in place systems and procedures to ensure materials delivered are handled appropriately and efficiently to minimise wastage and negative impact to the environment, demonstrating our commitment to SDG 12 on Responsible Consumption and Production.



Materials Management Strategy



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WATER MANAGEMENT

Best practices in water management are most vital for any industry and any improper disposal of wastewater can cause water pollution and lead to disruptions of daily lives and business activities. As water is an important natural resource used across all our construction sites, it is needed in all operations from construction activities, sanitation and irrigation to dust suppression and road-cleaning works. SunCon safeguards our water resources and reduces our water footprint by ensuring our operations do not affect the community and the environment around us in the delivery of our products.

Wastewater Management

Wastewater from construction sites can be found in two categories – construction activities-related and non-construction activities-related. Wastewater generated from construction activities is usually from surface runoff, wheel washing and soil boring works while non-construction-related wastewater comes from grey water, canteen operations and sewage. The various types of wastewater are managed differently to cut down pollution. Although we strive to monitor the quality of water discharged, the quantity of water discharged is dependent on factors beyond our control such as rainfall.



Non-construction activities wastewater

We have in place appropriate facilities to manage our non-construction related wastewater. For instance, we engage service providers to maintain the sewage storage tanks of portable and temporary toilets. As for canteen operations, we ensure grease traps are installed at all sink outlets and the collected grease will be disposed of at buy-back collection centres.

Construction activities wastewater

We employ best management practices to manage erosion and sediment controls (ESCs) including silt fences, silt traps, sedimentation ponds and slope protections to prevent surface runoff and sediments into water bodies near our construction sites.

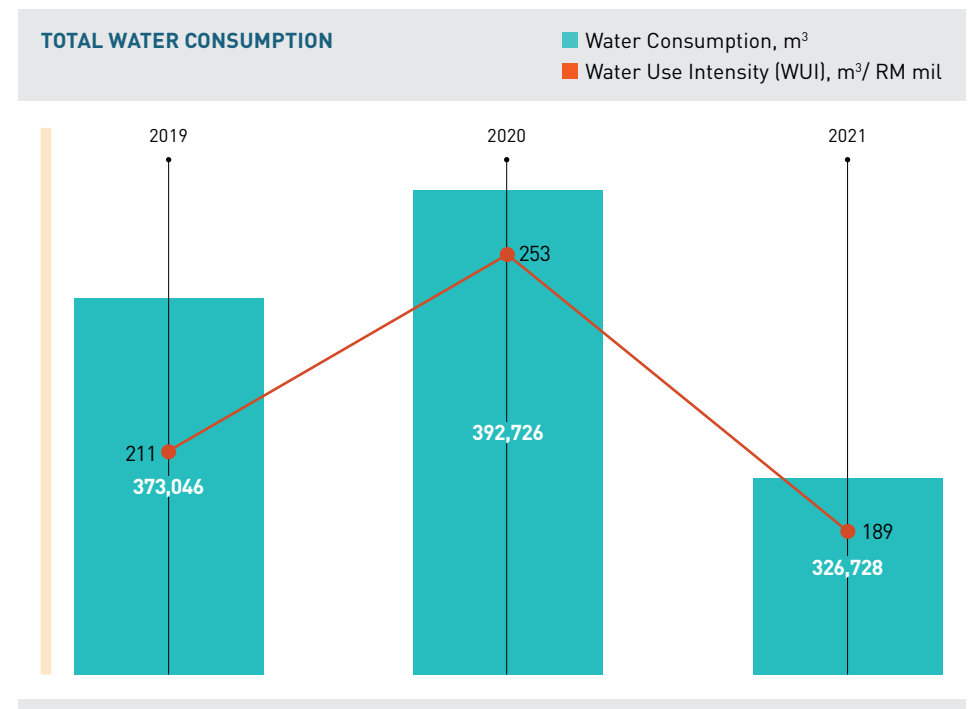
We recognise that any accidental discharge of untreated wastewater into water bodies around our project sites will result in water pollution. To ensure our operations do not cause disruption and damage to the communities around us, the quality of our discharge, specifically the Total Suspended Solids (TSS) parameter at predetermined final discharge points are monitored at defined frequency to ensure they are within the DOE's limit. Immediate corrective actions are taken when a TSS level exceeds the limit. Preventive measures such as regular maintenance on our erosion and sediment controls and redesign of silt traps are taken to avoid recurrence. In 2021, there were no reported incidents of non-compliance with water quality and applicable regulations.

Water Consumption

According to the Water and Sewerage Fact Book 2020 released by Suruhanjaya Perkhidmatan Air Negara (SPAN), the reserve margin in 84% of locations where operations are controlled directly by SunCon are within safe levels of 15% to 20%. 16% of our operations which are located in the Johor region, only has a reserve margin of 9.7%, indicating that the region is water stressed.



We withdraw water mainly from municipal potable water source and our consumption is monitored based on water bills. To ensure efficient use of the water source, we endeavour to reduce our water use intensity through various water conservation initiatives on site such as using water from silt traps and rain water harvesting for non-critical activities. On this note, we have invested in a water treatment plant at the Sunway Concrete Products plant in Sunway Iskandar, Johor where treated water is recycled for use in non-critical activities, reducing our dependency on municipal water source. We also target to establish water management plans across all our project sites by 2025.

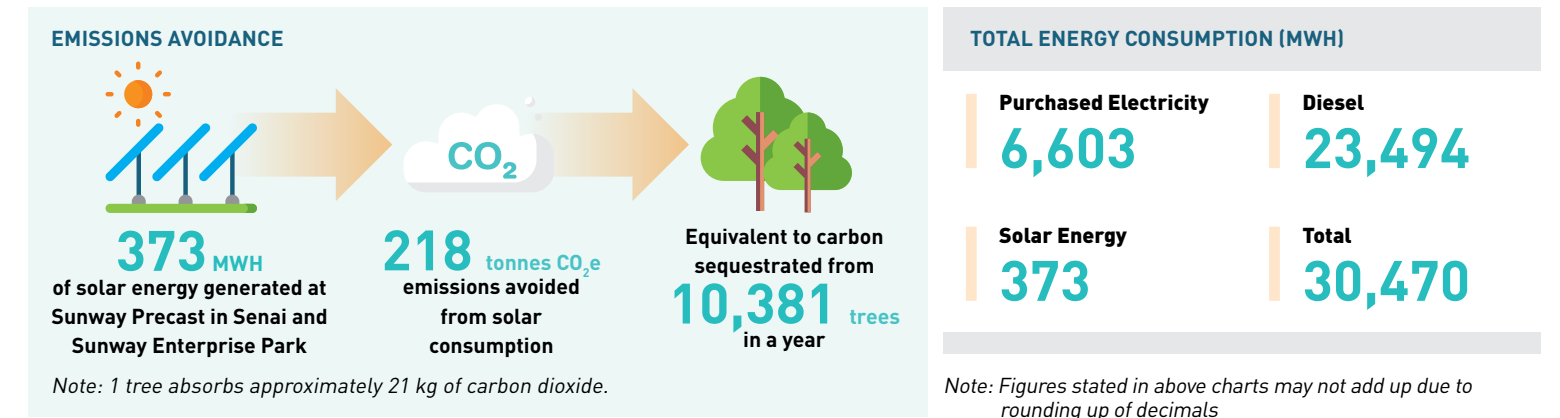


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ENERGY MANAGEMENT

We are committed to managing our energy efficiently, recognising the pivotal role it plays in reducing GHG emissions. Our key energy sources come from purchased electricity and diesel, which is used to power plant and machinery on-site, and to provide temporary electricity source by means of gensets.

To minimise our carbon footprint, we invested in rooftop solar panels for our Sunway Enterprise Park and Sunway Precast Industries plant at Senai, Johor.



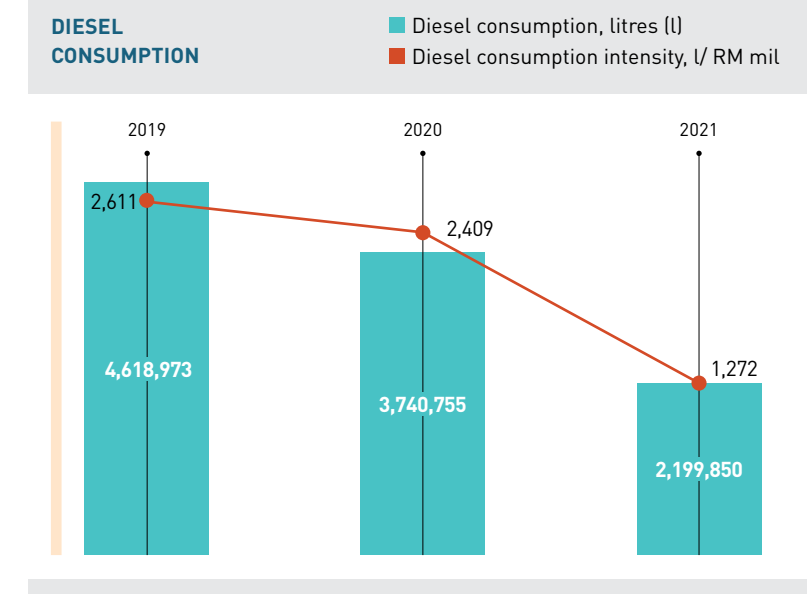
At our Headquarters, motion sensor lightings are installed at the lavatories and pantries, and the centralised air-conditioning system is automatically shut-off after office hours. To instill awareness on energy savings amongst our people, signages are established at touch points as a reminder to switch off when not in use.

While recognising that the construction industry is heavily dependent on fossil fuels, we are committed to continually seek potential alternatives or future green innovations for our energy source. At minimum, we use Euro 5 diesel at all project sites which emits lower carbon monoxide, hydrocarbons, nitrogen oxides and particulate matter.

GHG EMISSIONS DISCLOSURE

As climate change continues to take place around the world, its negative impacts are destroying the environment, affecting people and disrupting business activities. The floods in December 2021 were one of the many examples of extreme weather events that led to loss of properties and even lives.

To cut carbon emissions, we utilise the Katsana Fleet Management System, which is installed in all our lorries, trucks, trailers and loaders. The system enables us to monitor the performance of our vehicles and drivers, idle engines as well as maintenance cost.

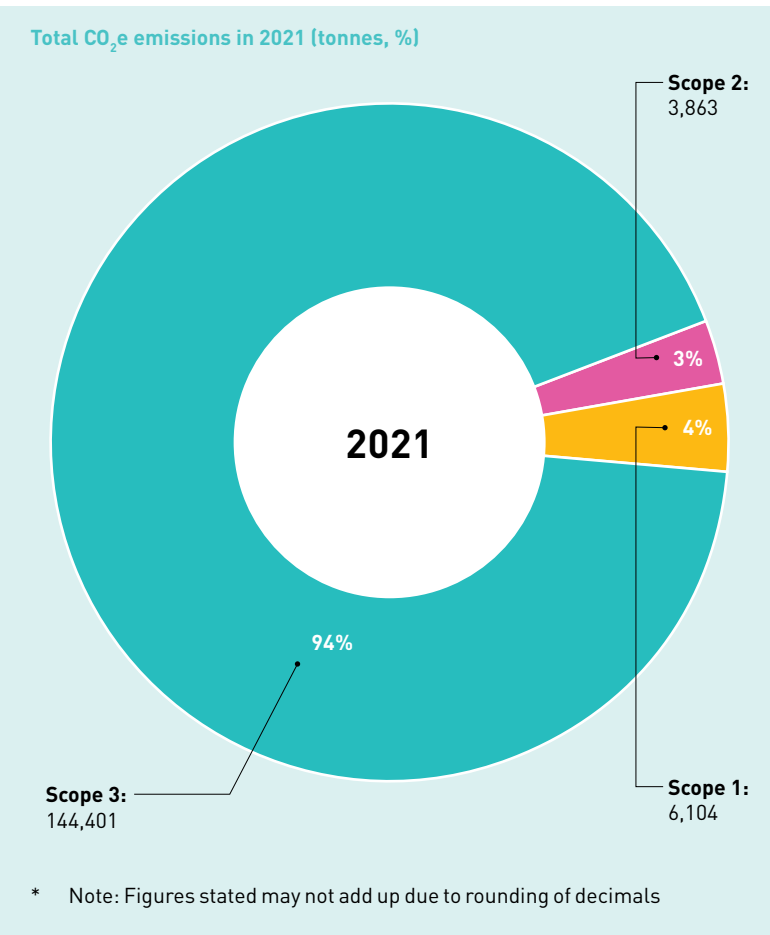


Rooftop solar panels at Sunway Enterprise Park

In 2021, we recorded lower Scope 1 emissions due to reduced diesel consumption as majority of our projects are at the stage where usage of machinery and plants are minimal, replaced with increase use of purchased electricity. This has directly caused our Scope 2 emissions to increase, further compounded by the resumption of activities and operations. We also observed a slight increase in our Scope 3 emissions, contributed from waste generation and purchased goods and services.

The SunCon Board of Directors in 2020 approved a solar investment pledge of RM30 million for rooftop solar projects in which will see approximately 10,000 tonnes of CO₂e emissions avoided. To date, SunCon has fulfilled RM8.77 million. Moving forward, we will strive to bolster our approach to climate change and intensify energy conservation initiatives to reduce our carbon footprint.

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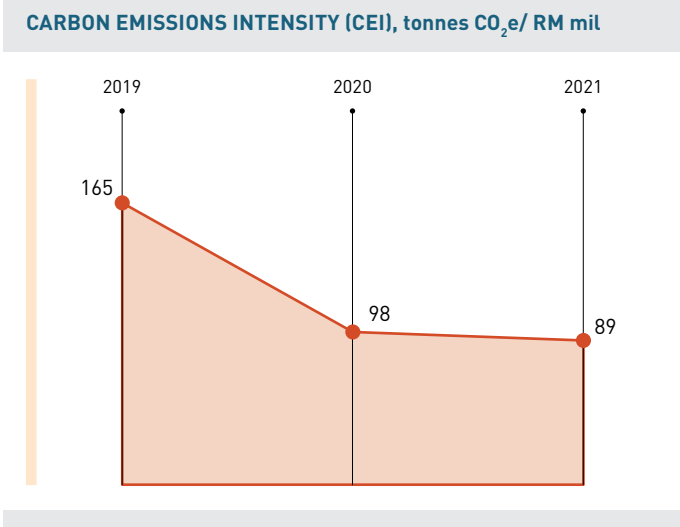


Data for emissions generated were obtained using the relevant emission factors from the Department of Environment, Food & Rural Affairs (DEFRA), United Kingdom and Malaysian Green Technology and Climate Change Centre. Our carbon footprint is calculated in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) GHG Protocol, a corporate accounting and reporting standard. This protocol is considered the current best practice for corporate or organisational emissions reporting and we measure our emissions according to three scopes:

- Scope 1:** Direct GHG emissions from sources that are owned such as company vehicles and machinery
- Scope 2:** Indirect emissions from purchased electricity
- Scope 3:** Indirect emissions from business travel, waste generation and purchased goods

CARBON EMISSIONS INTENSITY

Since the introduction of SunCon Future Value Goals 2030 last year, carbon emission intensity has served as a key indicator of our sustainability agenda performance. In 2021, we have achieved a 9% reduction in our carbon emission intensity as compared to the 2020 baseline.



Categories	GHG Emission	tonnes CO ₂ e	%*
Company facilities	Scope 1	5,952	3.9%
Company vehicles	Scope 1	152	0.1%
Purchased electricity	Scope 2	3,863	2.5%
Waste generated in operations	Scope 3	723	0.5%
Business travel	Scope 3	100	0.1%
Purchased goods and services	Scope 3	143,578	93.0%

* Note: Figures stated may not add up due to rounding of decimals

PROTECTING BIODIVERSITY

We acknowledge that as one of the leaders in the building industry, development can negatively impact biodiversity. However, we believe that if our impact is well-managed, biodiversity can also increase property value. As such, SunCon constantly strives to find an equal balance between building a sustainable society while preserving and protecting the natural environment surrounding our project sites.

Biodiversity assessments are carried out prior to project commencement if required to identify sensitive or high-value flora and fauna species. We will comply with regulations and obtain approvals from relevant authorities whenever required as we are committed to minimising the impact of our business operations on the environment.



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02 Supply Chain Management

- Equal opportunities



A reliable and sustainable supply chain is pivotal for our business operations, which rely on thousands of upstream and downstream suppliers and vendors. We are aware that dealing with suppliers and vendors will expose SunCon to various social and governance risks, and as such, we strive to uphold sound governance by integrating sustainability across our supply chain.

All SunCon suppliers are expected to comply with all relevant laws, regulations and standards. To further guide our suppliers in embedding sustainability practices in their business operations, we have adopted Sunway Berhad's Sustainable Procurement Policy, which outlines a best practice approach to sustainable procurement. The policy requires our suppliers to declare their current ESG practices in the Sustainability Risk Assessment forms, where the information provided will be recorded and kept by all business segments. Our suppliers are encouraged to refer to the policy to benchmark their ESG practices against industry's best practices. The performance of our supply chain are monitored on an annual basis, where sub-contractors and suppliers who failed to meet the assessment rating will be suspended or terminated.

In 2021, 100% of our new sub-contractors and suppliers have completed the Sustainability Risk Assessment procedure.

EQUAL OPPORTUNITIES

Our suppliers have equal access to purchasing opportunities via credibility screening, which involves a tendering and bidding process that is done physically and virtually, guided by transparent procurement policies and practices. We also practise an e-procurement system which allows Sunway users to purchase items strategically sourced by the sourcing team by accessing the "catalogues" in the system.

SunCon supports local industries. In 2021, 97% of our suppliers were local and 84% of our total spent on services and goods sourcing went to local suppliers.



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03 Product Safety and Innovation

- Quality management
- Green construction
- Construction efficiency
- Our competitive edge



Sunway GeoLake

SunCon upholds its reputation for top calibre products and services through a robust framework that ensures the highest quality, environmental, safety and health standards are consistently attained.

QUALITY MANAGEMENT

SunCon recognises that upholding a robust quality management framework is integral to our value creation journey and a fundamental driver of our long-term business growth. By ensuring high quality standards are met across our organisation and within all our products and services, we benefit from improved customer satisfaction and a growth in our market value and reputation, while at the same time mitigating risks in project delivery and cultivating a workforce empowered to achieve excellence.

We have therefore over the years developed a stringent approach to quality management that is guided by our Total Quality Management (TQM) philosophy and underpinned by a comprehensive Quality, Environmental, Safety and Health (QESH) Management System.

We take pride in having benchmarked our products and services against the best industry standards and continue to leverage on industry leading assessment tools, including our own specially developed Sunway Quality Merit System, to maintain our distinct mark of SunCon quality and superiority.

At the same time, our QESH management system ensures that all SunCon products and services remain compliant with relevant and required industry regulations. Accordingly, we are pleased to report another consecutive year with no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of our products and services during FY2021.



Quality assessment briefing

100% of SunCon's products and services have the following International Standard Certifications

Environmental Management System (ISO 14001:2015)

Occupational Health and Safety Management System (ISO 45001:2018)

Quality Management System (ISO 9001:2015)

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Total Quality Management (TQM)

Since 2010, our group-wide Total Quality Management (TQM) philosophy has facilitated the development of an increasingly robust quality management framework that ensures our standards are never compromised.

Headed by a team of well reputed and experienced engineers, TQM provides a comprehensive and structured approach towards quality management within the following six key areas of focus. Simultaneously, the TQM oversees the undertaking of top industry standard quality assessments and surveys that espouse the spirit of continuous refinement in response to feedback.

Innovation

Creating greater value and setting a benchmark for businesses

Employee

Ensuring total involvement and employee satisfaction

Products and Services

Passionately ensuring the highest standards in products and services

Continuous Improvement

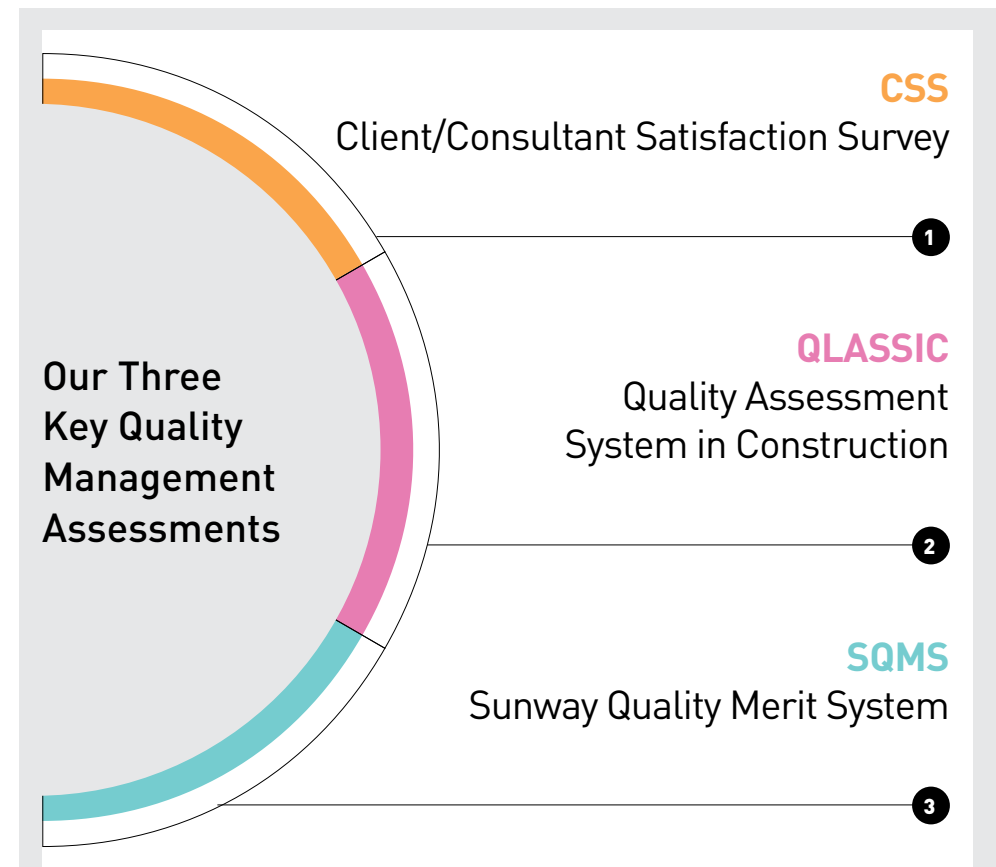
Continually improving work processes to ensure optimum productivity and eliminate wastage

Customer

Striving to satisfy customers' needs and expectations

Corporate Social Responsibility

Enriching the community and preserving the environment



Client/Consultant Satisfaction Survey (CSS)

In our bid for continuous improvement, we value feedback received from our clients and consultants. To this end, we conduct an online Client/Consultant Satisfaction Survey (CSS) annually to assess their satisfaction and discover potential areas of improvement within our operations and/or deliverables. The CSS includes, but is not limited to, the following topics:

Quality Of Work	Job Knowledge	Responsiveness
Environmental, Safety and Health	Subcontractor Performance	Planning
Timely Completion	Resources	Communication
Overall Performance		

FY2021 CSS Survey Results	Minimum Benchmark Score	Score Received in FY2021
Response Rate	75%	97.5%
Satisfaction of Products and Services	90%	92.2%
Overall Average Score	70%	78.7%

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Quality Assessment System In Construction (QLASSIC)

Carried out by the Construction Industry Development Board (CIDB), the Quality Assessment System in Construction (QLASSIC) methodology remains the industry standard for evaluating the quality of construction in Malaysia.

QLASSIC assessments are undertaken in conjunction with the requirements put forth by the Malaysian Construction Industry Standard (CIS 7:2021) and provides a final score that indicates the overall product and workmanship quality of completed construction projects. While the mean QLASSIC score achieved by Malaysian buildings constructed over the past decade has been between 72% and 74%, SunCon aspires to achieve QLASSIC score above the industry average for all our relevant projects.

In FY2021, our completed project, Sunway GeoLake (RC1), achieved QLASSIC score of 83%.

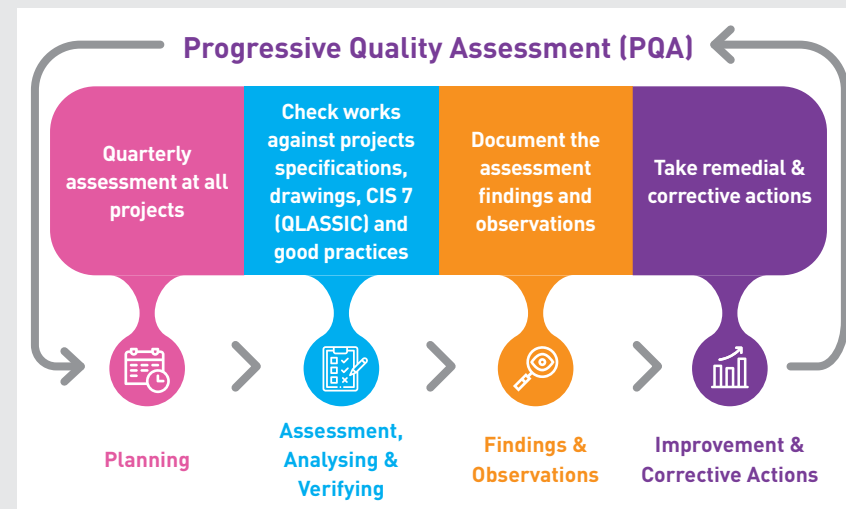
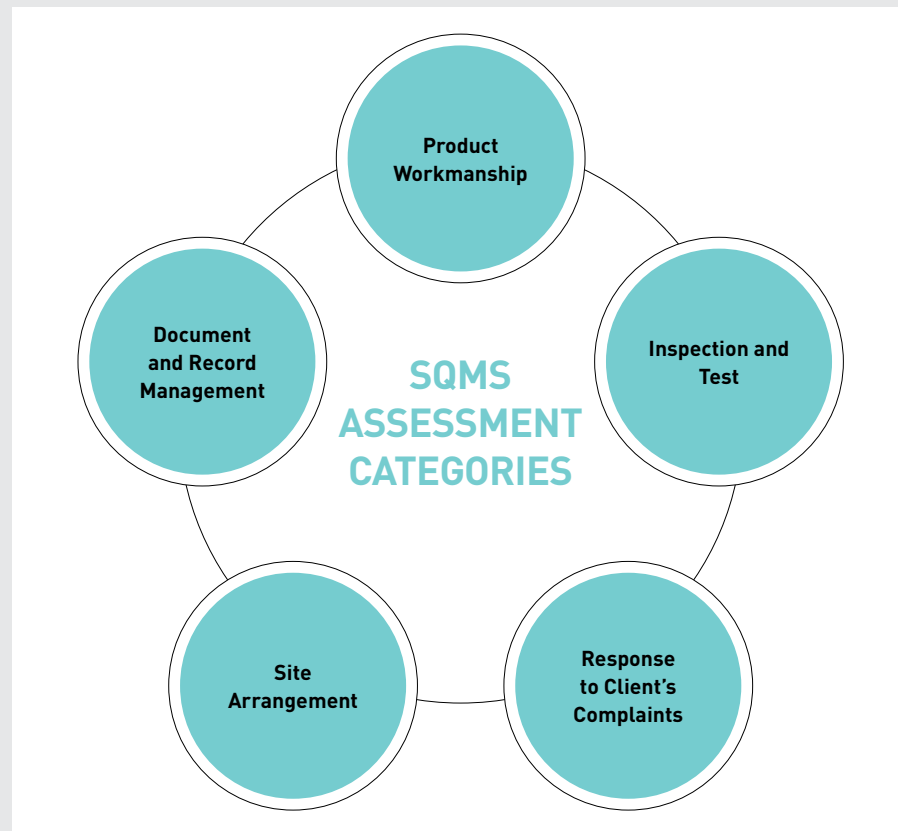
Sunway Quality Merit System (SQMS)

While adherence to industry standards and regulatory requirements provides a useful baseline upon which to measure the quality of SunCon products and services, we have further underscored our commitment to advancing quality standards through the establishment of our very own Sunway Quality Merit System (SQMS) since 2014.

SQMS unites the QLASSIC requirements for measuring product workmanship together with ISO 9001 standards that bolster the frequency, efficiency and effectiveness of our inspection and record management systems.

Accordingly, SQMS assessments are carried out every quarter on all SunCon projects and benchmarked against other SQMS scores within the Group. This enables us to provide recognition to projects with high SQMS scores and share their good practices across the Company, identifying the gaps in projects with lower scores so that immediate improvement measures can be undertaken.

This philosophy of constant improvement through frequent assessments and intra-Group collaborations to adopt effective practices continues to play a fundamental role in empowering us to achieve the high standards of quality and excellence evident in all SunCon products and services.



Progressive Quality Assessment (PQA)

We respond to our material matter of product quality and responsibility as well as customer satisfaction not only through establishing an inspection system, but also to ensure our products and services meets the specifications set out for us.

The Progressive Quality Assessment (PQA) is an internal initiative to further enhance the quality of our products and service, achieve less rework and prevent occurrence of potential defects to support our objective in achieving highest standards of quality and excellence.

The assessments are conducted throughout the construction stages from project commencement to completion, where the scope of assessment focuses on checking the product standards against project specifications, drawings, CIDB CIS 7 (QLASSIC) and good practices.

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GREEN CONSTRUCTION

In our contribution to developing sustainable cities, we continually ensure to keep abreast with the latest market appetite, innovations and solutions available. This includes the growing need to reduce embodied carbon through green materials, as well as the capability and capacity to provide green building solutions.

To ensure we remain at the forefront in providing green building solutions, we equip our employees with relevant skills, knowledge and accreditation such as the GBI Facilitator and GreenRE Manager certification. Currently, we are in the midst of completing GBI projects as follows:

On-going Projects

PNLC

GBI NRNC Platinum

TNB

GBI NRNC Platinum

HARNESSING TECHNOLOGY TO ENHANCE CONSTRUCTION EFFICIENCY

Having invested RM40 million since 2010 to embed the latest innovative technologies in our construction practices, SunCon is proud to remain at the forefront of the industry through our cutting-edge Virtual Design & Construction (VDC) technical capabilities.

Our pioneering use of VDC has allowed us to expand the visualisation of the entire construction process from the initial 3D (design) to now incorporate 4D (time), 5D (costing), 6D (facility management) and 7D (sustainability). By integrating the impact and progression of all these disciplines into a digital information management platform and creating a virtual project life cycle simulation, we are able to improve the coordination and efficiency of the entire construction process by ensuring seamless information sharing between project partners and by identifying any potential internal or external clashes before construction begins.

The innovation and utilisation of VDC has allowed us to reap numerous benefits, including time saved through greater coordination, a reduction in mistakes and schedule conflicts, the elimination of potential reworking and the ability to better manage more elaborate construction projects.

13 ON-GOING BIM projects | Human capital: **35 modelers and 23 technical coordinators**

Generated more than 3,300 BIM shop drawings	Produced more than 1,500 BIM models	Identified more than 5,600 clashes and discrepancies
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OUR COMPETITIVE EDGE THROUGH VDC MOVING FORWARD

In line with our philosophy for sustainable construction, we also harness the power of our VDC innovations to positively impact the sustainability of our projects beyond the completion of construction. This is activated by our ability to amass a wealth of operational information throughout the construction process and hand this valuable information and data over to the building owner.

Armed with all the knowledge that will be required for effective and efficient long-term maintenance of the completed facility, building owners are thus empowered to operate the building at its maximum potential, and in a sustainable manner, for many years to come.

Having completed the largest Building Information Modelling-Facilities Management (BIM-FM project) in 2019, we believe the ability to centralise data storage of assets and space conditions in buildings will provide a strong value proposition to our future clients, with the potential application of Artificial Intelligence (AI) in energy, space, and traffic optimisation.

GREEN BUILDING MATERIALS

Autoclaved Lightweight Concrete (ALC) Blocks

An excellent building material that is capable of withstanding high temperatures as well as fire, Autoclaved Lightweight Concrete (ALC) blocks are an important building material in SunCon projects. Apart from being sound-resistant, ALC blocks produce less solid waste and carbon emissions during their manufacturing process, cutting industrial waste by at least 30% and greenhouse radiation by 50%. The material is lightweight and enables maximum workability, versatility and longevity, reducing over 60% integrated energy on the surface of bricks.

Low Volatile Organic Compounds Paint

SunCon uses low Volatile Organic Compounds (VOC) paints wherever possible in its projects to avoid the release of harmful substances and fumes from paints and lacquers, paint strippers, cleaning supplies, pesticides, building materials and furnishing and craft materials such as adhesives and permanent markers that emit VOC, which are deemed one of the top five risks to human health.

Eco-friendly Pavement

SunCon ensures its pavement products are certified with Singapore's Green Label, which endorses industrial and consumer products with lowered environmental impact.

GREEN BUILDING PRACTICES

Industrialised Building System (IBS)

SunCon applies the Industrialised Building System (IBS) for non-load bearing walls at KJ P1, RC 1 and Velocity 2 projects. IBS is a prefabrication system that enables components to be manufactured off-site and installed at project sites with minimum work. Apart from reducing costs and time, the system also eliminates working at height hazards and eases housekeeping.

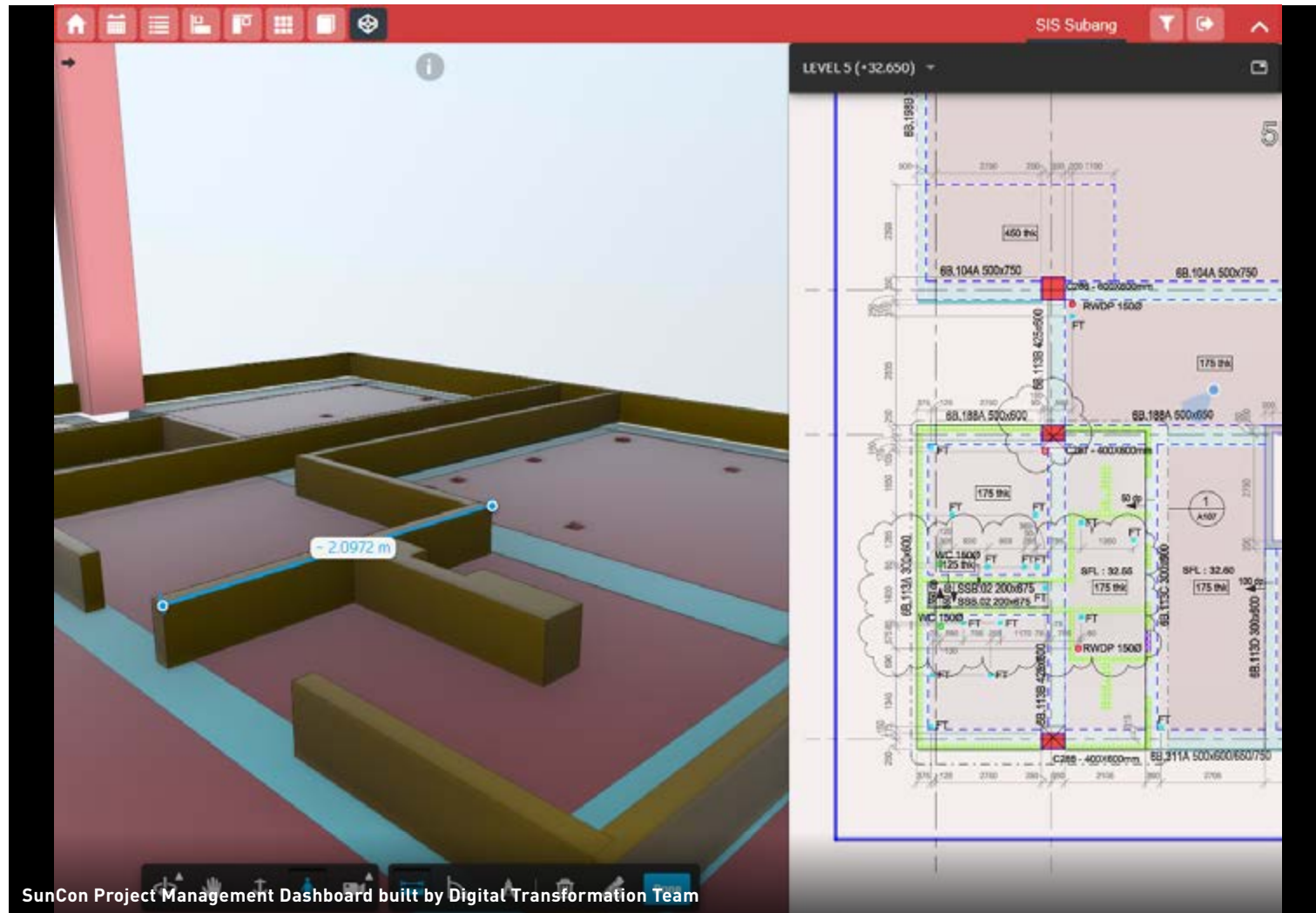
Benefits of IBS:

- Reduces construction time
- Reduces total cost
- Improves quality of buildings
- Promotes safe and systematic working environment
- Ensures cleanliness and tidiness at worksites, and waste minimisation and reduction.

System Formwork

Formwork is the process of creating a temporary mould for concrete to be poured into and formed. System formwork is used in most of SunCon's projects as it reduces material consumption, wastage, manpower and time, as well as worksite hazards. This formwork is also reusable, and hence more economical than conventional formwork.

SUSTAINABILITY STATEMENT
GOAL 1: ENABLING SUSTAINABLE CONSTRUCTION



DRIVING DIGITAL TRANSFORMATION

Set up in 2020, the Digital Transformation Team (DTT) is a relatively new offshoot of our VDC department that is tasked to leverage technology to solve problems, ensure seamless integration and identify processes that can be digitalised for simplification, efficiency and accuracy. DTT is pivotal in the Group's effort for more sustainable practices, especially in reducing unnecessary manpower and paper consumption in our work processes through various e-systems.

DTT KEY FOCUS AREAS

Creatively use technological solutions to solve perennial problems and enhance efficiency within the construction industry

Apply machine learning and Artificial Intelligence algorithms to extract insights from BIM modelling and other data obtained

Collaborate with universities, stakeholders and other industry players to drive and IR 4.0 within the construction industry.

To date, the DTT has successfully collaborated with various departments to achieve the following digital advancements:

Digitalised 12 internal processes	Assisted over 900 USERS in their digital workflow
Expanded digital presence to 48 project sites and departments	Savings of over RM 400,000 in 2021

Please refer to Centre of Excellence - Virtual Design and Construction (VDC) on pages 58 to 59 in 'Our Performance Review' to read more about our initiatives in innovation and technology.

SUSTAINABILITY STATEMENT
GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE



Goal 2:
Investing in Fair, Safe
and Inclusive Workplace

Key Topics

- 01 Human Capital Development
- 02 Safety and Health
- 03 Community Engagement

Material Issues Addressed

Safety and Health, Talent Development, Diversity and Inclusiveness, Community Engagement

SDGs Covered

- 3 GOOD HEALTH AND WELL-BEING
- 8 DECENT WORK AND ECONOMIC GROWTH
- 16 PEACE AND JUSTICE STRONGER INSTITUTIONS
- 5 GENDER EQUALITY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES

SunCon Future Value Goals Achievement

	Interim 2021 Annual Targets	FY 2021 Performance
Maintain zero fatality across all worksites directly controlled by SunCon	Zero	Zero fatal accident across all worksites
Achieve Accident Rate/Lost Time Injury Rate (LTIR) less than 0.3	< 0.55	LTIR = 0.16
Maintain notice received from authorities on vector issues at 0.10 or below across all worksites directly controlled by SunCon	≤ 0.10	Rate = 0.14
Achieve an average of 40 Learning and Development (L&D) hours per employee	16 hours	Average 17.5 L&D training hours per employee



SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE



Construction Occupational Safety and Health Training (COST)

01 Human Capital Development

- Talent retention
- Capacity building
- Diversity and inclusiveness

SunCon readily invests in human capital development in order to inculcate an appealing and high-performing working culture that attracts and retains the best talent, while empowering the Group to sustainably achieve our business growth objectives.

SunCon remains ever mindful that the dedication and loyalty of our workforce contributes fundamentally towards the sustainability of our business operations. We have therefore crafted a thoughtful and comprehensive human capital development framework that safeguards our employees' wellbeing, equips them to succeed and nurtures their personal aspirations.

Leveraging on robust and progressive policies that reward, inspire and empower, we are enabled to foster an increasingly competent workforce that will collectively and proficiently propel our ascension as a leading regional construction and engineering group.

More than 43%

of the value generated by the Group is channelled back to our employees through salaries and other benefits

TALENT RETENTION

Rewarding and Retaining Talent

As our business grows, we want our people to progress with us. We are therefore cognisant of the need to not only provide our employees with competitive remuneration and benefit packages, but to also cultivate an inclusive, engaging and inspiring workplace that offers learning and career progression opportunities.

Our commitment to employee development is enshrined in both our steadfast regulatory compliance as well as our robust initiatives that seek to ensure the needs and wellbeing of our people is taken care of. We want our employees to demonstrate loyalty, capability and unity and we empower them to do so by providing support and remuneration that goes beyond monthly wages and a minimum benefits package.

These include perks such as comprehensive insurance and healthcare coverage, including dental and optical benefits, as well as other unique privileges such as staff property discounts and tuition reimbursements. We further review our salary structure and staff benefits regularly to ascertain that we remain competitive against industry best practices.

Through our various initiatives to reward and retain our talent, we aspire to attract and nurture a capable and progressive workforce that supports our pioneering digital innovation and reflects our status as a dynamic and progressive leader in the civil construction sector.

SUNCON EMPLOYEE BENEFITS INCLUDE:

Insurance Coverage
Life Insurance | Medical Insurance | Group Personal Accident | Group Term Life Insurance

Healthcare
Dental | Optical | Executive Health Screening

Parental Leave
3 Days Paternity Leave
60 Days Maternity Leave

Others
Tuition Fees Discounts/Refunds
Staff Property Discounts

SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

Zero Human Rights Violations

SunCon maintains a zero-tolerance policy towards any and all human rights violations including child labour and forced or compulsory labour. We strictly adhere to Malaysia's Employment Act 1955 and all other relevant national laws as well as the labour principles of the International Labour Organisation and the United Nations Guiding Principles on Business and Human Rights.

Our ongoing rigorous commitment towards respecting human rights has enabled us to achieve another consecutive year of recording zero incidents of human rights violations during FY2021.

Employee Engagement Survey

Gathering feedback for continuous improvement is a fundamental strategy that drives continuous improvement in our human capital development strategy. To this end, we periodically conduct a Group-wide Employee Engagement Survey (EES) that empowers us to better understand the needs and concerns of our employees in order to improve our organisation's effectiveness and efficiency.

Our comprehensive survey offers employees the opportunity to provide feedback on 15 different dimensions of their workplace experience, including Company Leadership, Diversity & Inclusion, Work/Life Balance, Career Development and Rewards & Recognition, amongst others.

If areas that require improvement are identified from survey responses, special focus group discussions will be organised with the relevant group of employees to better appreciate their concerns and discuss ideas that may improve current practices.

Our previous EES was conducted in 2019 and encompassed 1,257 employees. The biennial EES was put on hold in 2021 due to the pandemic situation which limits our physical interaction with the employees. Our next survey is targeted to be held in 2022.

Employee Wellbeing

As a dedicated and progressive employer, SunCon recognises the holistic approach that is required to maintain the mental and emotional wellbeing of our workforce. We therefore strive to provide a safe, comfortable and harmonious working environment while at the same time promoting a healthy work-life balance and social camaraderie through our corporate activities.

The SunCon Social Club (SSC) undertakes a variety of initiatives throughout the year that are aimed at encouraging social interaction between employees and inspires our people to partake in volunteerism for the community.

The roster of activities, which include the celebration of various festivals as well as outdoor activities and trips, adds a variety of fun and healthy physical excursions to the calendar while also cultivating a culture of community engagement and social responsibility. The SSC regularly forms philanthropic partnerships with local NGOs to reach out and support underprivileged communities and people.

Please turn to pages 83 to 84 to read more about SunCon's Community Engagement.

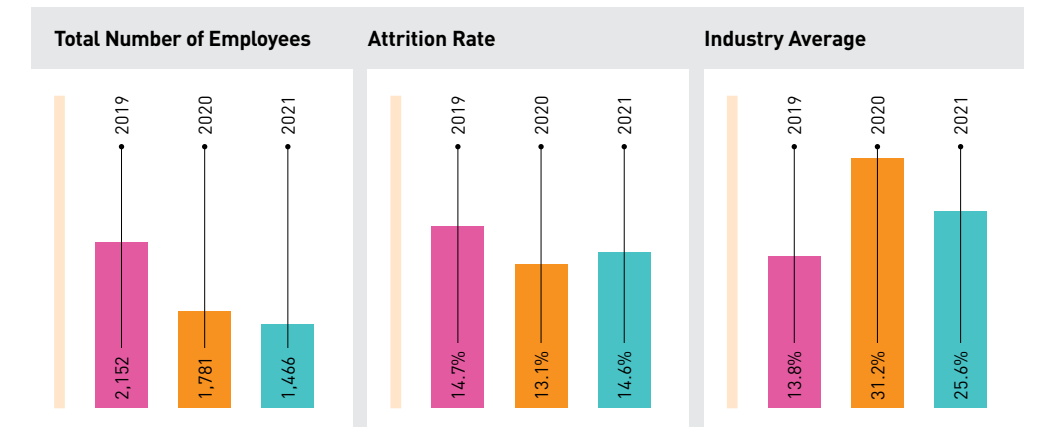
Grievance Mechanism

To create a safe working environment and a culture of good professional conduct, we strive to provide the appropriate mechanisms to address any disputes or grievances that may arise and take such feedback seriously, especially in the case of sensitive matters such as sexual harassment. In this aspect, we leverage on guidance from the Group's Sunway Employee Grievance Policy to assure employees that their grievances will be heard and resolved promptly, fairly and in the best interests of all parties.

The robust policy informs employees of the appropriate channels through which to lodge grievances and empowers them to escalate their concerns or complaints to their Head of Department and the Human Resources Department if their immediate superior is unable to resolve the matter satisfactorily. However, employees and managers are encouraged to make a sincere attempt at resolving grievances through informal means, or through mediation when appropriate, before activating the formal mechanisms of the Grievance Policy.

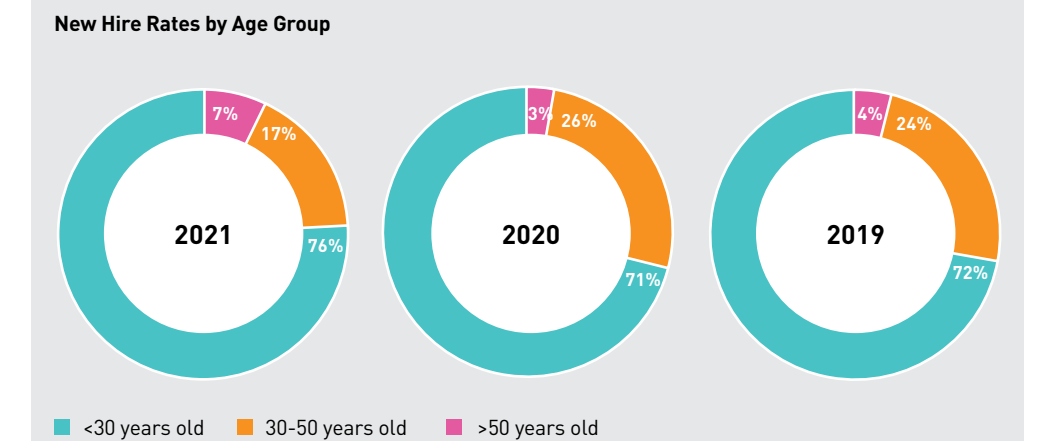
The Company is pleased to report that there were zero incidents of discrimination reported in FY2021.

WORKFORCE ATTRITION AND NEW HIRES IN FY2021



New Hire Rates by Gender

Year	2021		2020		2019	
Gender	Male	Female	Male	Female	Male	Female
New Hire Rates	71%	29%	93%	7%	91%	9%



SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

CAPACITY BUILDING

A fundamental objective of our human capital development strategy is to ensure the cultivation of a workforce that is competent, resilient and equipped to adapt to future challenges and adopt the latest technologies and innovations. In doing so, SunCon is able to maintain and enhance its competitiveness within the industry, while our people, too, may benefit from a wide array of learning and career progression opportunities.

We remain committed to investing robustly in the frequent training and capacity building of our workforce through a wide variety of programmes that are customised to each department's specialties and each individual's career advancement needs. Through an overarching philosophy of being a 'learning organisation', we empower our employees to pursue the training and development required to progress their careers and provide structured paths for career advancement within the Company.

Our capacity building framework is supported by our Quality, Environment, Safety and Health (QESH) Policy, which specifies guidelines to enable effective, efficient and consistent performance from our staff, while also ensuring that the requisite leadership, training, support and motivation is provided to them.

SunCon rolls out training programmes via a three-pronged approach that promotes the holistic development of our staff:

-  **On-The-Job Training**
-  **Coaching and Mentoring**
-  **Technical, Functional and Managerial Skills**

OUR TRAINING AND CAPACITY BUILDING MODULES

Leadership Training

- 7 Habits of Highly Effective People
- First-Time Manager
- CAL Leadership Conferences & Forum

Virtual Design & Construction

- REVIT Modelling Familiarisation Training
- BIM Standard PAS 1192 Competency Training
- BIM Design Management Training

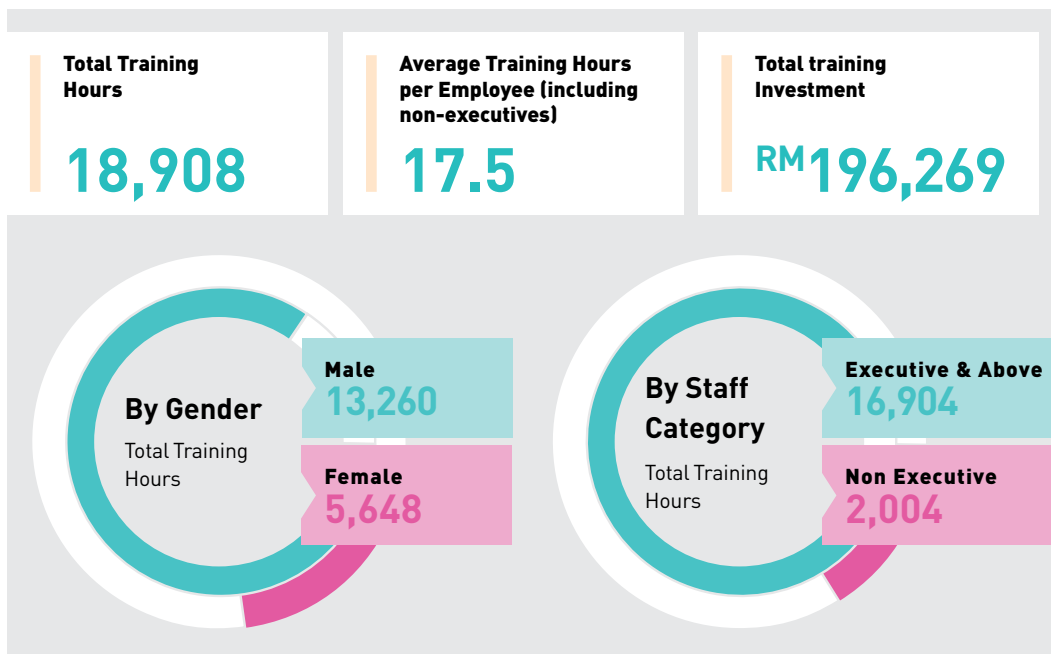
Quality Assurance

- ISO 9001 Management System Training
- QLASSIC Assessor Competency Training
- QLASSIC Awareness Training

Environmental, Safety & Health (ESH)

- ISO 14001 & ISO 45001 Management System Training
- Lifting Supervisor Competency Training
- Construction Occupational Safety & Health Training (COST)
- Any other job function-related training

Training in FY2021



SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

In the spirit of constant improvement, we require staff to complete evaluations on the training programmes that they have undertaken to enable us to measure the effectiveness of each programme. This includes identifying whether each employee's learning objectives have been met.

At the same time, we encourage an open dialogue between our employees and their superiors in discussing each individual's professional aspirations so that their career paths may be aligned accordingly to enhance their job satisfaction and work performance. For employees who wish to pursue their studies, the Company provides sponsorship opportunities that cover diploma, tertiary, professional and postgraduate qualifications.

We also enable the deployment of knowledge sharing ambassadors throughout the organisation. Top subject matter experts and key management leaders are empowered through appropriate coaching to become internal trainers and share their expertise with the rest of their teams.

DIVERSITY AND INCLUSIVENESS

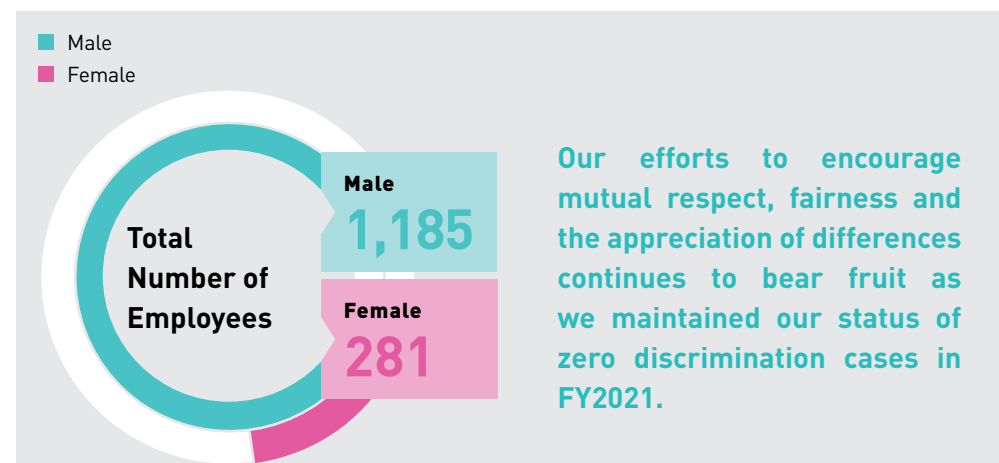
Unlocking the benefits of a diverse and inclusive workplace continues to be a key pursuit in our human capital development agenda. By embracing and harmonising the diversity of our people, we are empowered to foster a well-balanced workforce that can leverage on their various backgrounds and experiences to generate unique perspectives and perform better in collective problem-solving and decision-making exercises.

SDG 8 DECENT WORK AND ECONOMIC GROWTH

SunCon is honoured to contribute to the United Nation's SDG 8, which aims to achieve full and productive employment, and decent work, for women and men with equal pay for work of equal value. We ensure that all our employees are paid equally for their work without discriminating against their demographic background or disability.

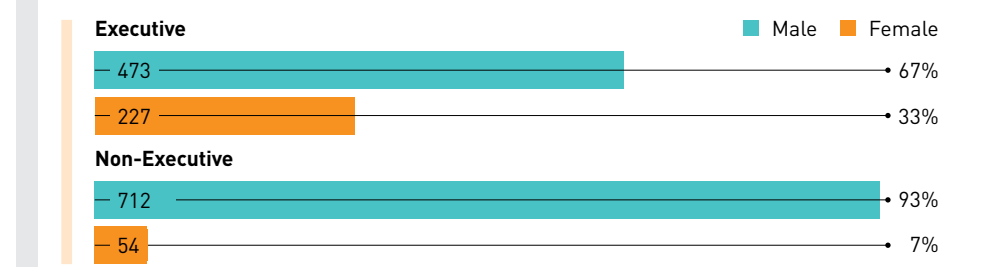
Non-discriminatory and equal opportunity practices are therefore paramount to our success in this aspect and are clearly defined in the Group's Code of Conduct and Diversity and Inclusion Policy.

Guided by our core values of Integrity, Humility and Excellence, we practice a zero-tolerance policy against any and all forms of demographic discrimination, including gender, age, ethnicity (nationality and religion), and disability. Similarly, we ensure new people are hired based on their credibility and suitability for the job role, and that all management personnel extend equal treatment to their subordinates when it comes to employment, rewards, remuneration and recognition.

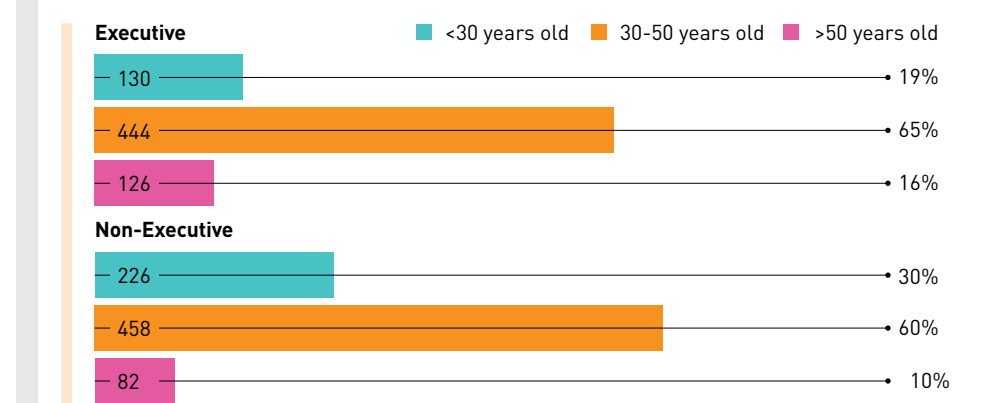


Our efforts to encourage mutual respect, fairness and the appreciation of differences continues to bear fruit as we maintained our status of zero discrimination cases in FY2021.

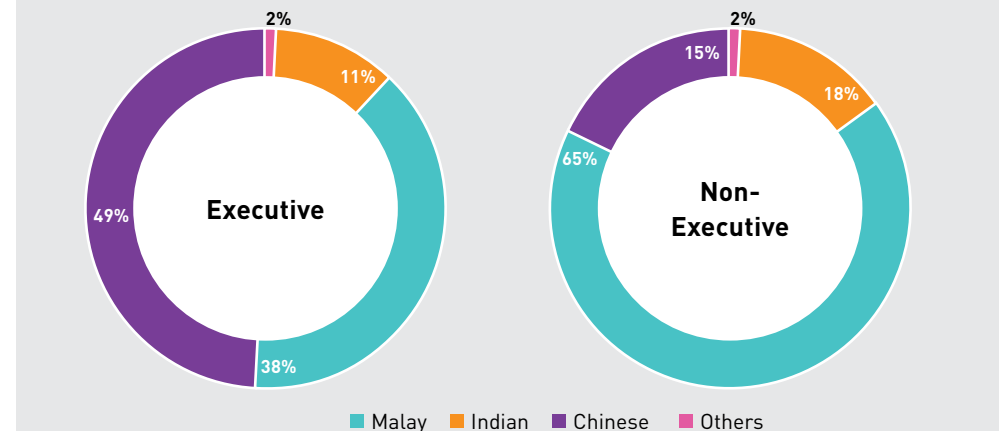
Employee Diversity by Gender According to Job Grade



Employee Diversity by Age Group According to Job Grade



Local Employee Diversity by Ethnicity According to Job Grade



SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

At SunCon, we have made public and occupational safety and health, and workers' welfare a priority across our business operations.

We are aware of the dangers of construction activities, and we strive to carry out our operations by employing the best care and precautions to avoid posing any health risks or endangering our staff or the surrounding communities.

SunCon believes that upholding the safety, health and welfare of employees and the local community is its sole responsibility and as such, occupational health and safety is of utmost importance. All our construction activities at project sites are governed by the Occupational Safety and Health Act (OSHA) 1994 and Factories and Machinery Act (FMA) 1967. Compliance to the rules outlined will ensure that our business operations are flawless, and any non-compliance will put the company at risk with the law and also negatively affect our reputation and credibility as a whole.

MANAGEMENT COMMITMENT AND POLICIES

At the company level, safety and health governance is led by our Group Managing Director (GMD), supported by key senior management. The GMD assumes the overall responsibility and accountability for the prevention of occupational injuries and health. The Management Review Board shall convene at least once a year where the company's QESH performance is presented and continual improvement strategies were discussed.

SunCon believes that it is necessary to keep establishing and implementing programmes that will effectively reduce hazards at the workplace while protecting lives and promoting employee health. Our commitment to safety and health practices are thus guided by principles laid out in our Quality, Environmental, Safety and Health (QESH) Policy which is communicated to all our employees. This policy is available for public viewing on SunCon's corporate website and is always highlighted during company trainings and business meetings.

The company adheres to and incorporates the following legal requirements into our Standard Operating Procedures (SOPs) and SunCon Minimum Requirements (SCMRs) to establish better health and safety standards throughout all business operations. We will continue to monitor the development of legal requirements and adopt the necessary laws to uphold good safety governance:

- Occupational Safety and Health Act 1994 (OSHA 1994)
- Factories and Machinery Act 1967 (FMA 1967)
- Construction Industry Development Board Act 520 (CIDB Act 520)
- All related legal requirements



Safety Stand Down Programme at TNB HQ Campus project

02 Safety and Health

- Management commitment and policies
- Occupational Health and Safety Management System (OHSMS)
- Environment, Safety & Health (ESH) organisation
- Managing safety and health
- Training and competencies
- Public safety
- Our response to COVID-19

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS)

SunCon and majority of its subsidiaries are ISO 45001/OHSAS 18001 Occupational Health and Safety Management System-certified.

As occupational health and safety is our foremost priority, we have implemented an annual structured performance evaluation process required by the OHSMS to assess the management of our business operations. As such, we take measures to ensure that the overall achievements of project sites are presented before putting forward proposals for improvement, to be discussed and approved by the top management.

Internal audits are also regularly conducted as required by the management system. These audits are carried out by qualified internal auditors, in a cross-audit manner to ensure fairness. The results are then presented at the annual management review meeting. In FY2021, SunCon and its subsidiaries completed all the surveillance audits by external auditors with no major non-conformances or breakdowns in management system implementation.

SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

ENVIRONMENT, SAFETY & HEALTH (ESH) ORGANISATION

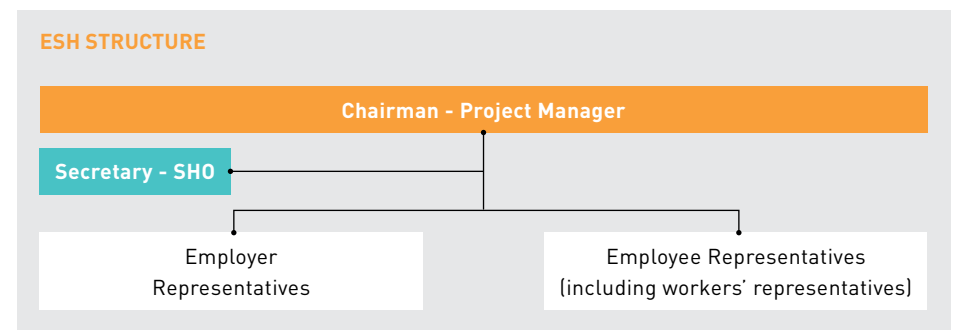
In 2021, the High Level ESH Committee (HLEC) has been dissolved with the establishment of the Board Sustainability Committee (BSC) as safety and health is one of the sustainability material areas which falls under the purview of BSC.

At SunCon project site level, the Environmental, Safety and Health (ESH) committee serves as the highest level of safety and health governance where the committee assists in the development of safe work systems, monitoring of safety and health performance, as well as reviewing of safety procedures and put forward recommendations for improvement.

The ESH committee comprises appointed employer and employee representatives, including representatives from our contractors and their workers' representatives. As such, the committee also functions as a platform for participation and consultation with our workers and contractors' workers where their voices in relation to safety and health issues are heard.

The ESH committee is pivotal in the organisation and management of safety and health within a workplace, as such, it is compulsory for all SunCon project sites to establish its ESH committee as soon as the workplace employs more than 40 people. The committee is chaired by the Project Manager on-site, with the Safety and Health Officer (SHO) serving as the committee Secretary. In compliance with OSHA 1994, all project workplaces directly controlled by SunCon have appointed SHO to assist the project manager in managing matters relating to safety and health.

In 2021 218 SunCon staff and 299 employee representatives (including workers' representatives) served on the ESH committees established across 23 worksites.



MANAGING SAFETY AND HEALTH AND OUR IMPLEMENTATIONS

Leading Indicators:

1. To achieve monthly inspection score of 80% and above;
2. To achieve U-See-U-Act (UCUA) ratio of 750 manhours to one issuance of UCUA report;
3. To increase internal Non-Conformity Report (NCR) issuance by 15,000 manhours to one issuance;
4. To increase frequency of Project Site Management ESH Walkabout to bimonthly

Lagging Indicators:

1. To achieve a year-on-year Accident Frequency Rate (AFR) below 0.15;
2. To achieve Accident Rate below 0.55;
3. To achieve three milestones – 5 million, 10 million and 15 million man-hours without loss time accidents – Company-wide

Goals and Targets

Our safety and health objective: To strive towards Zero life loss at all work sites, serves as a key metric in the measurement of our safety and health performance. At SunCon, we believe that top management leadership and commitment is critical in safety and health management. On this note, to demonstrate exemplary leadership in safety management, 5% of the total score in the Key Performance Indicators (KPIs) of our Group Managing Director (GMD) is apportioned to safety and health performance, whilst for employees at project level, 25% is apportioned for safety and health performance. The scores contribute to the employees' overall performance rating, translating to the annual employee appraisal and executive compensation.

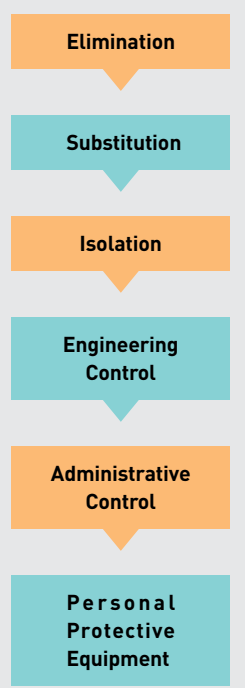
Since 2020, we have streamlined our safety KPIs where focus is more on the leading indicators as we embrace the prevention approach in safety and health management. The leading indicators are indirectly measuring the effort put in to achieve our objectives, while the lagging indicators, which are mostly incident and accident statistics, are kept in check. Both sets of indicators are outlined to support and uphold our key objective of ensuring zero lives lost at all project sites.

Hazard Identification, Risk Assessment and Risk Control (HIRARC)

The hazard identification, risk assessment and risk control (HIRARC) is essentially the cornerstone in safety and health management and an integral component in our Safe Work Method Statement.

At SunCon, we believe with in-depth hazard identification, risk assessment and risk control, the consequences of a hazard when it materialised can be minimised, if not fully managed or eliminated. As such, we take seriously the requirement of conducting HIRARC prior the start of any construction activities, where risk control measures are identified based on the hierarchy of control as illustrated in the diagram. The principle of the hierarchy of control focuses first on eliminating the risk whilst personal protective equipment should only be considered as last resort.

For high-risk activities that could threaten the health and safety of the general public, the HIRARC committee will convene to ensure that all parties carry out their roles and responsibilities to complete the project safely. The HIRARC committee comprises representatives from all the key stakeholder groups, namely the project manager, client representative, contractors' representatives, contractor workers' representatives, SHO, special contractor, industrial specialist and representatives from the local community if required.



SUSTAINABILITY STATEMENT
GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

The Permit-to-Work (PTW) system is essentially the product of HIRARC, and serves as the final approval before work commences. At SunCon, the PTW system is enforced for all high-risk activities such as working at height, lifting, confined space, excavations, hot work, night work, traffic diversion, blasting and concreting. An approved Permit-to-Work requires the applicant to prepare the work site as described in our SunCon Minimum Requirement (SCMR), inspected by the safety and health personnel on site, and approved by the person-in-charge of the activity. These permits come with a validity period, depending on the complexity of the job undertaken.

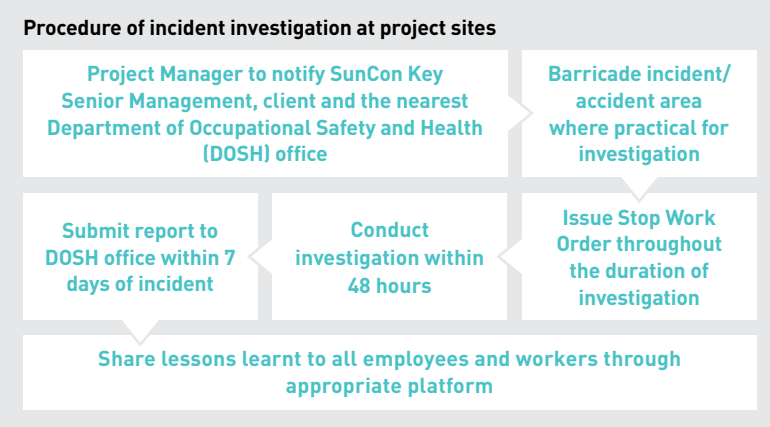
Towards Establishing the SunCon Safety and Health Brand

We envision to establish the SunCon brand in safety and health management, achieving not only a comprehensive documentation system, but also a set of standardised on-site risk mitigation solutions. The SunCon Minimum Requirement (SCMR) is a standard operating procedure which encompasses the environmental, safety and health controls required for a specific activity. Industry best practices and legal requirements have been incorporated into the development of the SCMR, propelling us to achieve sustainable ESH performance. To date, we have issued 5 SCMRs covering requirements for HIRARC, Vector Management, Permit-to-Work, 5-S for Construction and etc.

These SCMRs are implemented across all SunCon project sites and the project sites are inspected by internal inspectors through the Sunway Safety Merit System (SSMS) to ensure these standards are carried out on site.

Incident Investigation and Reporting Procedure

We practise timely and transparent reporting in the event of any accidents or incidents at our project sites. Workers are expected to immediately alert the Person-In-Charge (PIC) of the project site while incidents that occur at our headquarters are immediately reported to the Head of Department of Environmental, Safety and Health (HOD-ESH).



The outcome of the investigation is imperative for us to improve any gaps identified within our processes. To this end, lessons learnt are shared across the company through various platforms including emails, safety alerts, toolbox sessions, ESH committee meetings, on-the-job training and etc. Any corrective actions undertaken shall initiate a review and change in our current SOPs if required.

As the highest governance body of sustainability issues, the report will also be presented at the Board Sustainability Committee meetings.



SHASSIC Award 2021

TRAINING AND COMPETENCIES



Recognising that humans are the greatest threat on-site, to ensure our people and those who work in our workplaces are equipped with the necessary skills, knowledge and competencies is one of the key strategies in the prevention of life lost and injuries at our workplaces. From the analysis of our past safety performance, we have identified working at height, lifting and objects falling from heights as the key risks in our operations and one of the root causes was due to workers awareness and competencies.

To address the gap, since 2019, we have developed a series of compulsory training for all employees which covers the key modules of:

- Construction Occupational Safety and Health Training (COST)
- Scaffold Awareness Training (SAT)
- Lifting Supervisor (LS)

These training modules offer a clear direction for SunCon's requirements and expectations on ESH values and practices. They also act as a channel for sharing lessons learnt, emphasising our approach towards accident prevention and control. Employees are required to attend hands-on training which includes a HIRARC exercise in an actual on-site simulation, scaffold structure and actual scenarios on accidents. They will then be evaluated through assessments and staff who fail will be required to undergo training again - this is to ensure they have knowledge and practical know-how on all safety procedures and practices.

Training sessions in FY2021 were unfortunately disrupted due to the COVID-19 pandemic as the programmes required face-to-face interactions for the best learning experience. However, worksite-related training such as working at height, safe lifting, chemical management and any work-specific ESH training for our workforce, including contractors' workers, was carried out as and when required, in line with our SOPs and regulatory requirements.



U-SEE-U-ACT (UCUA)

The U-See-U-Act (UCUA) programme was conceptualised to nurture a predictive safety culture which focuses on the identification of unsafe acts and unsafe conditions at workplaces and effectively eliminate our exposure to potential accidents or incidents. Launched in 2019, the UCUA programme acts as a medium to allow workers to raise their concerns about any unsafe acts and unsafe conditions, and give suggestions for safety improvements.

This will help us to move closer to achieving our Lost Time Injury Rate (LTIR) target of less than 0.3 by 2030 as the programme encourages early intervention to minimise incidents. As part of our journey in adopting digitalisation in our processes, the UCUA is complemented by a ChatBot which allows real-time reporting for immediate action, the ChatBot has also removed the barrier of paperwork and manual analysis, which significantly improves the participation from employees and workers.

SUSTAINABILITY STATEMENT
GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

PUBLIC SAFETY

All of us at SunCon are mindful that construction activities pose risks to the public and may be a disturbance to the local community. We always do our best to carry out all our construction activities without any accidents involving people by employing sustainable safety and health measures at all our construction sites. We welcome members of the public to reach out to us through the SunCon Hotline, listed on our corporate website. Made available for people affected by the activities of our construction sites, the hotline is a channel for feedback or complaints, which we will do our best to remedy.



In 2021, we received 1 feedback through the hotline, of which the issue has been resolved.



Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446) and its Regulations

The Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020 were gazetted by the government in 2020 at the juncture when the country was in the midst of combating COVID-19. As a labour intensive industry, SunCon responded by communicating the requirements to our contractors and ensured that the accommodations provided for their workers are meeting the regulation's minimum requirements through scheduled inspections. To this end, SunCon has also gone the extra mile in ensuring the accommodations undertaken by our contractors have obtained the Certificate of Accommodations (CFA) as per the regulation's requirement. In 2021, all three Centralised Labour Quarters (CLQ) operated by SunCon have obtained the CFA.

OUR RESPONSE TO COVID-19

It is clear to us that we continue to take protective measures to protect our project sites and our workers from the devastating effects of the pandemic and as such, SunCon constantly keeps up to date on the latest developments and directives from the Ministry of Health.

We know that an outbreak in our management office or at any of our project sites will impact our people and our partners as we will be forced to close or stall our business operations. This will impact the livelihoods of our people as well as our brand value. As such, we work closely with our business partners to ensure we remain compliant and safe in our business operations.

Bi-weekly COVID-19 test for employees and workers

Invested more than RM3 million on testing and COVID-19 prevention

Strict enforcement of COVID-19 Business Continuity Plan at worksites and offices through inspection

99.8% staff and are fully vaccinated (completed 2nd dose)

SunCon employees and contractors received training on COVID-19 Business Continuity Plan and Return-to-Work SOP

Workers' Health and Welfare

Zero Larvae, Zero Dengue

SunCon deeply cares about the welfare, health and safety of our workers. Preventing the spread of dengue, a potentially fatal disease carried by the Aedes mosquito is most important to us. As such, we actively take steps to educate and create awareness about the dangers of dengue and how to prevent mosquitoes from breeding at our project sites as it endangers the health of not only our workers but also the communities around our sites. Through our "Zero Larvae, Zero Dengue" programme, we developed a four-pronged strategy to drive anti-dengue initiatives on-site to protect our workers and the public. The initiatives are carried out daily/weekly in accordance with the following strategy:

- Four-Pronged Anti-Dengue Strategy:**
1. Search and Destroy
 2. Larvaciding and Fogging
 3. Gotong-Royong
 4. Anti-dengue awareness and communications

In 2021, we received four notices from the state health department across 29 project sites despite our efforts to control dengue. We acknowledge the failure to achieve our SunCon Future Value Goal 2030 target and we will continue to implement, improve and standardise our efforts in combatting dengue at all our workplaces.

SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

The construction industry depends heavily on foreign workers and thus, it is important for us to ensure our foreign workers are free from infectious diseases. The Immigration Act 1959/63 is a regulation we strictly comply to, where foreign workers are required to be screened for malaria, AIDS/HIV and tuberculosis before they are permitted to start work. The Foreign Workers Medical Examination Monitoring Agency (FOMEMA) also requires that foreign workers are screened for other diseases such as cancer, Hepatitis B, leprosy, epilepsy and sexually transmitted diseases (syphilis).

We are always steadfast in complying with the Factories and Machinery (Safety, Health and Welfare) Regulations 1970 by ensuring welfare provisions such as appropriate Personal Protective Equipment, first aid room, workers' rest areas, temporary sanitation facilities, canteen and labour quarters are supplied and provided for, by the company.

Safety and Health Performance

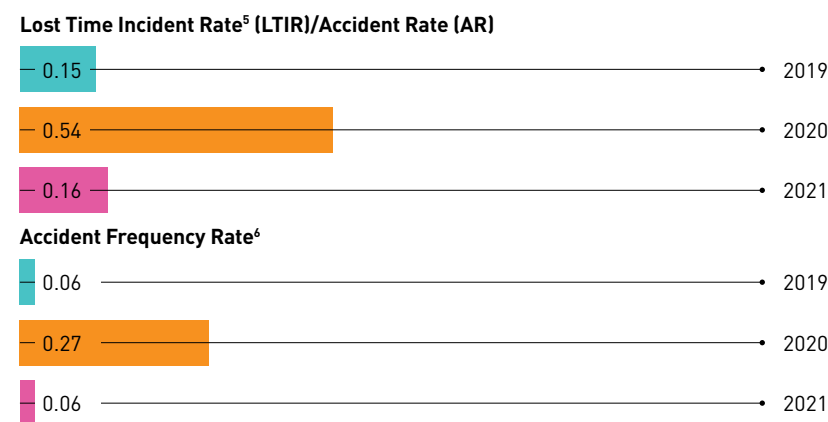
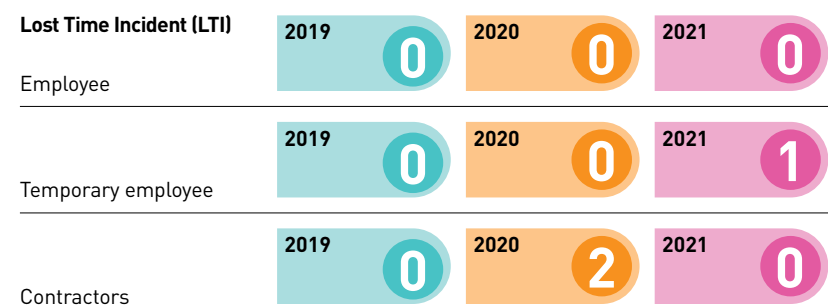
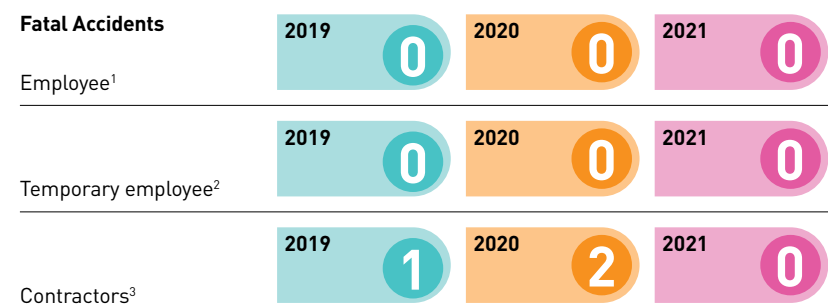
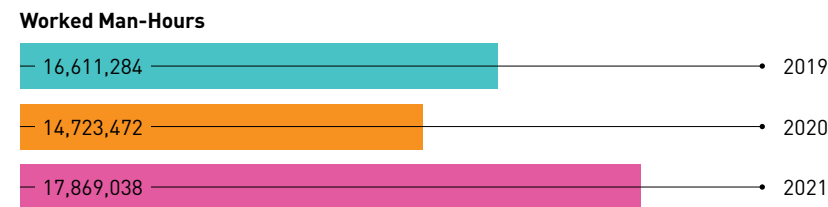
The construction industry has been widely labelled as the 3D industry: Dangerous, Dirty and Demanding. This is true as safety and health are the top material issues for us at SunCon. On this note, we are steadfast to continually uphold our safety and health policy and sustaining our objective of Zero Life Lost at all our workplaces.

Benchmarked against both local and international standard, our fatality rate in 2020 (per 100,000 workers) is 27.17 whilst those of Malaysia construction industry is at 6.90¹, Singapore at 2.20² and United Kingdom at 1.62³. Through the benchmarking exercise, we acknowledge that efforts to strengthen and sustain our safety and health performance remains as our key priority.

In 2021, we have managed to keep a clean slate on our fatal accidents statistics and a slight improvement in safety and health performance. We strive to ensure our performance is sustained through continuous improvement on our standards, implementations, training and programmes.

List of references:
¹ Department of Occupational Safety and Health (DOSH), Malaysia
² Ministry of Manpower, Singapore
³ Health Safety Executive, UK

Occupational Safety and Health Performance Data



¹ Includes all staff under SunCon payroll
² Defined as foreign workers under SunCon payroll
³ Defined as workers who are not employee or temporary employee
⁴ Defined as total number of fatal and lost time incidents
⁵ Lost Time Incident Rate covers both employee and contractors (per 1,000 workers – based on DOSH Malaysia JKKP 8)
⁶ Accident Frequency Rate covers both employee and contractors (per 1,000,000 hours – based on DOSH Malaysia JKKP 8)
 * Restated

SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE

03 Community Engagement

- Active engagement
- Enriching lives



Home makeover for an underprivileged family

SunCon proactively engages with the communities surrounding us to empower greater sustainability in our developments and enrich people's lives for a better tomorrow.

As a pioneer within the regional construction industry, SunCon assumes responsibility for leading our peers and acting as a role model for sustainable development in Asia. While it is an unavoidable consequence that construction can cause potential disruptions to surrounding communities, we believe that a thoughtful approach to sustainable development that prioritises proactive engagement with nearby populations can enable us to effectively mitigate such issues and inspire these communities to fully appreciate the value our new buildings and infrastructure can provide them.

By listening to the community and gaining valuable feedback, we are equipped to optimise our construction

activities to protect their living environments and make informed decisions to make suitable contributions towards enrichment programmes that can benefit their progress and development.

ACHIEVING MINDFUL DEVELOPMENT THROUGH ACTIVE ENGAGEMENT

'Building community resilience' is a key pillar that is defined within SunCon's value creation framework and it inspires our unwavering commitment to ensure our projects provide sustainable value to surrounding communities.

As a specialist in civil infrastructure construction, we are privileged to see the role that many of our projects play in catalysing economic progress for the local community and providing people with employment opportunities or lifestyle enhancements. Our construction of the MRT and LRT infrastructural projects, for example, has certainly made a positive impact on the livelihoods of many local communities.

However, as important as the benefits of the finished project may be, equally important are the efforts that are taken beforehand to ensure a seamless construction process that minimises impact to the surroundings. Consequently, SunCon continuously engages with the communities where we operate to better understand their concerns and refine our project planning and construction approach to meet public expectations.

Through our various engagement channels, we provide ample opportunity for all members of the community to provide their feedback and for us to revert with timely solutions. We also rely on these engagement platforms to provide the community with information, updates and assurances on our safe and considerate construction practices at all times.

In FY 2021, SunCon contributed more than RM1.5 million through the Jeffrey Cheah Foundation and SunCon Social Club (SSC) initiatives to the community in which we operate.

SUSTAINABILITY STATEMENT

GOAL 2: INVESTING IN FAIR, SAFE AND INCLUSIVE WORKPLACE



Food Aid Campaign organised by Sunway Belfied project, Kuala Lumpur

ENRICHING LIVES FOR A BETTER TOMORROW

SunCon aspires to enrich the lives of those from vulnerable and marginalised communities by actively contributing to public and private funds and participating in community programmes. Our internal outreach efforts are spearheaded by the SunCon Social Club (SSC) and its committee members who are volunteers from our workforce.

The SSC encourages employees to engage in community volunteerism and contribute to initiatives that benefit society. In FY2021, the SSC reached out to the communities impacted by the floods in December 2021 and worked closely with strategic key partners to generate positive and sustainable impacts.

Food Aid

Our SunCon project team reached out to the communities in need during the pandemic to provide food to more than 1,800 of individuals and families whose incomes were affected during the lockdown periods. Food packages, which included basic necessities and groceries, were distributed to the individuals and families in Penang, Johor and the Klang Valley. The initiative was made possible through a collaborative effort with our business partners and various stakeholders, who helped to raise more than RM70,000 for the cause.

River cleaning initiative

In conjunction with World Water Day 2021, SunCon volunteers took part in a river cleaning initiative together with PETRONAS and the local communities of Kg. Dato Abu Bakar Baginda to clean up 1 km of Sungai Air Hitam river in Kajang, Selangor. The initiative was in support of the Ministry of Environment and Water's National River Trail Programme, which focuses on community involvement to overcome river pollution.

Flood Aid (LRT)

In light of the floods in December 2021 which affected various communities in Kuala Lumpur and Selangor, the SSC set up a flood relief mission to reach out to the affected individuals and families, including SunCon staff whose houses were flooded. Apart from helping to clean up the houses of the affected communities, SunCon also disbursed RM80,000 for the communities.

Projek Transformasi Rumah

Holding true to the organisation's philosophy of giving back to society, SunCon teamed up with Sunway Putra Mall, Sunway Property, Lions Club of Sunway Damansara Metro and Persatuan Anak Jati Penchala to refurbish the house of an underprivileged family, whose income was impacted by the pandemic. Supported by Segambut Member of Parliament, Hannah Yeoh, the teams gave the 80-year-old wooden house a fresh coat of paint, a new set of furniture and new electrical wirings.

OUR COMMUNITY ENGAGEMENT PLATFORMS

HOTLINE
Phone numbers are displayed around the project site and on SunCon's corporate website. In FY2021, we received 1 public complaint and the issue has been resolved.

TOWN HALL
Town hall sessions prior to commencement to notify the local community and address their queries

SOCIAL MEDIA
We are active and responsive on LinkedIn and Instagram

CORPORATE WEBSITE
We provide company information and are able to receive feedback or inquiries through our website

Food Bank

During the pandemic, SunCon's team from the PETRONAS New Leadership Centre project established a Food Bank Programme by placing food at selected petrol stations for the needy and the communities whose incomes were impacted by the pandemic. The team raised more than RM12,000 through collaborations with business partners to provide sustenance and basic necessities such as rice, salt and cooking oil on a weekly basis.

SunCon Virtual Run 2021

The SSC held a SunCon Virtual Run 2021 in June 2021 for our employees to promote health and well-being amid the prolonged periods of lockdowns. Participants were given a week to familiarise themselves with Strava, a fitness monitoring mobile app, to keep track of their cumulative distance to achieve the target of 30 km within a month. 30 participants achieved the recorded distance within a month and received RM200 each.

SUSTAINABILITY STATEMENT

GOAL 3: ENSURING COMPLIANCE AND EMBRACING TRANSPARENCY

Goal 3: Ensuring Compliance and Embracing Transparency

Key Topics

01 Sustainability Governance

02 Customer Privacy

Material Issues Addressed

Governance and Ethical Business, Risks and Regulatory Compliance, Sustainable Procurement Practices

SDGs Covered



SunCon Future Value Goals Achievement

2030 Targets

Zero tolerance for bribery and corruption

Interim 2021 Annual Targets

Zero confirmed incidences

FY 2021 Performance

Zero confirmed bribery & corruption incidents

01 Sustainability Governance

Governance Through Robust Policies and Compliance to Local Legislation

In response to our material issue on Governance and Ethical Business, and Risk and Regulatory Compliance, SunCon strives to uphold the highest level of ethical standards in all our business dealings. We are committed to abide by all relevant laws, regulations, and industry best practices within the jurisdictions we operate.

Board policies

Remuneration Policy for Directors & Senior Management, Policy of Selection of External Auditors, Non-Audit Services Policy

Corporate policies

Code of Conduct & Business Ethics, Whistle-Blowing Policy and Procedures, Anti-Bribery & Corruption Policy, Anti-Money Laundering Policy, Quality, Environmental, Safety and Health Policy

Alignment with Sunway Berhad's policies: Diversity and Inclusion Policy, Human Rights Policy

For more information on the Group's governance policies, please visit <https://www.sunwayconstruction.com.my/investor-relations/>

In the Pipeline

Formed in late 2021, the Board Sustainability Committee is currently working to establish the SunCon Sustainability Policy, which will serve as the guiding principles on our sustainability agenda. Upon completion in 2022, the policy shall be shared to all SunCon stakeholders.

For more information on our governance framework and policies, please refer to [Creating Value Through Responsible Governance](#) on pages 92 to 125.

SunCon is committed to protecting the data privacy of its customers by complying with the relevant laws and strengthening its cyber security system from time to time. We acknowledge that leak or breach of customer data may expose the organisation to reputational risk and even financial as well as legal risks.

We comply with the Personal Data Protection Act 2010 and are guided by Sunway Berhad's Sunway Information Security Policies, which was developed in accordance with ISO/IEC 27001 (2013) standards. The policy is available on SunCon's corporate website.

Our cybersecurity controls are governed by Sunway Berhad's governance infrastructure, Information Technology (IT) Shared Services Centre, which is led by the Group Chief Information Officer (CIO). The CIO updates the Board with the Group's latest cybersecurity and technology strategy whenever necessary. The Shared Services Centre conducts assessment on the Group's Information Security system on a periodic basis and conducts an annual disaster recovery simulation for critical services. To ensure we have a truly robust system, the Shared Services Centre is audited internally and externally.

In 2021, there were zero substantiated complaints concerning breaches of customer privacy, theft, leak and loss of customer data or critical information.

02 Customer Privacy