

## SUSTAINABILITY STATEMENT

Our sustainability efforts are guided by solid governance and supported by collective economic growth, focused environmental management and meaningful engagement with communities. We are driven to develop strategic sustainability approaches in our business, deliver value to our stakeholders and consistently measure our progress against the impacts we may create. This is our fourth year of sustainability disclosure, where we reflect on our current progress while reiterating our commitment to **build with the future in mind**.



### Economic Growth

Maintaining project quality and good procurement processes, and contributing to the local economy



### Environmental Management

Managing our projects' impact on energy, water, climate change and biodiversity



### Social Performance

Ensuring a committed, safe and healthy workforce as well as positively impacting local communities

### 2019 Highlights

Zero Lost Time Injuries (“LTIs”) in 2019 for our Engineering and Construction and Property Development Divisions

Solar lighting at construction sites - Estimated over 700,000L or RM1.7 million in fuel savings

Occupational Health and Safety System Upgrade - OHSAS 18001:2007 to ISO 45001:2018 in 2019, two years ahead of schedule

97%, or over RM275 million, of budget expenditure on local suppliers in Engineering and Construction Division

Green initiatives at retail malls and hotels - 0.36% and 2.99% reduction in water and electricity consumption respectively

5<sup>th</sup> edition of WCT KIDSS Sports Programme – Our annual community development programme benefitting 40 schoolchildren to promote active lifestyle

### SCOPE

This report covers WCT Group and its core business divisions operating in Malaysia; this includes Engineering and Construction, Property Development and Property Investment and Management Divisions. Unless otherwise stated, the scope of this report covers the financial year ended 31 December 2019.

We have expanded our operational boundary this year to include SkyPark Terminal and SkyPark Aviation, which were added to our investment property portfolio in 2018. Our involvement in SkyPark Terminal includes the commercial area of the airport terminal at the Sultan Abdul Aziz Shah Airport in Subang, while SkyPark Aviation provides a comprehensive list of private aviation handling services, including fixed-based operations covering ground handling, a business aviation centre for personalised client care and a hangarage complex providing hangarage facilities and apron space for short and long-term aircraft parking.

### GOVERNANCE

The Group Sustainability Committee continues to play a leading role in overseeing the implementation of WCT's sustainability strategy, and works closely with the heads of our business divisions to implement programmes and initiatives. We achieved another milestone in our sustainability governance structure in 2019 by the formation of the Board Risk and Sustainability Committee comprising four independent non-executive directors of the Company. Moving forward, we aim to further strengthen sustainability oversight at the Group level.

# SUSTAINABILITY STATEMENT

cont'd



For details on WCT's corporate governance principles and practices, please refer to the Corporate Governance Overview Statement of this Annual Report, page 69.

## SUSTAINABILITY GOVERNANCE



In 2019, we re-assessed our value chain across divisions, examining how our stakeholders were impacted by our material matters within our business processes. Our Group Sustainability Committee conducted a series of workshops with our business division leaders to evaluate how sustainability could better drive growth, productivity and manage risks. We are progressively moving beyond compliance towards an aligned sustainability approach, where we track our impact.

# SUSTAINABILITY STATEMENT

cont'd

## ETHICS AND INTEGRITY

Ethics and integrity anchor our direction as an organisation and bind us together as a team. WCT is guided by a range of policies and codes, including, inter alia:

- **Code of Ethics for the Company Director:** The Code of Ethics provides ground rules and guidance for proper standard of conduct and ethical behaviour for the Board, based on the principles of sincerity, integrity, responsibility and corporate social responsibility.
- **WCT Code of Conduct & Ethics:** Standard code of conduct relating to business operations for all employees.
- **WCT Policy and Procedures on Anti-Bribery & Anti-Corruption:** Adopted by the Group in 2020 to set out policy statements and procedures against bribery and corrupt practices by the directors and employees of WCT Group, as well as persons performing services for or on behalf of the Group.
- **Whistleblowing Policy & Procedures:** Implemented by the Group in 2018 as an avenue and mechanism for any individual to report concerns they may have on any suspected and/or known improper conducts, wrongdoings, corruption, fraud and/or abuse involving any companies within the Group as well as any of its directors or employees.

## A STRUCTURED APPROACH

Our integrated Quality, Safety & Health and Environmental Policy (“QSHE”) underpins our approach in addressing material matters and regulatory compliance, with an alignment to our ISO management systems. Further details on the quality, environment and safety and health management systems can be accessed in our Annual Report on page 3.

## STAKEHOLDERS

In addition to mapping our stakeholders’ interest areas across our business, engagement through the relevant channels helps us better understand how issues impact the various stakeholder groups.

| Stakeholder Groups | Engagement Platform  | Areas of Interest   |
|--------------------|--|---|
| Board of Directors | <ul style="list-style-type: none"> <li>• Quarterly Meetings</li> <li>• Annual General Meetings</li> <li>• Company reports</li> <li>• Compliance with stock exchange requirements</li> <li>• Newsletters</li> <li>• Surveys</li> </ul>  | Provide oversight of Group strategy against outlook while balancing risk towards achieving targeted financial and operational performance.        |
| Employees          | <ul style="list-style-type: none"> <li>• Internal communications</li> <li>• Face-to-face meetings</li> <li>• Performance reviews</li> <li>• Code of conduct &amp; ethics</li> <li>• Interviews</li> <li>• Community development programmes</li> <li>• Conferences, seminars and workshops</li> </ul> | Prioritise health and safety practices due to the nature of our business and keenly focus on human capital development.                           |
| Customers          | <ul style="list-style-type: none"> <li>• Satisfaction surveys</li> <li>• Suggestion boxes</li> <li>• Social media</li> <li>• Newsletters</li> </ul>  | Focus on delivering products of exceptional quality in a timely manner, alongside supportive services to ensure satisfactory customer experience. |

# SUSTAINABILITY STATEMENT

cont'd

| Stakeholder Groups               | Engagement Platform   | Areas of Interest   |
|----------------------------------|---|---|
| Investors                        | <ul style="list-style-type: none"> <li>• Quarterly analysts &amp; fund managers' briefings</li> <li>• Face-to-face meetings</li> <li>• Conferences</li> <li>• Regular engagements and communications</li> </ul> | Interest in the Group's financial and operational performance, strategy and risk management as well as WCT's environmental, social and governance practices.                    |
| Local Communities                | <ul style="list-style-type: none"> <li>• Town-hall meetings</li> <li>• Community development programmes</li> <li>• Press releases</li> <li>• Social media</li> </ul>  | Ensure continuous engagement regarding project developments and impacts to the community as well as investing in community growth.  |
| Regulators and local authorities | <ul style="list-style-type: none"> <li>• Face-to-face meetings</li> <li>• Regular engagement for knowledge sharing</li> <li>• Press releases</li> <li>• Conferences</li> <li>• Surveys</li> </ul>               | Ensure better practices of regulatory adherence and corporate governance through monitoring and compliance.   |
| Media                            | <ul style="list-style-type: none"> <li>• Community development programmes</li> <li>• Press releases</li> <li>• Advertising</li> <li>• Conferences</li> <li>• Regular engagements</li> </ul>                     | Updates and information on the company's growth strategy, financial and non-financial performance.  |
| Industry                         | <ul style="list-style-type: none"> <li>• Surveys</li> <li>• Conferences</li> <li>• Interviews</li> <li>• Face-to-face meetings &amp; regular engagements</li> </ul>   | Sharing of industry-related knowledge and a gateway to WCT striking up strategic partnerships.  |
| Suppliers                        | <ul style="list-style-type: none"> <li>• Face-to-face meetings</li> <li>• Annual re-assessment of supplier performance</li> <li>• Surveys</li> <li>• Regular engagements</li> </ul>                             | WCT assesses suppliers' quality of materials, delivery of work and health, safety and environment compliance on a consistent basis to ensure adherence to regulatory standards. |
| Research Partners                | <ul style="list-style-type: none"> <li>• Community development programmes</li> <li>• Research programmes</li> <li>• Conferences</li> </ul>  | Collaborate with WCT to develop deeper understanding of technology, processes and methodology as well as enable mutual transfer of knowledge.                                   |

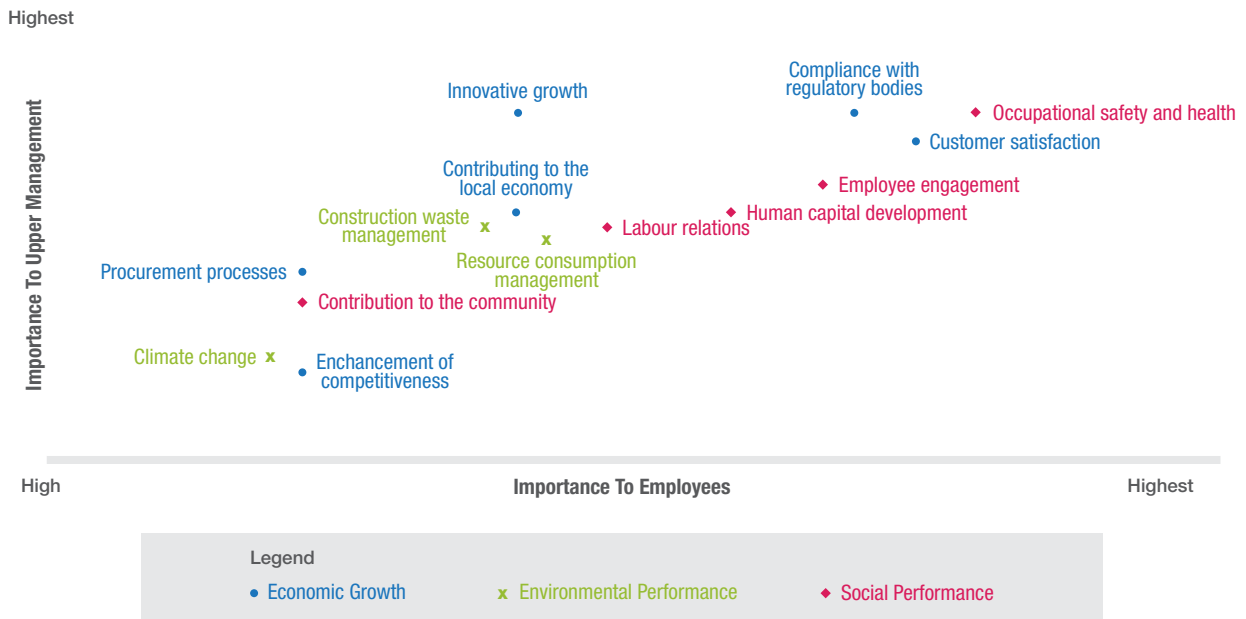
# SUSTAINABILITY STATEMENT

cont'd

## MATERIALITY

### Materiality Matrix

To ascertain the continued relevance of our 2018 materiality matrix, we conducted a benchmark assessment which confirmed the issues and matters of highest importance. As we capture our progress on these material matters and being mindful of continual changes in the business landscape, we are committed to conduct a new materiality survey in 2020 to refresh our understanding of what matters most to stakeholders and the business.



### Supporting the UN Sustainable Development Goals (UN SDGs)

The SDGs outline targets amid challenges faced by the global population that organisations can work towards to improve their business processes and subsequently, lives of people involved in or affected by their business. We have since identified and highlighted two goals that are most relevant to WCT and areas where we can commit, invest and measure our progress.

#### SDGs we support

Targets we support:

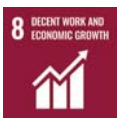


- **Target 12.2 - Achieve the sustainable management and efficient use of natural resources**

Our commitment: We pledge to move towards the use of sustainably sourced construction materials in our projects.

- **Target 12.5 - Substantially reduce waste generation through prevention, reduction, recycling and reuse**

Our commitment: We are increasingly practicing waste recycling, reduction and reuse throughout our operations.



Target we support:

- **Target 8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers**

Our commitment: We manage health and safety risks, ensuring employees understand and adhere to appropriate health and safety measures.

# SUSTAINABILITY STATEMENT

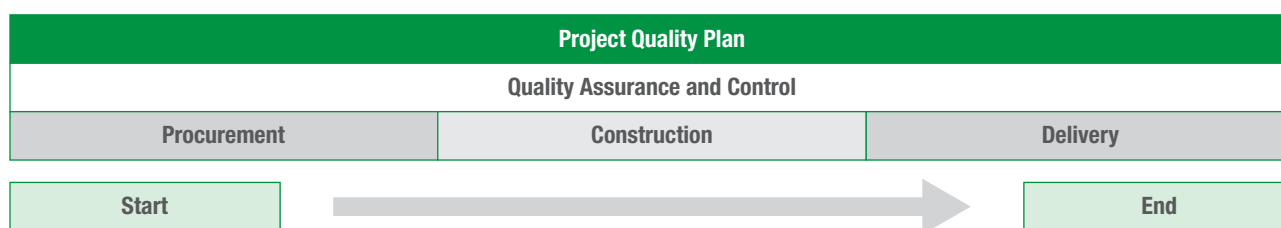
cont'd

## ECONOMIC GROWTH

All our projects and businesses are run with the intent to provide our customers with an exceptional and fulfilling experience. We build for and serve the community, to meet their needs whilst revitalising economic development. In doing so, we also strive to contribute to the nation's growth and prosperity.

### Quality of our Projects

Quality is at the heart of our buildings and infrastructure projects. Quality control is an end-to-end process involving identification of quality standards required, evaluation of project performance and monitoring the quality compliance at each stage of the project. In doing so, we are guided by ISO 9001 standards. We utilise a Project Quality Plan ("PQP") as a guideline to track progress and milestones in any project.



Delivering on quality for a project begins with understanding base parameters including its objective, description, scheduling, contract information and responsible parties. In practice, the PQP comprises planned, systematic actions for site layout, building materials, work quality and storage location. Standards of material and quality of work are routinely inspected and tested to meet specifications. As a PQP anchors the project, it is also periodically reviewed to ascertain its viability and effectiveness in ensuring we can deliver a good quality project in a timely manner.

In Property Development, we maintain similar quality management processes and the highlight in 2019 was the revamping of its marketing strategy. We want to be true to our customers as it is fundamental to maintain trust. To that end, we created new marketing kits for 15 existing projects to retain consistency of communication across all parties. Similar kits will be developed for all new projects moving forward. The marketing kits contain detailed information of projects, equipping our sales teams and agents with accurate information to share with potential customers. To ensure responsible marketing is upheld, General Managers walk the floor to monitor that sales teams and agents convey information correctly.

The after-sales experience is enhanced with our updated Vacant Possession ("VP") process with additional steps to provide a positive experience to our customers:

- Employees are briefed on how the building works to communicate the same to residents.
- Employees are required to inspect the unit during handover with purchasers to ensure satisfactory condition.
- During the VP, a briefing is also given to the residents on the dos and don'ts of community living.

To further improve customer convenience and resolve complaints in a timely manner, we are planning to launch our own mobile application to handle complaints of defects, aiming for launch in late 2020.

## SUSTAINABILITY STATEMENT

cont'd

*Our sales teams and agents ensure customers are provided with accurate and precise information on projects*



Within our retail malls and hotels, our quality is upheld by the services we provide to the customers and guests. Customers' experience is gauged by the feedback received from multiple channels including social media, online sites and our formal surveys. These platforms partly guide our process to identify weaknesses and strengths within our service standards in order to improve quality and customer experience.

### **Elevating Customer Experience**

- Implementing ServeDeck, our facilities management mobile application to improve overall operations performance and enable faster turnaround times in resolving complaints from internal and external customers.
- Providing convenient facilities such as phone charging stations, buggy services, car park guiding system, cashless parking and extending accessibility with a public transportation hub for buses, taxis and e-hailing services at selected retail malls.
- Enhancing our private aviation customers' experience during their transit at SkyPark Aviation with the upgrading of facilities and offering of new services. Security at the aviation centre has also been improved in compliance with aviation authorities' requirements.



# SUSTAINABILITY STATEMENT

cont'd

## Customer Satisfaction across the Group



- E&C: Engineering and Construction Division
- FM: Property Development - Facilities Management (BBT One The Towers)
- CS: Property Development - Carpark Services (BBT One The Towers)
- PMPJ: Paradigm Mall PJ
- PMJB: Paradigm Mall JB
- gateway@klia2
- SA (BAC): SkyPark Aviation (Business Aviation Centre)
- SA (GHS): SkyPark Aviation (Ground Handling Services)

Across the Group, most of our customers are satisfied with our services, and we constantly strive to do better. Customer feedback allows us to gauge and respond accordingly on aspects surveyed - review of PQP aspects in engineering and construction; upkeep of responsiveness, timeliness and safety in property facilities' management; enhancement of comfort levels and ease of use at malls and hotels; and improved facilities and services at SkyPark Aviation. This feedback loop lets us know our customers better and continue to improve on delivery of quality services.



*Our retail malls conduct customer satisfaction surveys to improve service levels*



# SUSTAINABILITY STATEMENT

cont'd

## PROCUREMENT MANAGEMENT

We engage contractors, sub-contractors and suppliers across a vast range of product offerings and expertise, and we select our business partners with proper due diligence. Contractors, sub-contractors and suppliers must first be equally committed to our high QESH standards and are appointed upon meeting the Group's selection criteria. Annual evaluations of appointed suppliers provide us the certainty that quality adherence is maintained through the value chain.

### Our Role in the Local Economy

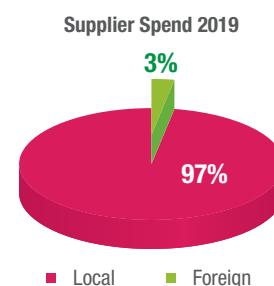
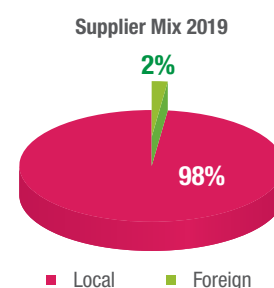
As one of Malaysia's leading engineering and construction companies, we are able to boost national economic growth through local sourcing. We build solid relationships with suppliers through time, thereby fostering an understanding to journey together towards sustainable success.

| Supplier Type* | 2019 (number of suppliers) |
|----------------|----------------------------|
| Local          | 1,272                      |
| Foreign        | 27                         |
| Total          | 1,299                      |

\* Comprising our Engineering and Construction and Property Investment and Management Divisions

| Supplier Spend for Construction Projects* | 2019 (RM)   |
|---|-------------|
| Local                                     | 275,239,107 |
| Foreign                                   | 7,686,298   |
| Total                                     | 282,925,405 |

\* Comprising nine construction projects in our Engineering and Construction Division



Nearly 98% of our suppliers are local businesses; similarly, more than 97% of procurement expenditure, or more than RM275 million in construction was spent locally, creating jobs and enabling national economic growth.

We have expanded tracking of our suppliers in 2019, including our retail malls and hotels within the data scope, allowing us to better account for the mutual support we have with our suppliers.

### Enabling Surrounding Communities

Our core businesses including constructing buildings and infrastructure, property development as well as retail mall and hotel operations contribute greatly to the enhancement of local communities and growth of the nation:

- On average, 50% of the occupancy rate at our retail malls are taken up by local brands and businesses.
- We strive to diversify the tenancy mix in our retail malls to better serve the surrounding community by adding new amenities such as dental and chiropractic clinics, etc. and organising free community events such as weekend workouts at the mall.
- Paradigm Mall Johor Bahru ("Paradigm Mall JB") is one of Johor's largest retail malls, redeveloped from a project abandoned from 1997 to 2012, which successfully revitalised the surrounding area as well as improving traffic flow with the construction of a new elevated U-turn allowing traffic to flow more smoothly along Jalan Skudai in Johor Bahru.
- In 2019, we continued to undertake infrastructure developments that will improve public connectivity via the Mass Rapid Transit 2 ("MRT2") V204 and Light Rail Transit 3 ("LRT3") projects and enhance community mobility via the Damansara Heights Elevated Highway ("DHEH"), and the Pan Borneo Highway and West Coast Expressway ("WCE") projects in Sarawak and Selangor respectively.

# SUSTAINABILITY STATEMENT

cont'd

## Green Buildings

Green building certification is increasingly becoming a standard to achieve, socially driven by investors' interest and government incentive, in response to environmental impact such as greenhouse gas emissions, sustainable sourcing and resource depletion. We have completed several green building projects over the years, with a few ongoing:

| Project   | Status    | Certification  | Award  |
|---|-----------|--|--|
| gateway@klia2 (airport mall), Selangor  | Completed | <ul style="list-style-type: none"> <li>Leadership in Energy and Environmental Design ("LEED") 2009 for Core and Shell</li> </ul> | <ul style="list-style-type: none"> <li>Silver</li> </ul>                             |
| Ministry of International Trade and Industry ("MITI") Headquarters, Kuala Lumpur      | Completed | <ul style="list-style-type: none"> <li>Green Building Index ("GBI")</li> </ul>   | <ul style="list-style-type: none"> <li>Gold</li> </ul>                               |
| Lot 2C5, Putrajaya  | Completed | <ul style="list-style-type: none"> <li>GBI</li> </ul>  | <ul style="list-style-type: none"> <li>Silver</li> </ul>                             |
| MyTOWN Shopping Centre, Kuala Lumpur  | Completed | <ul style="list-style-type: none"> <li>GBI</li> </ul>  | <ul style="list-style-type: none"> <li>Certified</li> </ul>                          |
| The Exchange TRX Retail* ("TRX Retail"), Kuala Lumpur                                 | Ongoing   | <ul style="list-style-type: none"> <li>LEED</li> <li>GBI</li> </ul>  | <ul style="list-style-type: none"> <li>Gold</li> <li>Gold</li> </ul>                 |
| Superstructure works for Pavilion Damansara Heights (Parcel 1)* ("PDH"), Kuala Lumpur | Ongoing   | <ul style="list-style-type: none"> <li>Green Mark (Office Tower)</li> <li>Green Mark (Podium &amp; Residential)</li> </ul>       | <ul style="list-style-type: none"> <li>Gold</li> <li>Certified</li> </ul>            |
| Merdeka 118 - Retail Mall* ("Merdeka 118"), Kuala Lumpur                              | Ongoing   | <ul style="list-style-type: none"> <li>LEED 2009 for Core and Shell</li> <li>GBI</li> <li>GreenRE</li> </ul>                     | <ul style="list-style-type: none"> <li>Gold</li> <li>Silver</li> <li>Gold</li> </ul> |

\* Target certifications upon completion of project

## Sustainable Construction Materials



- Target 12.2 - Achieve the sustainable management and efficient use of natural resources

The construction industry is the largest consumer of raw materials globally and WCT recognises the opportunity to lower our impact of non-sustainable material consumption. We have embarked on sustainable sourcing as part of adopting green construction practices in our projects. This year, we began tracking materials used in our projects according to the cost of materials.

Overall, 18.1% of materials used in our projects contain recycled content, approximating the global construction industry average of 20% to 30%, which also includes reused materials.

### Materials Used in Our Projects\*

|   |       |
|---|-------|
| Percentage of recycled content materials for projects | 18.1% |
| Percentage of sustainable timber for projects         | 15.3% |

\* Derived from nine construction projects in our Engineering and Construction Division.

# SUSTAINABILITY STATEMENT

cont'd

- **Recycled content**

Currently, we use recycled pre-consumer and post-consumer steel and concrete. Such materials are targeted to consist of 20% to 95% pre- or post-consumer recycled content.

- **Sustainable timber**

A proportion of the timber we procure, such as 12 mm plywood, complies with certification requirements set by the Programme for the Endorsement of Forest Certification ("PEFC"). To ensure traceability of our wood source, wood products validated with PEFC are tracked and documented according to certified chain of custody.

- **Reusable materials**

Besides recycled content and sustainable timber, we also use reusable formwork, enabled by innovations in technical design and features; quality and longevity have made it more accessible. This is also supported by time and cost efficiencies gained, though they may not be applicable in all cases of formwork use.

## INNOVATIVE GROWTH

The advent of digital technology drives us to explore better ways of working. Digitisation has great potential in optimising overall planning and execution processes, yielding cost efficiencies and reducing wastage.

At WCT, we are looking to capitalise on such gains by applying Virtual Design and Construction ("VDC") as well as Building Information Modelling ("BIM") in our construction activities. These processes facilitate collaboration amongst multiple project participants at the planning stage.

**VDC** - A working process involving the management of integrated multi-disciplinary performance models to produce an ideal strategy for a given project. We find that VDC improves clarity and communication in terms of understanding project requirements, budgets, minimising errors and expediting decision-making.

**BIM** - Forming a part of VDC, BIM is a digital model of the project that includes all functional systems and aesthetics of a construction project such as wiring, doors and others.

Our scope of VDC and BIM implementation has varied by project, including mechanical, electrical and plumbing ("MEP") models and as-built models handed to client at the end of the project, containing constructed assemblies for building maintenance and operations for reference. Models may also be updated due to changes or incorporated into larger overall construction design models as required.

We are seeing positive benefits with VDC and BIM, though they come with challenges - such as cohesive participation, collection of comprehensive information to construct functional models, as well as time and cost consumption. We are prepared to address these challenges as we see the potential in streamlining our processes to reduce abortive works and mitigation of generated waste by addressing clashes during the modelling period. Other innovation efforts by WCT and its impact on our value chain are detailed in the table below.

| Measures   | Outcome   |
|--|---|
| <p><b>Industrial Building Systems</b><br/>Working actively with design consultants and pre-cast suppliers to prepare conceptual designs for IBS implementation from the tender stage onwards.</p>  | <p>IBS was used to produce structures in six projects where we worked with subcontractors to make precast segment box girders, precast box culverts and L channel drains. By manufacturing components in a controlled environment, then assembling on-site, we achieve better consistency, speed and cost savings by avoiding waste and being less dependent on labour.</p> |
| <p><b>GPS Systems</b><br/>WCT Machinery Sdn Bhd monitors and tracks its machines with GPS systems, and will be implementing the same system to its logistics management and transport trucks.</p>  | <p>The GPS system tracks the vehicle's route and driver's behaviour, sends SOS alerts and enables geo fencing with a smartphone, leading to improvements in uptime and productivity based on data collected on machine inventory, conditions, usage and maintenance.</p>  |
| <p><b>WCT's Green Technology Adoption Programme</b><br/>Collaborated with Monash University on a 4-year programme to research the use of existing asphalt as a sub-base material for a temporary diversion road in the Pan Borneo Highway project.</p> | <p>The research showed that recycled asphalt met all criteria as a sub-base material except its grading standards. As a result, recycled asphalt was instead used for minor repairs on the temporary diversion road.</p>  |

# SUSTAINABILITY STATEMENT

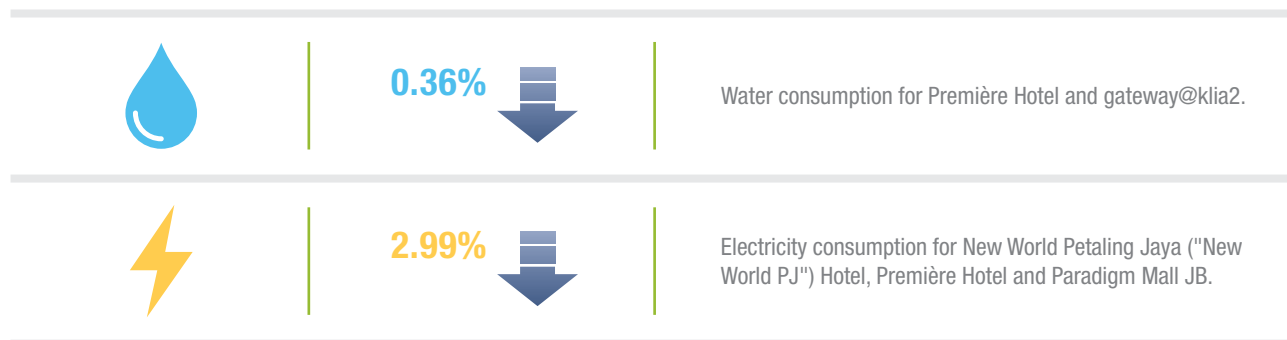
cont'd

## ENVIRONMENTAL MANAGEMENT

As we continuously identify resource management improvement areas across the Group, we are better positioned to conceptualise approaches – specifically, alongside or interchangeably according to type of resource in order to mitigate the magnitude of our environmental impact.



A growing business tends to consume more resources. We began water and energy consumption tracking in 2018<sup>1</sup>, and our year-on-year comparison shows reduced consumption for 2019 in some of our retail malls and hotels compared to 2018:



## ENERGY CONSUMPTION

Given the nature of our businesses, especially in retail malls and hotels operations, energy management is a key challenge. But with energy-efficient design and usage solutions, we are positive that we can better account for our energy use in the present and for the future.

| Division                                       | Engineering and Construction <sup>2</sup>  | Property Development <sup>3</sup> | Property Investment and Management <sup>4</sup> |
|--|--|-----------------------------------|---|
| Total energy consumption (kWh)                 | 646,490 (for project site offices)<br>13,316,220L of diesel (for construction sites) | 1,168,607                         | 120,543,485                                     |
| Average energy intensity (kWh/m <sup>2</sup> ) | N/A  | 108.93                            | 183.96  |

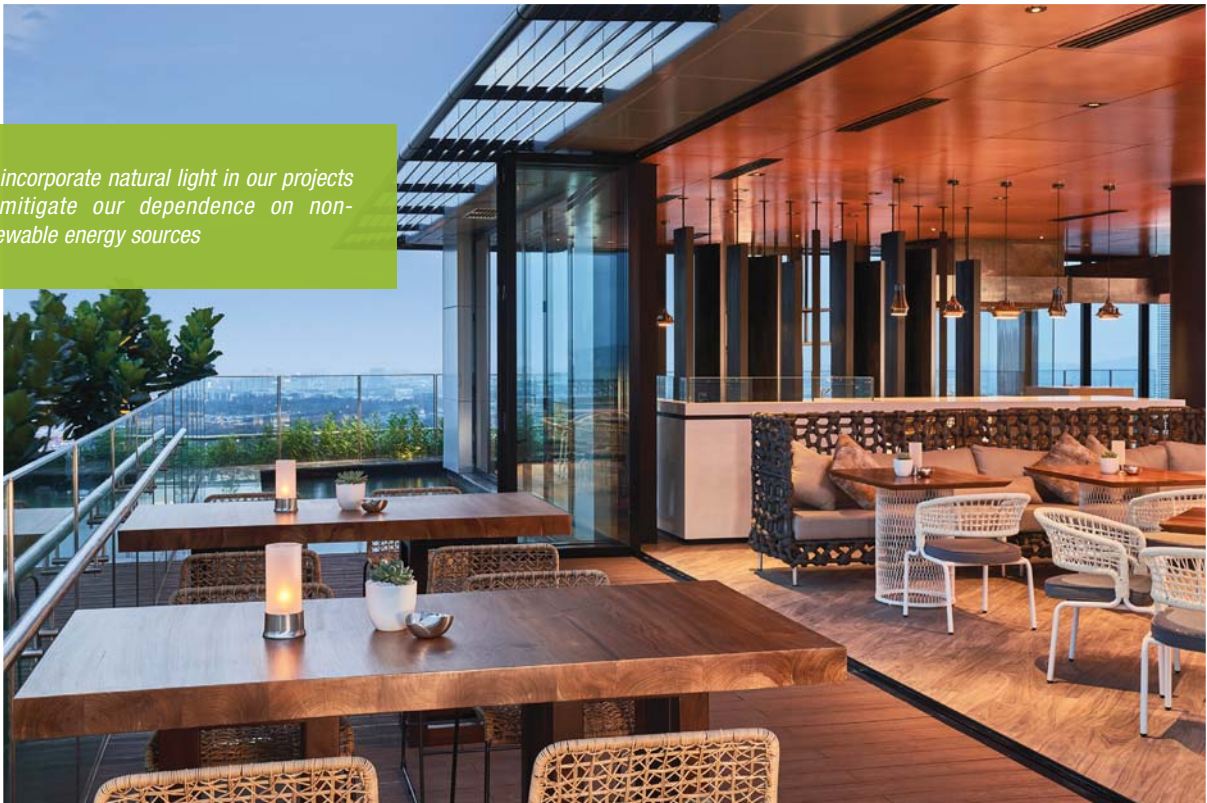
Within our Engineering and Construction Division, diesel is primarily used to power energy-intensive machinery at the construction sites, while electrical grid and solar power supply is used on-site where energy requirements are lower. For our Property Investment and Management Division, consumption has increased 0.79% year-on-year compared to 2018<sup>5</sup> with higher occupancy rates in our retail malls and hotels.

## SUSTAINABILITY STATEMENT

cont'd

Energy consumption tracking in property development is currently limited to offices and does not include tracking of the project sites which are managed by the Group's external contractors. Our initiatives for better energy efficiency include implementing design-based solutions such as leveraging the use of natural light, installing digital meters for monitoring energy use, usage of fittings that lower consumption rates as well as charging stations and hybrid cars parking bays to promote greater use of electric vehicles.

*We incorporate natural light in our projects to mitigate our dependence on non-renewable energy sources*



In addition to cooling and building management systems at Paradigm Mall Petaling Jaya ("Paradigm Mall PJ") and gateway@klia2, our retail malls and hotels have adopted additional approaches to reduce lighting and air conditioning consumption:

- **New World PJ Hotel and Première Hotel** - Adjusting the air-conditioning at the common space and guestroom corridor to 23°C.
- **Première Hotel and gateway@klia2** - Using LED lighting and low energy light bulbs.
- **Paradigm Mall PJ and JB** - Staggering the operations of escalators, lifts, air handling units ("AHU") and chillers as well as extensive use of LED lighting.

# SUSTAINABILITY STATEMENT

cont'd

## WCT Machinery's solar lighting systems powering our construction sites

These solar powered lights lower the amount of non-renewable energy used by our operations (estimated over 700,000L of diesel saved in 2019), minimises the cost of trenching and wiring for non-solar lighting, are easier to set up and maintain and meets our goal to use more carbon-reducing fixtures.



312 units of solar lights operating across 8 sites unit



Used to light access roads, diversion roads, working and storage areas



Savings on fuel costs in 2019 estimated to be RM1.6 million<sup>6</sup>

3 sets of solar lighting systems at the guardhouse of our LRT3 project site

Sets consist of an LED lamp, fan, and a USB hub for charging and 2 units of solar spot lights

Savings on fuel costs in 2019 approximately RM160,000<sup>7</sup>



*Solar lighting at our project sites reduces use of non-renewable fuels and saves cost*

## WASTE GENERATED BY TYPE AND DISPOSAL METHOD



- Target 12.5 - Substantially reduce waste generation through prevention, reduction, recycling and reuse

The Group's construction and consumer-centric operations such as our retail malls and hotels generally produce a significant amount of waste.

Our mitigation process is structured around reducing, reusing and recycling to better manage eventual volume of waste. By segregating the various types of waste, we are able to create solutions to reduce final waste disposal to landfills.

| Division                     | Engineering and Construction <sup>8</sup> | Property Investment and Management <sup>9</sup> | Total    |
|------------------------------|---|---|----------|
| Non-hazardous waste (tonnes) | 30,470.7                                  | 12,406.0  | 42,870.7 |
| Scheduled waste (tonnes)     | 79.0                                      | N/A   | 79.0     |
| Total waste (tonnes)         | 30,549.7                                  | 12,406.0  | 42,955.7 |



# SUSTAINABILITY STATEMENT

cont'd

| Division                  | Engineering and Construction <sup>10</sup> | Property Investment and Management <sup>11</sup> | Total    |
|---------------------------|--|--|----------|
| Recycled waste (tonnes)   | 3,956.1                                    | 552.0  | 4,508.1  |
| Reused waste (tonnes)     | 19,903.3                                   | N/A  | 19,903.3 |
| Scheduled waste (tonnes)  | 79.0                                       | N/A  | 79.0     |
| Landfilled waste (tonnes) | 6,611.3                                    | 11,854.0   | 18,465.3 |
| Total waste (tonnes)      | 30,549.7                                   | 12,406.0   | 42,955.7 |

The above-mentioned divisions produced a total of 42,955.7 tonnes of waste in 2019, of which 43% was landfilled. The Pan Borneo Highway package project site accounts for 40.4% of total waste listed. 56.7% or 17,337.5 tonnes of construction waste came from the site; 98.5% or 17,078.3 tonnes of waste from this site was reused, largely accounted for by reused concrete within the construction process. Excluding the site, recycled and reused waste accounts for 28.2% of total waste across the two divisions, providing a comparison baseline as we track year-on-year waste production as well as recycling and reuse rates.

We began waste tracking for Engineering and Construction Division since 2018 and have been consistent in doing so.

#### Year-on-Year Waste Performance for Engineering and Construction Division

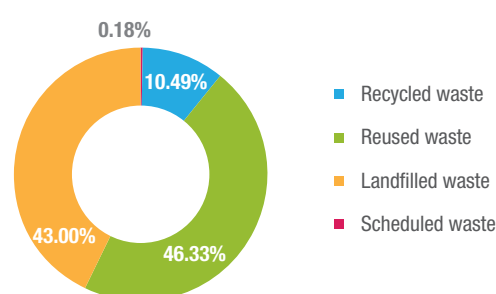
| Engineering and Construction | 2018 <sup>12</sup> | 2019 <sup>13</sup> | Year-on-Year Comparison  |
|------------------------------|--------------------|--------------------|--|
| Waste by type:               |                    |                    |  |
| Non-hazardous waste (tonnes) | 4,787.4            | 30,470.7           | 536.5% increase <sup>14</sup>  |
| Scheduled waste (tonnes)     | 71.9               | 79.0               | 9.9% increase  |
| <b>Total waste (tonnes)</b>  | <b>4,859.3</b>     | <b>30,549.7</b>    | 528.7% increase  |
| Waste by disposal method:    |                    |                    |  |
|                              |                    |                    | Year-on-year comparison <sup>15</sup>  |
| Recycled waste (tonnes)      | 2,451.9            | 3,956.1            | 24.2% increase in combined recycle and reuse rates as a proportion of total waste disposed |
| Reused waste (tonnes)        | 165.3              | 19,903.3           |  |
| Scheduled waste (tonnes)     | 71.9               | 79.0               | 1.2% decrease as a proportion of total waste disposed                                      |
| Landfilled waste (tonnes)    | 2,170.2            | 6,611.3            | 23.02% decrease as a proportion of total waste disposed                                    |
| <b>Total waste (tonnes)</b>  | <b>4,859.3</b>     | <b>30,549.7</b>    |  |

\* Our waste performance varies year-on-year due to the differing phases of our ongoing projects as well as commencement of projects within the years.

All our project sites are compliant with systematic waste management practices that mandate segregation into construction, domestic or scheduled waste. Licensed collectors are then contracted to transport the non-scheduled construction waste to prescribed landfills.

For disposal of scheduled waste such as spent lubricating and hydraulic oil, spent mineral oil-water emulsion; contaminated soil or sand from spillage of diesel or petrol based machinery; containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes; as well as rags, plastics, filters or papers contaminated from scheduled waste, we are required to strictly comply with the Environmental Quality (Scheduled Wastes) Regulations 2005 for proper handling and disposal practices. Under monitoring by dedicated officers from Department of Environment ("DOE"), scheduled waste is separated into respective categories as outlined by the DOE, with documentation of waste disposed as per DOE's electronic scheduled waste information systems ("eSWIS").

Waste generated from our operations





## SUSTAINABILITY STATEMENT

cont'd

Waste generated at our retail malls and hotels also come from tenants, patrons and the general public. We encourage our stakeholders to reduce and recycle waste with recycling bins made available at our properties. Internally, we have applied a number of initiatives to reduce waste generation at the source for our retail malls and hotels. Our collective initiatives across our businesses are summarised below:



### **Repurposing cooking oil**

Used cooking oil is recyclable, and this can contribute to elimination of waste, in addition to creating a renewable energy source. For this reason, since June 2019, our retail malls and hotels have collaborated with a company specialising in sustainable solutions by producing biofuel products with used cooking oil. Collectively, 27,649 kg of cooking oil was collected by WCT from June 2019 to December 2019 which was then resold to the company, generating WCT a revenue of RM 35,684. According to the waste oil collector, biodiesel produces around 88% less carbon emissions than fossil diesel. This collaboration converted into approximately 26,000 kg of biodiesel and is estimated to have saved 47.6 tonnes of CO<sub>2</sub> emissions, equivalent to carbon sequestered by 103 trees in one year.

### **Effluent from Project Sites**

All effluent generated at the construction sites is channeled into silt traps before being discharged from the project site. We also conduct periodic desilting of silt traps to avoid high levels of siltation, in-situ water quality tests and have upgraded our best management practices for such activities such as silt fence installation, dam checks and the protection of exposed slopes. Corrective measures such as treating wastewater according to the Wastewater Treatment Plan ("WTP") is carried out if Total Suspended Solids ("TSS") value for water discharge exceeds the limit stipulated by the DOE. We strive to ensure that water contaminated with sediment from our project sites does not flow onto public roads and into clean water sources such as rivers and streams.

# SUSTAINABILITY STATEMENT

cont'd

## Beyond Compliance

We strive to go above and beyond compliance in managing waste and effluent:

- Usage of signal grass species as hydroseeding and erosion control blankets to reduce the impact of soil erosion at MRT2 V204 site.
- Installation of three onsite Water Treatment Plants (“WTP”) to reduce turbidity at MRT2 V204 site. The WTP’s costing RM200,000 each, were installed to consistently measure effluent discharge to meet DOE requirements.



One of three onsite WTPs installed for our ongoing MRT2 V204 project

## WATER CONSUMPTION

Although water supply in Malaysia is relatively adequate, climate change has inadvertently led to increasing water crises in the country over the years. We are more mindful of our water usage as we operate in industries that use a significant amount of water.

| Division                                  | Engineering and Construction <sup>16</sup> | Property Development <sup>17</sup> | Property Investment and Management <sup>18</sup> |
|---|--|------------------------------------|--|
| Total water consumption (m <sup>3</sup> ) | 16,128                                     | 3,740                              | 1,213,514  |

Water consumption tracking is currently limited to WCT’s headquarters in Petaling Jaya and Engineering and Construction and Property Development Division offices with an aim to begin tracking across all our project sites in 2020. Within our Property Investment and Management Division, consumption has increased 6.78% year-on-year compared to 2018<sup>19</sup> due to higher occupancy level and more robust activity in our retail malls. We believe water conservation is a collective effort with our stakeholders, hence we constantly raise awareness and disseminate reminders to our employees, customers and tenants.

The 0.3% savings at Première Hotel and gateway@klia2 was realised with rainwater harvesting by installing tanks to store rainwater for use of landscape or building maintenance. This is also in place at our most recent property development, the Waltz Residences in Kuala Lumpur. At our engineering and construction sites, water collected from wash troughs, sedimentation ponds, and rainwater is reused to wet the ground surface or stockpile to reduce dust and to wash roads and lorries. Our hotels have also tweaked their housekeeping practice to encourage guests to request for bed linen and towel changes on alternating days instead of daily to reduce water consumption.

# SUSTAINABILITY STATEMENT

cont'd

## MANAGING NOISE POLLUTION

As most of our construction projects are located near commercial and residential areas, we take steps to ensure noise and vibration levels do not exceed the acceptable threshold and cause disturbance or discomfort to nearby communities.

Our noise monitoring measures include installing noise barriers, putting noise shrouds around piling machines and installing permanent noise and vibration measuring meters near receptors of project sites. Boundary noise monitoring readings are done at project sites on a monthly or quarterly basis as per authorities' requirements.

If any control indicates noise or vibration levels have exceeded the acceptable threshold due to our site activity, the plant or equipment is immediately shut down and appropriate measures taken to manage the noise levels.

## CLIMATE CHANGE

As guided by the Task Force on Climate-related Financial Disclosures ("TCFD"), WCT takes cognisance of the role it can play to inform stakeholders on longer term investment decisions relevant to managing risks and opportunities related to climate change. This is our first year of establishing disclosure according to TCFD recommendations; we have partial consideration on governance and metrics related to climate change:

|                    |   |
|--------------------|---|
| Governance         | <p>Our Board Risk and Sustainability Committee, Group Sustainability Committee and QESH Department, respectively:</p> <ul style="list-style-type: none"> <li>• Oversees the implementation of the Group's sustainability strategies, initiatives, policies and practices including climate change.</li> <li>• Reviews and communicates the overall strategy and implementation of sustainability.</li> <li>• Implements and monitors the performance of QESH programmes.</li> </ul> |
| Metrics and target | We have begun tracking energy consumption across our divisions to measure impact of operations.   |

## BIODIVERSITY AND CONSERVATION

We strive to adhere to regulatory requirements of maintaining in-situ ecological balance and to preserve the existing biodiversity on site. Where applicable, environmental impact assessments are undertaken before site clearing works commence. A project is always planned and designed with the environmental impact and community in mind — by first conducting a site inventory survey, topography analysis, arborist survey and social impact assessment.

### Maintaining Flora Integrity

We strive to retain the balance of ecosystems surrounding our project sites. During the planning stage of our new property development projects, we engaged an accredited third-party arborist to evaluate how to minimise impact and preserve ecologically valuable species on our development land.

Where applicable, projects by our Engineering and Construction and Property Development Divisions are analysed for prudent action steps. Since 2015, both divisions have cumulatively carried out the below:

- 6,495 trees cut – Trees cut were identified as common species and inconducive for transplanting, with their removal having minimal adverse impacts.
- 1,561 trees transplanted to location away from site as requested by local authorities
- 292 trees planted on site, with a further 523 planned.

Over 22% of trees across our sites were transplanted or planted, in accordance with the Malaysian Tree Preservation Order (Act 172).

We also plan and design our projects according to the existing terrain in order to minimise altering of landform to better preserve the land's integrity. It is imperative for us to ensure a 10% allocation of green area in our projects and select trees that provide shade and are easy to grow with minimal maintenance.

## SUSTAINABILITY STATEMENT

cont'd

**Shark Fin-Free at New World PJ Hotel**

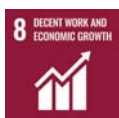
New World PJ Hotel has always been promoting the hotel as a shark fin-free venue and to further drive the message, our hotel collaborated with the World Wildlife Fund (“WWF”) Malaysia to organise the “Wedding Without Fins Behaviour Change Workshop” in 2019. This workshop is a follow up from WWF’s “Wedding Without Fins Project” in 2018, aimed to influence consumers’ mindset on serving shark fin at weddings using psychology and behavioural economics.



*Our New World PJ Hotel supports shark-free weddings with WWF Malaysia as a shark fin-free venue*

**SOCIAL PERFORMANCE**

Our world is moving and evolving at an unprecedented pace and consequently, so is our industry. As our operations across the Group expands, we remain keenly focused on developing a solid workforce, with a priority on occupational health and safety. A healthy workforce is one that is ever ready to take on new challenges. With IR4.0 leading the way, WCT aspires to further improve the skillsets of our people to keep them updated with global industry trends, thereby empowering them to own their role in contributing to the growth of the Group.

**OCCUPATIONAL SAFETY AND HEALTH**

- Target 8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers

We are committed to meeting global standards to mitigate safety and health risks present at our workplaces. Our diligence paid off with the ISO 45001 certification - the world’s first International Standard dealing with health and safety at work, which has a goal to reduce occupational injuries and diseases. It offers a single and clear framework for top level management to better integrate with other ISO standards towards a better Occupational Safety and Health (“OSH”) performance. We successfully transitioned from OHSAS 18001:2007 to the ISO 45001:2018 management system in 2019, two years ahead of schedule. The Quality, Environment, Safety and Health Department continues to be responsible for the integration of OSH within our operations, in accordance with the Safety and Health Assessment System in Construction (“SHASSIC”) and ISO 45001:2018 certification.

# SUSTAINABILITY STATEMENT

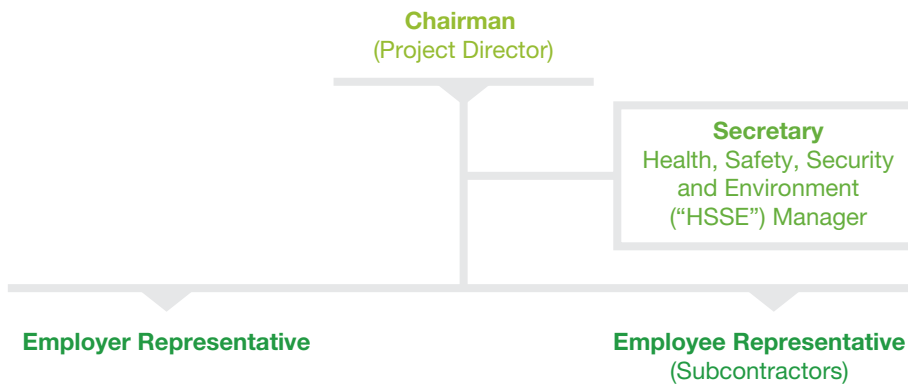
cont'd



Engineering and Construction Division successfully transitioned to ISO 45001:2018 management system in 2019

## Managing via OSH Committees

### Occupational Health and Safety Committee Organisation Chart



The biggest challenge we face in safety and health lies in human error. We strive to minimise incidences by conducting awareness campaigns, supervision and enforcement employees to ensure adherence. At project sites that present high health and safety risk, we carry out daily roll calls and safety briefings before work.

Management of OSH is a consistent process for WCT to keep our employees aware, work together and uphold responsibility for their well-being. We run weekly OSH training and monthly demonstrations on pertinent safety aspects. Additionally, we apply penalties and fines to non-compliant employees and subcontractors in instances of non-compliance in order to better protect our employees.

The following measures are continued in the effort to embed a deep-rooted OSH culture across WCT:

- Implement a structured approach to manage health and safety risks. For example, Hazard Identification, Risk Assessment and Determining Control (“HIRADC”) is documented by the Safety & Health Committee (“SHC”) during the Monthly Safety & Health Committee Meeting or after an incident. The SHC also consults all parties concerned to identify the potential hazards within the relevant workplaces and to formulate a plan to eliminate or reduce the risk to an acceptable level. HIRADC is reviewed every three months or when an incident occurs.
- Ensure that each site has a competent HSSE team. We have 88 competent HSSE employees in 15 sites.



## SUSTAINABILITY STATEMENT

cont'd

- Review the OSH Programme at least twice a year by project site teams to evaluate effectiveness. As per the Programme, we are aiming to conduct noise risk assessments at project sites in adherence to Occupational Safety and Health (Noise Exposure) Regulations 2019 as well as ISO 45001:2018 and internal audit training in 2020.
- Establish an Emergency Response Plan (“ERP”) at each site, which includes steps on how to prevent and mitigate health and safety risks in the event of an incident. Emergency Response Team (“ERT”) members at each project site will go through safety drills (including fire, chemical spillage, and first aid drills) according to project requirements. The drills are conducted at least once a year.

### Occupational Safety and Health Performance

Our performance across respective businesses in 2019:

| Division                     | Indicator   | Target     | Actual       | Performance  |
|------------------------------|---|------------|--------------|--|
| All                          | Fatalities  | Zero       | Zero         | Met  |
| Engineering and Construction | LTI (hours)   | 18 million | 16.8 million | No LTIs reported, however targets were not met due to lesser man hours achieved in 2019. In Engineering and Construction, there was an increase in lower impact injuries, which nevertheless did not result in lost time, attributed to improved emergency response. Target to be maintained for 2020. |
| Property Development         | LTI (hours) - site offices  | 450,000    | 390,100      |  |
|                              | LTI (hours) - project sites   | 55 million | 53.7 million |  |
|                              | Training hours per employee   | 3.0        | 4.8          | Exceeded   |
|                              | Compliance to OSH inspections   | 90%        | 100%         | Exceeded   |
| Skypark Aviation             | Compliance with regulatory requirements - Civil Aviation Authority of Malaysia (“CAAM”), Malaysian Aviation Commission (“MAVCOM”), Ministry of Transport Malaysia (“MOT”), Malaysia Airports Holdings Berhad (“MAHB”) | 100%       | 100%         | Met  |

| Description  | Engineering and Construction |            | Property Development |           |
|--|------------------------------|------------|----------------------|-----------|
|  | 2018                         | 2019       | 2018                 | 2019      |
| Total hours worked (millions)  | 17,731,734                   | 16,755,034 | 1,872,796            | 1,505,775 |
| Absolute number of fatalities  | 0                            | 0          | 0                    | 0         |
| Number of LTI  | 2                            | 0          | 0                    | 0         |
| LTI Frequency Rate<br>(Number of lost-time injury cases per 1 million-man hours worked)    | 0.11*                        | 0          | 0                    | 0         |
| Injury Rate<br>(Number of recordable incidents multiplied by 200,000 per man hours worked) | 0.1692                       | 0.2388     | 0                    | 0         |
| Lost Day Rate<br>(Number of lost work days multiplied by 200,000 per man hours worked)     | 0.1917                       | 0          | 0                    | 0         |

Number of work-related injuries covers WCT and subcontractors.

\* Restatement due to recalculation.

## SUSTAINABILITY STATEMENT

cont'd

### **Machinery Maintenance Ensures Employees' Safety**

WCT Machinery takes a two-pronged approach to machinery maintenance - paperwork and people. We document records of service, maintenance, repairs and breakdowns as well as adhere to manufacturers' recommendations for scheduled servicing. The operations teams, mechanics and operators are also trained for competency in machine handling to operate it at optimum efficiency, protect themselves and minimise the risk of equipment failure.

For year 2019, notable OSH achievements and awareness campaigns include:

- **RAPID P20C1 ("RAPID")** – Achieving 3 million man-hours without LTI and conducted Workplace Accident Free ("WAFEW") Week in July 2019
- **WCE (Taiping – Banting)** – WAFEW was conducted in collaboration with the Human Resources Ministry
- **MRT2 V204 and S204** – Safety, Health & Environment Campaign 2019. In addition to marking our achievement of 2.5 million hours without LTI, we also conducted an ongoing OSH programme – Safe and Sound Working Environment at Workplace - which encompassed awareness on occupational noise-related hearing disorders.

### **Safety and Health Assessment System in Construction (SHASSIC) - Our 5-Star success**



In 2019, our Engineering and Construction Division was awarded the 5-star SHASSIC rating by Construction Industry Development Board ("CIDB") Malaysia for our involvement in Section 3 of the WCE and the MRT2 S204 project. The assessment covers pre-construction and construction stages, involving:

- Document checks to determine compliance and programmes established.
- Workplace inspection to determine actual application and management of measures.
- Construction employee interviews for employee insight.

We have always prioritised OSH as a material matter across our operations, and the SHASSIC award is a testament of our commitment in incorporating good OSH management in these projects.

OSH is in place in all our retail malls, offices and hotels. As building managers, fire and first aid response are our key focus areas and we conduct fire safety training and first aid training to prepare our employees to respond in the event of an emergency.

In 2019, Première Hotel's food and beverage outlets – The Buzz, Royal Gourmet and Ichi Poolbar was awarded the Bersih, Selamat dan Sihat ("BeSS") recognition by the Ministry of Health Malaysia for having clean, safe and healthy outlets.



# SUSTAINABILITY STATEMENT

cont'd

## Health and Safety at gateway@klia2

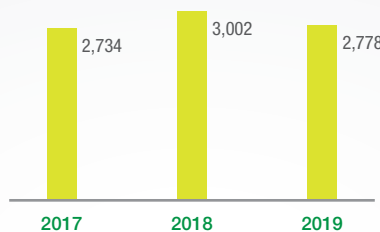
gateway@klia2 keeps high awareness on health and safety by:

- Providing OSH training to food tenants, including engaging the Ministry of Health (“Kementerian Kesihatan”) for talks. Quarterly inspections are carried out by the Safety and Health Commission on food and beverage (“F&B”) outlets, while safety checks on gas piping, grease tank, and exhaust system are conducted every six months. In 2018, gateway@klia2 was the first airport mall to receive the BeSS award.
- We have a trained and experienced Emergency Response Team (“ERT”) to usher and guide customers for evacuation during an emergency, including crowd control. In addition, we have a very close working relationship with the various authorities to assist and manage the emergency as practiced during our joint annual drills.

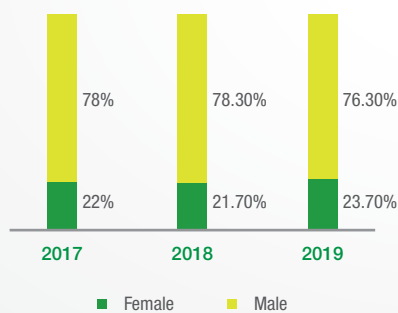
## OUR WORKFORCE

Employment opportunities continue to be the key focus in employee engagement. Attrition has reduced the number of total employees in 2019 compared to the previous year, and we are addressing this through continued hiring and replacements. WCT upholds diversity in our workforce, including gender, age and ethnicity, believing that differences in backgrounds bring valuable perspectives in handling opportunities and challenges. The percentage of women in management continued to grow to 29.7% compared to 26.3% last year. Though below the national average of 38%, the increase is in line with our commitment to cater more career opportunities based on equality and merit.

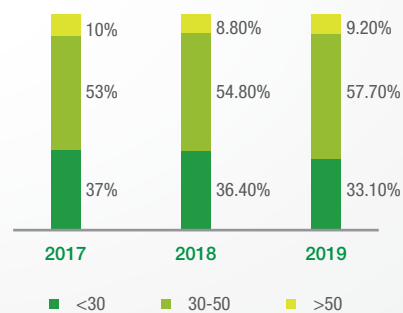
Total number of employees



Employees by gender



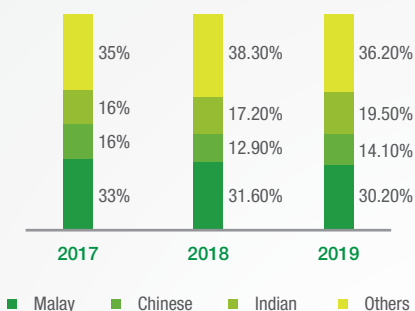
Employees by age group



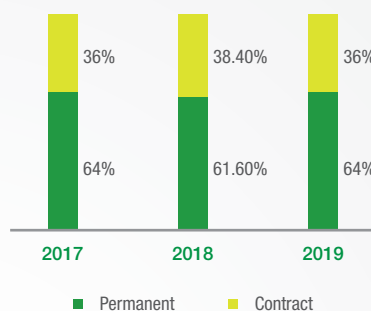
# SUSTAINABILITY STATEMENT

cont'd

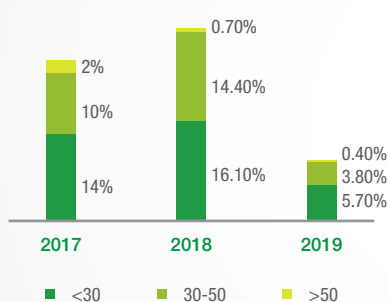
**Employees by ethnicity**



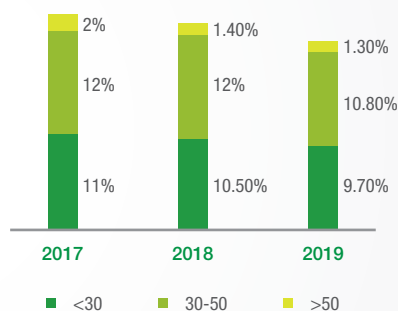
**Employees by contract**



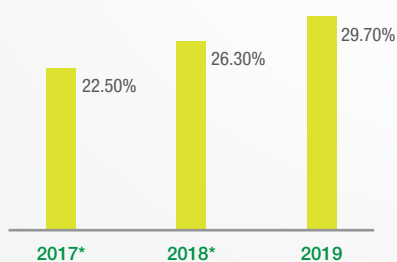
**Employee new hires by age group**



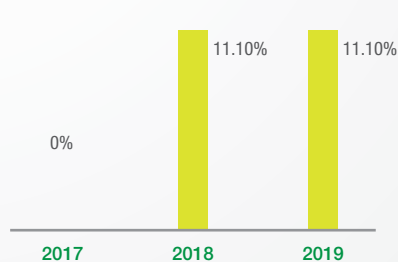
**Turnover rate by age group**



**Percentage of women in management**



**Percentage of women in board**



\* Restatement due to recalculation.

## Employee Engagement

To attract new talents and retain existing ones, we continuously seek to provide benefits to enhance employee wellbeing. In 2019, we registered our foreign workers in Malaysia with the Malaysian Social Security Organisation (“SOCSO”), contributing to its Employment Injury Scheme (“EIS”), in compliance with the Employees’ Social Security Act 1969 (Act 4). The EIS insures employees by covering their needs in case of occupational injuries, occupational diseases and accidents occurred during travel for work; provides cash benefits, medical treatment, physical rehabilitation, or vocational training to employees and their dependents in the event of such incidents.

| Paternity and maternity leave extended to our employees in 2019 |                |
|---|----------------|
| Maternity leave (60 days maternity leave)                       | 33 individuals |
| Paternity leave (3-day paternity leave)                         | 66 individuals |

## SUSTAINABILITY STATEMENT

cont'd

**Fostering a Team Spirit**

Teamwork is essential to building success, and we support its development through dedicated activities:

| Event  | Participants       | Description  |
|--|--------------------|--|
| Leadership & Team Management Training, a three-day teambuilding event, held in October | Première Hotel     | Employees participated in several events including leadership training for the management team to consolidate leadership qualities and skills; sports activities such as water sports, bowling and dart games; and a 'kolam' competition, held between event participants. |
| Teambuilding in November at Taman Negara   | New World PJ Hotel | Management and Sales team participated in activities designed to enhance team bonding and communication to build future growth based on our team strengths.  |



The New World PJ Hotel team at their teambuilding retreat



The Première Hotel team took part in a day of sports activities as part of teambuilding

# SUSTAINABILITY STATEMENT

cont'd

## HUMAN CAPITAL DEVELOPMENT

As per our Training Needs Analysis, training for our employees has largely been focused on technical (including legal knowledge, industry developments, and compliance management) and soft skills. Our focus for 2020 will be to enable more online training for soft skills as well as computer-based learning for technical training to drive enhancement of employees' skills.

Continued talent development is also supported by systemised performance measurements and performance appraisals annually to ensure that our employees are on the right track towards their career goals.

### **BIM Upskilling with CostX**

As part of innovation-led growth, we are making a transition to automation. CostX is a platform for efficiency through utilisation of BIM to generate material quantification and costing for construction based on rendered models. Generated cost estimates allow for informed construction planning and better savings. We are keen for our employees to take advantage of the platform, with approximately 35 employees attending training in December 2019.

We fully support CIDB Malaysia in enhancing the professionalism of the industry. Part of CIDB's effort is to regulate registration and accreditation of all employees performing supervisory duties and skilled worker duties on site. In 2019, out of 13 site coordinators that attended the CIDB Accreditation of Site Supervisors programme, 9 were successfully accredited as competent site supervisors. The remaining site coordinators have been scheduled for training and re-assessment in 2020. A further 111 of our foreign workers have attended the CIDB Accreditation of Skilled Workers programme and all have successfully been accredited as competent skilled workers.

At WCT, we also aim to play our role in upskilling youth through our collaboration with industry players. The Safety Supervisor Apprentice Programme ("SSAP") was established as a collaboration between CIDB and one of our project clients to train construction safety managers. Recruited as apprentices, they are provided the opportunity of "learning whilst earning" in the area of health, safety and environment.

Apprentices are employed under a fixed-term contract, with a 12-month period for diploma holders, and a 24-month period for school leavers. Upon successful completion of this program, the candidates are given a formal SSAP qualification which entitles them to be recognised as a qualified Site Safety Supervisor Yellow Book holder by the Department of Occupational Safety & Health ("DOSH"). We currently have 11 participants in this programme, while 8 people have successfully completed this programme.

### **Career First Steps**

Our hotels provide industry training, allowing an opportunity for hospitality students or graduates to leverage on experiential learning and have a brief insight of the industry. Trainees stay for 3-6 months, with the opportunity of a permanent role upon graduation. In 2019, we hired 66 trainees at New World PJ Hotel, 38 trainees at Première Hotel, and offered 19 full-time roles. In addition, 10 trainees attended industry training at SkyPark Aviation in 2019.

## **Employee training hours**

| Description                                  | 2017   | 2018*  | 2019   |
|--|--------|--------|--------|
| Total training hours                         | 15,884 | 48,964 | 19,804 |
| Average training hours:                      |        |        |        |
| i) per employee                              | 9.51   | 16.31  | 7.13   |
| ii) per employee in management training      | 0.09   | 0.51   | 0.98   |
| iii) per employee in non-management training | 9.42   | 37.53  | 16.40  |

\* Restatement of data due to recalculation.

WCT committed training expenditure of RM332,766 for the year 2019, with 47.83% (RM159,165) spent on the Engineering and Construction Division, while 52.17% (RM173,601) was spent on the Property Development and Property Investment and Management Divisions.



# SUSTAINABILITY STATEMENT

cont'd

## LABOUR RELATIONS

Our 766 foreign workers made up 27.6% of our workforce in 2019. We are in compliance with the Immigration Act of Malaysia and the respective laws of the workers' home country as well as the Employment Act 1955 which grants equal rights to workers regardless of their nationality.

For our MRT2 project, we have built a Centralised Labour Quarters ("CLQs") for foreign workers. These include accommodation, an on-site clinic and sports facilities such as football and basketball as a productive outlet during free time. Where CLQs are not available, we house workers in appropriate accommodation, and monthly inspections are carried out by WCT with the client to inspect that conditions are satisfactory. Transportation is provided to aid workers' commute to work sites. Facilities are also provided along the whole construction stretch of the MRT2 V204 project, containing rest areas, toilets, hand wash and drinking water stations.

## CONTRIBUTION TO THE COMMUNITY

We aspire to develop projects that enrich the livability of our communities and fulfilling their lifestyle needs. To achieve this, we first look into managing the effects from our projects to deliver with excellence and subsequently carry out initiatives that rejuvenate the community we exist in.

### Designing for the Community

In designing our developments, we consider aspects which can contribute positively to our communities and future dwellers, illustrated as below:

- **Affordable Housing**

In 2019, we launched Aronia Apartments, comprising 320 units of affordable apartments, our fourth Rumah Selangorku project located in Bandar Parklands, Klang, Selangor. This follows our earlier successful projects under the same initiative, namely the Azaria, Asteria and Trifolis Apartments housing projects, comprising 933 units of affordable apartments which were completed and handed over to the owners in 2018. The total estimated gross development value of the 4 projects is RM278.5 million. Rumah Selangorku is a government affordable housing scheme for the residents of the state of Selangor, providing affordable housing which cost from RM188,000 - to RM250,000 per unit.

*Trifolis Apartment, our Rumah Selangorku project in Bandar Bukit Tinggi 2, Klang*



## SUSTAINABILITY STATEMENT

cont'd

- **Accessibility**

We arrange for buses to transport people to and fro for some of our retail malls, hotels and offices to the airport on a regular basis.



- **Time-centric and multi-generational concepts**

This is demonstrated via our new property projects, namely the Waltz Residences in Kuala Lumpur, offering dual-key units which encourage multiple generations of family members to live close to each other, while our Azure Residences and Sapphire Paradigm in Petaling Jaya, Impiria Residences in Klang and Paradigm Residence in Johor Bahru all form part of integrated commercial development which provide easy access for family needs to adjacent retail malls, reducing the need for residents to drive out for shopping and entertainment.

### Regulating Impacts of Our Projects

We understand that construction works can produce short-term impact while we are generating long-term benefits for the community and the nation. Therefore, we look for potential issues prior to construction and find preventive measures or put mitigation methods in place. If an unexpected situation does arise, we immediately seek a solution to ensure the issue does not escalate. In 2019, our initiatives included:

- **Flood mitigation**

- Residents at a condominium experienced flooding nearby our construction works in Shah Alam. We conducted a site visit with key stakeholders, subsequently following up with a meeting with the condominium's Management Committee to discuss flood mitigation initiatives. The outcome was the erection of temporary earth drains to channel sediment run-off into temporary sediment ponds. In addition, slope embankment bunds were created along the project site and condominium boundary to minimise future flood risk.
- In 2019, we were informed of flooding at an apartment nearby our Tun Razak Exchange Contract 2 ("TRX C2") project due to a drainage connection issue located behind the apartment. Though the drainage works were not handled by WCT, our project team were first onsite upon being notified of the said incident to provide assistance, mobilising pumps to extract the flood waters from the affected areas and cleaning up the building afterwards.

- **Traffic management**

- Many of our projects are located in urban areas with relatively high traffic flow which inevitably compounded traffic congestion for commuters. We engaged with relevant stakeholders and traffic management experts to find solutions to facilitate smooth traffic flow during the planning and construction period while minimising hazards and risks arising from road diversions and road closures. This resulted in a traffic management plan, implemented to manage traffic flow during alignment work period.



## SUSTAINABILITY STATEMENT

cont'd

- **Project-based public engagements**

- As some of our projects such as the MRT2 V204 and LRT3 are surrounded by residences, commercial and public areas, we carry out public engagements to brief residents on the projects as well as the practices followed by WCT, including maintaining effluent quality through control measures, fogging, dust control, erection of noise barriers and traffic management planning. Feedback channels are also available for surrounding communities to raise concerns on the project and enable speedy and effective resolutions.

### Engaging our Communities

#### WCT KIDSS Basketball Programme

In August 2019, WCT conducted a five-day basketball programme with kids aged from 9 to 12 at Paradigm Mall PJ. The free programme consisted of a four-day training and a final day 3-on-3 friendly tournament, led by coaches from the All Star Basketball Academy. The objective of this flagship community sports development programme by WCT is to inculcate the spirit of teamwork, unity, sportsmanship and fair play amongst children at the grassroots level through sports.

In 2019, WCT KIDSS partnered with Projek57 and Westports Malaysia Dragons to further enhance the training programme. Projek57, a social enterprise aiming to nurture national unity, conducted a Unity Workshop and Unity Quiz to encourage the spirit of patriotism in children by expressing their perspective on unity while learning about Malaysian history and culture. The enterprise's proceeds from the sale of its merchandise during the event were contributed towards the Orang Asli empowerment causes.

The Westports Malaysia Dragons conducted a two-hour basketball clinic with 30 participants from surrounding communities alongside 10 participants from Yayasan Sunbeams orphanage.

*WCT KIDSS 2019 participants during a training session*





## SUSTAINABILITY STATEMENT

cont'd

Other community activities in 2019 include:

| Initiatives  | Benefits and Outcomes  |
|--|--|
| MAHSA University visit to New World PJ Hotel to provide students with real-world exposure of the hospitality industry.   | Attended by 36 diploma students and 4 lecturers from the School of Hospitality Management.   |
| Monash University Malaysia field trip to our TRX Retail project to gain exposure to good engineering practices.  | Attended by 43 students and 2 lecturers from the university's School of Engineering.   |
| Fitness First Weekly Community Workout Session at Paradigm Mall PJ to cultivate a healthy lifestyle.   | Attended by 400 participants throughout 2019.  |
| <p>Hari Raya Charitable Deeds:</p> <ul style="list-style-type: none"> <li>• “Library of Hope” book donation exercise for underprivileged children.</li> <li>• “Denim Donation Drive” to support single and underprivileged mothers of Suri Lifestyle by providing financial opportunities through upcycling of denim into handcrafted products.</li> </ul> | <ul style="list-style-type: none"> <li>• Paradigm Mall PJ collected 700 books through the donation box which were donated to the children of Rumah Anak Yatim Sungai Buaya, Banting, Selangor.</li> <li>• 200 pieces of used denim were collected from mall visitors.</li> </ul> |
| <ul style="list-style-type: none"> <li>• Blood Donation Drive at gateway@klia2, in collaboration with Hospital Tuanku Ja'afar, Seremban.</li> <li>• Bi-monthly blood donation drives at Paradigm Mall JB in collaboration with various non-government organisations (“NGOs”).</li> </ul>   | <ul style="list-style-type: none"> <li>• 104 individuals participated in the drive to replenish the hospital's blood bank.</li> <li>• Approximately 1,000 individuals participated throughout the year.</li> </ul>   |
| Paradigm Mall JB collaboration with Food Bank Ji Shan, an NGO, to provide a venue to collect food donations from the public. A dedicated food donation box placed within the mall collects essential items such as rice, oil, sugar, salt and flour, which are sent to the food bank, where volunteers distribute the donations to the needy.              | Approximately RM6,000 worth of dry food items collected and distributed.   |
| WCT made its maiden participation in the 6th edition of The Bursa Bull Charge 2019.  | A team of 4 runners took part in the 5km run as they showed support to Bursa Malaysia's work to promote financial literacy and entrepreneurship, improve the environment and lives of underprivileged communities.   |
| Monetary contribution to the University of Malaya Boys' Basketball Team (“UMMBT”) since 2012 to enable skill improvement via training and competition by management of running costs as well as growing of the basketball programme at the university.   | Annual monetary contribution of RM50,000. This programme is led by WCT's Director of Legal Affairs & Secretarial, who supports UMBBT as Head Coach.  |
| WCT returned as a Platinum Sponsor and participants of the Laksamana Run, organised by the Tunku Laksamana Johor Cancer Foundation (“TLJCF”). The annual charity run raises funds to aid underprivileged cancer patients and their families.   | Contribution of RM80,000 to show support in promoting a healthy lifestyle and raising awareness on cancer. 20 WCT employees also joined 3,500 fellow runners in Dataran Mahkota, Iskandar Puteri, Johor for the run.   |
| Joining hands for external programmes: In 2019, we focused on supporting programmes that reach out to the underprivileged, promote community health and wellness and drive education on environmental health.  | Total contributions of approximately RM1 million in 2019.  |

## SUSTAINABILITY STATEMENT

cont'd



WCT with Monash University Malaysia's School of Engineering students and lecturers during TRX Retail project site visit



Handing over ceremony of the "Library of Hope" book donation at Rumah Anak Yatim Sungai Buaya, Banting, Selangor

## MOVING FORWARD

As we navigate through the COVID-19 pandemic, emphasis will continue to be given to prioritise the safety and well-being of our staff, customers, business associates as well as the general public and communities in which we operate by adopting and implementing all the necessary preventive measures at our offices and premises. Focus will also be given to maintain a healthy financial and cashflow position for the Group during these trying times.

In 2020, we will continue to focus on carrying out our business and operations under the guidance of the Sustainable Development Goals to deliver long term sustainable values to our internal and external stakeholders. This focus is a key driver in our aspirations to develop a strategic sustainability approach and deeper integration of sustainability into our day-to-day operations.

# SUSTAINABILITY STATEMENT

cont'd

- 
- 1 For 2018 water and energy consumption, please refer to WCT Annual Report 2018, Sustainability Statement, p. 56.
- 2 Consisting of WCT's offices for 4 construction projects and fuel consumption from 6 construction project sites.
- 3 Consisting of WCT's offices at The Ascent and WCT Land.
- 4 Consisting of hotels (New World PJ Hotel and Première Hotel), retail malls (Paradigm Mall PJ, Paradigm Mall JB, gateway@klia2, and SkyPark Terminal) and SkyPark Aviation.
- 5 Consisting of hotels (New World PJ Hotel and Première Hotel) and retail malls (Paradigm Mall PJ, Paradigm Mall JB, and gateway@klia2); excludes SkyPark Terminal.
- 6 Solar light specifications consisting of 2 sets of 100 - 150 watt spotlights and is compared to using common generator-powered lights comprising 4 sets of 400 watt lights combined with 6500 Watt genset specifications for a year.
- 7 Compared to using a 25 KVA Generator set for a year.
- 8 Consisting of 13 construction project sites – MRT2 V204/S204, Merdeka 118, Pan Borneo Highway, TRX C2, RAPID, WCE, LRT3 (TD1, GS02 and GS03), TRX Retail, PDH, and DHEH.
- 9 Refer to endnote 5.
- 10 Refer to endnote 8.
- 11 Refer to endnote 5.
- 12 For 2018 waste performance, please refer to WCT Annual Report 2018, Sustainability Statement, p. 57.
- 13 Refer to endnote 8.
- 14 The increase in non-hazardous waste is attributed to multiple projects' entering active site works in 2019.
- 15 Percentage rates based on disposal methods (tonnes) comparison against respective years' total waste (tonnes). The increase in recycled and reused waste as well as landfilled waste rates is attributed to multiple projects' entering active site works in 2019, concomitant with non-hazardous waste increase.
- 16 Consisting of WCT's offices for 4 construction projects.
- 17 Refer to endnote 3.
- 18 Refer to endnote 4.
- 19 Consisting of hotels (New World PJ Hotel and Première Hotel) and retail malls (Paradigm Mall PJ, Paradigm Mall JB, and gateway@klia2); excludes SkyPark Terminal and SkyPark Aviation.