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## BEST CR INITIATIVES

BIG CAP COMPANIES — RM10 BILLION TO RM40 BILLION MARKET CAPITALISATION

# Gamuda Bhd

An unwavering commitment to its corporate responsibilities



BY TAN CHOE CHOE

When Gamuda Bhd (KL:GAMUDA) achieved a record high pre-tax earnings of over RM2 billion in FY2023 and secured about RM15 billion in new contracts that bolstered its order book to a record high of RM25 billion, the group also demonstrated its unwavering commitment to corporate responsibility and sustainable practices.

This helped Gamuda win the Best CR Initiatives award for Big Cap Companies at *The Edge* Billion Ringgit Club Awards 2024 for the third time this year, having taken home the trophy in 2016 and 2021 (joint winner).

Among other things, the group achieved a 23% reduction in its greenhouse gas (GHG) emission intensity from its baseline and received its inaugural ISO14064 verification for quantifying and reporting GHG.

"The group was one of the first in the construction sector to undergo the rigorous ISO 14064-1 verification process in FY2023. Achieving the ISO certification enhances our credibility and provides assurance that our environmental disclosures are in line with global practices. The data obtained from our systems will also serve as reliable indicators to track progress against the Gamuda Green Plan 2025," says Gamuda group managing director Datuk Lin Yun Ling in the group's 2023 annual report.

The Gamuda Green Plan 2025, launched in FY2021, sets out clear carbon emissions targets for the group while strengthening its social stewardship via environmental, social and governance (ESG) initiatives.

The group was also among the first construction companies in Malaysia to use social return on investment (SROI) as a communal investment scorecard. The group measured the SROI, a gauge of the social value created in relation to the cost of its intervention, based on the Social Value UK framework. It achieved an SROI ratio of 3.4 as its social impact from 2015 to 2022, valued at about RM534 million, with the greatest social impact seen in its programmes on education and training, occupational health and safety, biodiversity, diversity and equal opportunity, and local communities.

"This finding did not come as a surprise. Recognising education as a cornerstone of progress and empowerment, we have focused a lot of our time and resources on bridging the gaps in education through efforts such as the Gamuda Scholarship. Every year, roughly two-thirds of the scholarship funds are allocated to students from B40 families and one-third to M40 families. The group has committed to increasing the scholarship fund to RM30 million next year, with an anticipated reach of over 120 deserving students. This expansion is poised to create a more significant ripple effect, nurturing a generation of capable Malaysians," says Lin.

In 2023, it invested RM20 million via its Gamuda Scholarship programme for B40 and M40 communities, and RM30 million for technical and vocational education and training courses.

Gamuda also continues to push for the non-discrimination and betterment of indigenous people by providing access to education and employment opportunities, and including them in its recruitment and supply chain strat-



egies not just in Malaysia but also in Australia, as it extends its corporate responsibility and commitment to sustainability to its overseas businesses. By 2023, the group had invested more than RM60 million in aboriginal businesses in Australia.

In Vietnam, the group has been helping the local community via the Run for the Heart programme, which has raised RM8 million since 2013 — including RM1 million in 2023 — and enabled over 1,500 Vietnamese children to get free heart surgeries.

Last year (2023) was also a year in which the group achieved 57% women representation on its board and 38% across the group, while its prioritising local first commitment surpassed 90% in Malaysia (94%), Australia (98%) and Vietnam (98%).

It also made significant strides forward in

its biodiversity conservation research and development. Its nursery in Yen So Park, Vietnam, underwent a transformation as the country's first Seedling Research Centre, where about 10,000 plants representing 23 distinct species are being cultivated.

"In Malaysia, we officially opened our Wetlands Arboretum in Gamuda Cove. The arboretum, which was developed in partnership with Forest Research Institute Malaysia and University Malaya, is home to over 300 carefully curated native species of flora and fauna that are endangered," Lin says.

Recognising that corporate responsibility plays a role in the long-term sustainability of its business, Lin says: "While our sustainability initiatives are driven by a sense of corporate responsibility, our efforts also offer the benefit of reducing our ESG-related risk exposure. Gamuda's ESG Risk Rating as rated by Sustainalytics continues to show a positive trend with the recent results showing a further reduction in our risk score."

Indeed, as Lin notes, the overall risk exposure for Gamuda is high due to the nature of the industry it is in, "but due to a strong ESG risk management framework, our overall risk rating is viewed as positive and we are ranked in the top 20th percentile globally".



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