

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC

**WCE is committed to upholding the values of sustainable business operations which aims to create economic value by delivering a high-quality expressway to our road users as well as sustainable economic value to our various stakeholders.**

### Value Creation from Project

West Coast Expressway Project ("WCE Project") remains as our key revenue generator. The plan and design of the expressway ensure strong connectivity to existing highways like PLUS, SKVE, NKVE, NNKSB, LATAR, KESAS, etc., enhancing road coverage and providing road users with more travel options.

The expressway is divided into 11 sections whereby 6 sections have been opened for traffic and commenced tolling. It is common for highway concessions to face initial financial challenges due to the cessation of interest capitalisation and the amortisation of infrastructure development costs. Despite this, the Group remains confident in the project's long-term viability based on a thorough analysis conducted of the project financial model and supported by the independent traffic study report, indicating a stable income trajectory and sustained traffic growth over the duration of the concession period.

WCE Group is dedicated to accelerating the completion of the WCE Project, aiming to initiate highway operations and bolster the Group's overall financial well-being. Central to this objective is the prioritisation of construction advancement, with sustainability contingent upon robust and progressively improving direct economic performance.

To secure the long-term financial stability of the WCE Project, the Group has secured the necessary funding through various avenues, including the Government Support Loan, Commercial Debts, Reimbursable Land Cost Financing, and Equity Injection, to cover the project expenses. Additionally, to diversify its revenue streams beyond the primary business of the WCE Project, the Group will actively seek out other business opportunities, particularly within the construction sector and complementary ventures along the expressway.



Opening event of Section 11 at Taiping Selatan



Opening event of Section 6 at Assam Jawa

# SUSTAINABILITY STATEMENT (CONT'D)

## Market Presence

The WCE Project's development yields a diverse array of economic benefits dispersed among stakeholders. Job opportunities emerge throughout construction and highway operation phases, fostering supply chain growth and broader socio-economic impacts. Those who gain include shareholders, local communities, financiers, investors, governmental bodies, and public users. Diagrams accompanying this report illustrate the distribution of value generated to stakeholders.

Stakeholders	Value Distributed to various Stakeholders		
	FY2022 (RM'000)	FY2023 (RM'000)	FY2024 (RM'000)
Providers of Capital (Interest paid on loans and borrowings)	130,795	147,248	<b>159,709</b>
Government (Income tax paid)	3,402	3,169	<b>1,915</b>
Subcontractors & suppliers (Payment made on infrastructure development expenditure)	452,017	374,250	<b>355,365</b>
Employees and Directors	13,162	12,041	<b>16,222</b>

## Sustainable Procurement

Effective and transparent procurement practices are important to the Group to ensure fair and non-discriminatory competition. Project sub-contractors are selected via tender processes and governed through its Tendering Management Standard Operating Procedures. For good governance and enhanced transparency, WCE has adopted tender practices from invitation, submission to evaluation processes, increasing the efficiency and timeliness of completing the procurement processes.

A Tender Committee was set up to govern the evaluation and selection of sub-contractors, incorporating a combination of technical, financial and pricing criteria. We emphasise selecting sub-contractors with good performance track records and particular focus on compliance with regulatory and environmental best practices. An annual performance review on all sub-contractors was carried out to ensure quality in terms of delivery of products and services to the Group. In addition, we are committed to the selection of local subcontractors, where possible, to stimulate economic activities and growth along the highway alignment, and develop strong relationships with our business partners that are built on mutual trust. During the FY2024, all purchases of materials and services, and appointment of sub-contractors are local.

## Anti-Bribery and Corruption

WCE is committed to upholding ethical business practices as outlined in our Code of Ethics & Conduct and Anti-Bribery and Corruption ("ABC") Policy, which has been developed in accordance with the requirements of section 17A of the Malaysian Anti-Corruption Commission Act 2009. These policies have been disseminated to all employees, directors, and business associates and is accessible through our website.

We enforce a policy of zero tolerance against all forms of bribery and corruption. All employees, directors and business associates affiliated with WCE from engaging in any form of soliciting, receiving, procuring, offering, or providing bribes in any form, and must adhere to the laws of Malaysia and anywhere they conduct operations. Any form of corrupt behaviour, regardless of its nature and severity, will not be condoned within the organization.



# SUSTAINABILITY STATEMENT (CONT'D)

## Anti-Bribery and Corruption (Cont'd)

WCE has established a Whistleblowing Policy which enables individuals to report concerns or unethical practices and acts as a safe and effective reporting channel. Reports can be channelled confidentially via email, telephone or mail. The Group has made the Code of Conduct ("CoC"), ABC Policy, and Whistleblowing Policy accessible on our corporate website to ensure they are easily accessible to all stakeholders.

In FY2024, WCE conducted ABC training involving every member of the Company's workforce including the Board of Directors, management groups and employees. At the end of the training session, all the participants undertake post-training assessment evaluation to determine their understanding. This proactive approach underlines our commitment to instil a culture of integrity and ethical conduct within the Group.

Attendance of employees who have received training on ABC	FY2024 (%)
Management Level	100
Executive Level	100
Non-Executive Level	86

During FY2024, there were no instances or complaints (FY2023: Nil) of suspected corrupt or unethical behaviour reported to us.

## Data Privacy and Security

At WCE, we recognise the importance of protecting the data privacy and security of our employees, business partners, suppliers and customers. Our dedication to upholding data privacy and security is fundamental to our sustainability efforts and reflects our values of confidentiality, availability, and integrity of data. We design our Privacy Notice in adherence to the Personal Data Protection Act 2010. This further enhance our data protection measures and safeguarding our systems.

The group prioritises cybersecurity awareness to educate employees about their crucial roles in protecting the organisation against cyberattacks. We ensure they are informed on the constantly evolving threat environment. In FY2024, we conducted annual penetration testing and vulnerability assessments to enhance our security measures.

Throughout FY2024, there were no substantiated complaints or incidents of customer data breaches or loss.