

SUSTAINABILITY STATEMENT

▶ ABOUT THIS STATEMENT [GRI 2-2, 2-3, 2-5]

Aim and Purpose of this Statement

HSS Engineers Berhad (“HEB” or the “Company” or the “Group”) presents its 2024 Sustainability Statement (“Statement”), which marks our ninth year of reporting on our sustainability progress and performance. This Statement illustrates the Group’s unwavering commitment to strengthening the Group’s sustainability performance and contribution to nation-building. We aim to provide clear and transparent information on our responses to environmental, social and governance (“ESG”) material issues and impacts, and how we create value for our stakeholders.

Scope and Boundary

The scope and boundary of the information in this Statement covers the following subsidiaries and associates under the HEB Group that covers activities and operations in Malaysia unless specified otherwise:

- HSS Engineering Sdn. Bhd. (“HSSE”)
- BGV Global Ventures Sdn. Bhd. (“BGV”)
- SMHB Engineering Sdn. Bhd. (“SMHBE”)
- HSS Integrated Sdn. Bhd. (“HSSI”)
- HSS Mekanikal & Elektrikal Sdn. Bhd. (“HSSME”)
- HSS Alliance (Sarawak) Sdn. Bhd. (“HSSA”)
- HSS Propick Technologies Sdn. Bhd. (“HSSPT”)
- SMHB Sdn. Bhd. (“SMHB”)

Accordingly, the entities such as our joint ventures, investment holding companies, our Energy Development wholly-owned subsidiary - HEB Energy Sdn. Bhd. (“HEBE”) have been excluded.

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Reporting Period

This Statement contains information for the period from 1 January 2024 to 31 December 2024. For comparative purposes, we disclose three years of historical quantitative data of key indicators, where possible.

Reporting Framework

The preparation of this Statement was made with reference to the following frameworks and guidelines:

- Global Reporting Initiative (“GRI”) Standards;
- Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Sustainability Reporting Guide Third Edition;
- United Nations Sustainable Development Goals (“UN SDGs”);
- FTSE4Good Bursa Malaysia (“F4GBM”); and
- Task Force on Climate-related Financial Disclosures (“TCFD”)

Assurance

The data reported in this Statement has been internally assured. We have not sought any external assurance for this

reporting period. We recognise the importance of independent verification, and we intend to seek independent assurance on selected key sustainability indicators moving forward.

Feedback

We value our stakeholders’ feedback to improve our reporting and sustainability practices continuously. For further enquiries, please contact:

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Forward Looking Statement

This Statement covers forward-looking statements on targets, future plans, operations and performance of the Group based on reasonable assumptions on current business trajectories. As HEB’s business is always subject to risks and unforeseen circumstances beyond its control, readers are advised not to heavily rely on such statements as actual results may differ.

SUSTAINABILITY HIGHLIGHTS IN FY2024



ZERO

cases of non-compliance with relevant laws and regulations



12.58

average training hours



100%

of operations assessed for corruption-related risks



77%

scored our Client Satisfaction Index



ZERO

work-related fatalities for four consecutive years



TCFD-alignment

in our sustainability reporting this year



Started

Scope 3

emissions reporting



ZERO

non-conformance report



16

new Protégé hires



ZERO

cases of data privacy and security breach



99%

local procurement spending

SUSTAINABILITY STATEMENT

► SUSTAINABILITY AT HEB [GRI 2-9, 2-13, 2-14, 2-17, 2-28]

► Sustainability Governance

HEB has established a robust sustainability governance structure, aligned to best practices and regulatory requirements. Prioritising accountability and transparency, our sustainability governance structure underpins the execution of our sustainability governance practices to better institutionalise sustainability into our day-to-day operations.



The roles and responsibilities of our sustainability governing body are detailed in the table below as mentioned in our Sustainability Policy which can be found on our website at https://hssgroup.listedcompany.com/misc/SUSTAINABILITY_POLICY.pdf

Governance Body	Roles and Responsibilities
Board of Directors (BoD)	<ul style="list-style-type: none"> Responsible for providing direction and overall sustainability strategy to achieve the Group's goals and objectives Oversee the progress of the Group's sustainability initiatives Assumes ultimate responsibility in reviewing and approving all sustainability strategies, policies and initiatives presented by the SSC
Sustainability Steering Committee (SSC)	<ul style="list-style-type: none"> Reports directly to the BoD to ensure that the Group's sustainability agenda, commitments and issues are effectively discussed, approved and implemented Develops appropriate sustainability initiatives and collaborate with Business and Operations Departments in line with HEB's business values and aspirations
Management System Compliance (MSC)/ Integrated Management System (IMS) Department	<ul style="list-style-type: none"> Acts independently to ensure long-term sustainability aspects are compliant with the company's Integrated Management System (IMS)
Business and Operation Departments	<ul style="list-style-type: none"> Plan and implement yearly ESG plans in collaboration with the SSC to deliver targets Execute the implementation of approved sustainability strategies and initiatives Provide regular data, reports, and progress to the SSC on quarterly basis

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► Ethical Business Conduct

[GRI 2-10, 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205-1, 205-2, 205-3, Bursa C1]

Acting with integrity, honesty and respect is at the core of how we operate. The Group is dedicated to upholding the highest governance standards at the national and international level, while preserving the long-term interests of our stakeholders and ensuring the sustainability of the Group.

To achieve good governance within HEB, all policies and procedures will be reviewed and updated regularly or as and when needed.

More information on our internal controls and processes relating to our ethical conduct can be found in the Corporate Governance Overview Statement on pages 67 to 80 and the list of our policies on our website at https://hssgroup.listedcompany.com/corp_governance.html

Regulatory Compliance

As a leading engineering firm, HEB is committed to upholding the highest standards of regulatory compliance across all areas of our business. We strive to implement robust internal control and advance further in advocating transparency and accountability as part of good governance practices. As part of this commitment, we comply with a comprehensive list of laws and regulations, but are not limited to the following:

Companies Act 2016

Bursa Malaysia's Main
Market Listing Requirement

Malaysia Code on
Corporate Governance

Malaysian Anti-Corruption
Commission Act 2009

Employment Act 1966

Occupational Safety and
Health Act 1994

Environmental Quality Act
1974

Solid Waste and Public
Cleansing Management
Act 2007

In FY2024, there were zero cases of non-compliance with relevant laws and regulations.

Anti-Corruption and Bribery

HEB reiterates its commitment to strict compliance with regulations for the prevention and fight against corruption and fraud in all their forms. Understanding the importance of evaluating corruption-related risks to protect the integrity of the Group's infrastructure, senior management emphasises the need for comprehensive risk assessments throughout the organisation. As a result, HEB has assessed all of its operations for corruption-related risks, demonstrating its commitment to preventing and detecting corruption as part of its continuous management efforts. In FY2024, 100% of operations underwent corruption risks assessments.

HEB has an Anti-Bribery Policy (AB Policy) to manage bribery and corruption risks, as guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act (MACC) 2009. The Group has a designated and independent committee responsible for monitoring compliance supported by the Anti-Bribery Management System (ABMS) and procedures and reporting to the respective Board of Directors and Executive Committee of the Group. The Board oversees anti-bribery and anti-corruption initiatives and plays a key role in developing, implementing, and reviewing the AB Policy to strengthen our internal efforts in these areas. In FY2024, there were zero confirmed corruption incidents reported.

As our success and reputation depend upon the trust of clients and other stakeholders, our commitment to maintaining zero tolerance toward all forms of corruption extends beyond regulatory compliance. For instance, HEB strives to keep the topic top of mind for all directors, executives, managers and employees, notably through ethics and compliance onboarding for new employees and annual refresher training for existing employees.

01

In November 2024, as part of our efforts to promote anti-bribery and anti-corruption practices and regulations, we partnered with the MACC in an Anti-bribery Awareness Talk by the MACC at HSS headquarters.

02

We participated in the Integrity Campaign 2024, whereby we engaged relevant stakeholders in promoting a culture of integrity across the Group.

03

There has also been training carried out by our subsidiary SMHB on ISO 37001 Anti-Bribery Management System Legal Requirements Training.



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In FY2024, 32.52% of employees have undergone anti-corruption training.

Percentage of employees who have received training on anti-corruption by employee category	FY2024	FY2023*	FY2022*
Overall	32.52%	22.87%	3.02%
Professional	33.59%	30.68%	3.29%
Sub-Professional	23.53%	5.81%	1.40%
Administrative	41.73%	24.26%	3.48%

* Percentage of employees who have received training on anti-corruption for FY2023 and FY2022 have been restated due to a standardisation for methodologies for calculations.

Whistle-blowing Mechanism

We have in place a Whistle-blower Policy to safeguard the integrity of our operations. Internal and external stakeholders are provided channels to raise concerns regarding human rights related matters. We recognise that providing this feedback mechanism for stakeholders is important to promote transparency and accountability in the way we work. HEB is committed to investigating, addressing, and responding to such concerns, taking appropriate corrective measures with the utmost confidentiality.

Investigation findings, observations, agreed or recommended remediation and corrective action will be reported to the Chairman of Audit and Risk Management Committee or the Executive Vice Chairman. The Group's Internal Audit will act as the investigator unless the Chairman of the Audit and Risk Management Committee assigns or appoints another investigator. Depending on the findings, suitable disciplinary action shall be taken against the offender. No whistle-blowing case was reported in FY2024.

More information on our Whistle-blower Policy can be found here: https://hssgroup.listedcompany.com/misc/WHISTLE_BLOWER_POLICY.pdf

► Sustainability Framework [GRI 2-22]

HEB's approach to sustainability is outlined through our Sustainability Framework, anchored on four key pillars which encompass the way we do business, innovative and sustainable practices in our operations, as well as our role in the communities we are a part of.

01



Valuing/Developing Human Capital

We value our people and recognise that delivering exceptional outcomes starts with having an exceptional workforce. Our workforce comprises individuals who are highly respected experts with talent, experience and passion in their fields. Challenging boundaries, they look beyond the project scope to help shape a better future.

02



Connecting Community

People and communities benefit from our engineering solutions allowing better connectivity and improved accessibility. Our innovative engineering solutions enhance livelihoods and have a clear objective: making the world more liveable, sustainable and inclusive.

03



Transforming the Nation

We are dedicated to providing engineering solutions that go beyond conventional thinking. Our projects are enablers to Malaysia's economic advancement and showcase Malaysia's engineering expertise.

04



Sustaining the Environment

Our engineering solutions always prioritise sustainability principles. We are committed to sustainability that is unparalleled in its scope and reach within our industry, regionally and internationally.














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► Stakeholder Engagement

[GRI 2-29]

HEB is cognisant of the fact that the activities of all businesses have an impact on a range of stakeholders. As such, HEB has dedicated our efforts to creating value for our stakeholders through regular engagements and communicating announcements across a wide range of engagement channels. This ensures that we continuously build trust, strengthen relationships and gain invaluable insights in order to adequately meet their needs and expectations of our business.

Our approach in engaging and responding to our key stakeholder groups includes, but are not limited to the following:

Stakeholder Group	Reason For Being Important to Us	Engagement Method	Related Material Matters
Shareholders and Investors	HEB's overall goal is to create sustainable shareholder value while fulfilling the expectations of other stakeholders. To achieve this goal, a strong focus on financial performance, risk management, and internal control is essential.	 Financial Result Announcements  Annual General Meetings  Extraordinary General Meetings	<ul style="list-style-type: none"> • Sustainable Solutions • Ethical Business Conduct • Employee and Public Safety • Quality and Client Satisfaction
Employees	HEB encourages an engaging, inclusive, and stimulating work environment that champions high quality performance as well as high employee satisfaction and loyalty.	 Employee Grievance System  Employee Training  E-Mail Communication  Management Meetings  Other Events Including Functions and Informal Gatherings	<ul style="list-style-type: none"> • Employee Management • Employee and Public Safety • Ethical Business Conduct
Regulatory Authorities	By serving as Malaysia's engineering DNA, HEB supports the government's initiative to advance the nation. With its superior technical quality, innovation, and performance, the company has made an outstanding contribution to the development of the nation's infrastructure and supports Malaysia's broader sustainability objectives, including those outlined in the Malaysian Green Agenda and Green Technology Master Plan.	 Reports and Compliance	<ul style="list-style-type: none"> • Sustainable Solutions • Ethical Business Conduct
Clients	Everything we do is built on relationships and trust. HEB listens to customers and provides clear advice on all types of engineering and project management services.	 Customer Satisfaction Survey  Customer Complaints Platform	<ul style="list-style-type: none"> • Sustainable Solutions • Quality and Client Satisfaction
Analysts and Media	HEB connects with its media partners and analysts regularly at corporate events and launches where it communicates first-hand project information.	 Analysts' Briefings  Media Interviews, Press Releases and Website Postings	<ul style="list-style-type: none"> • Ethical Business Conduct

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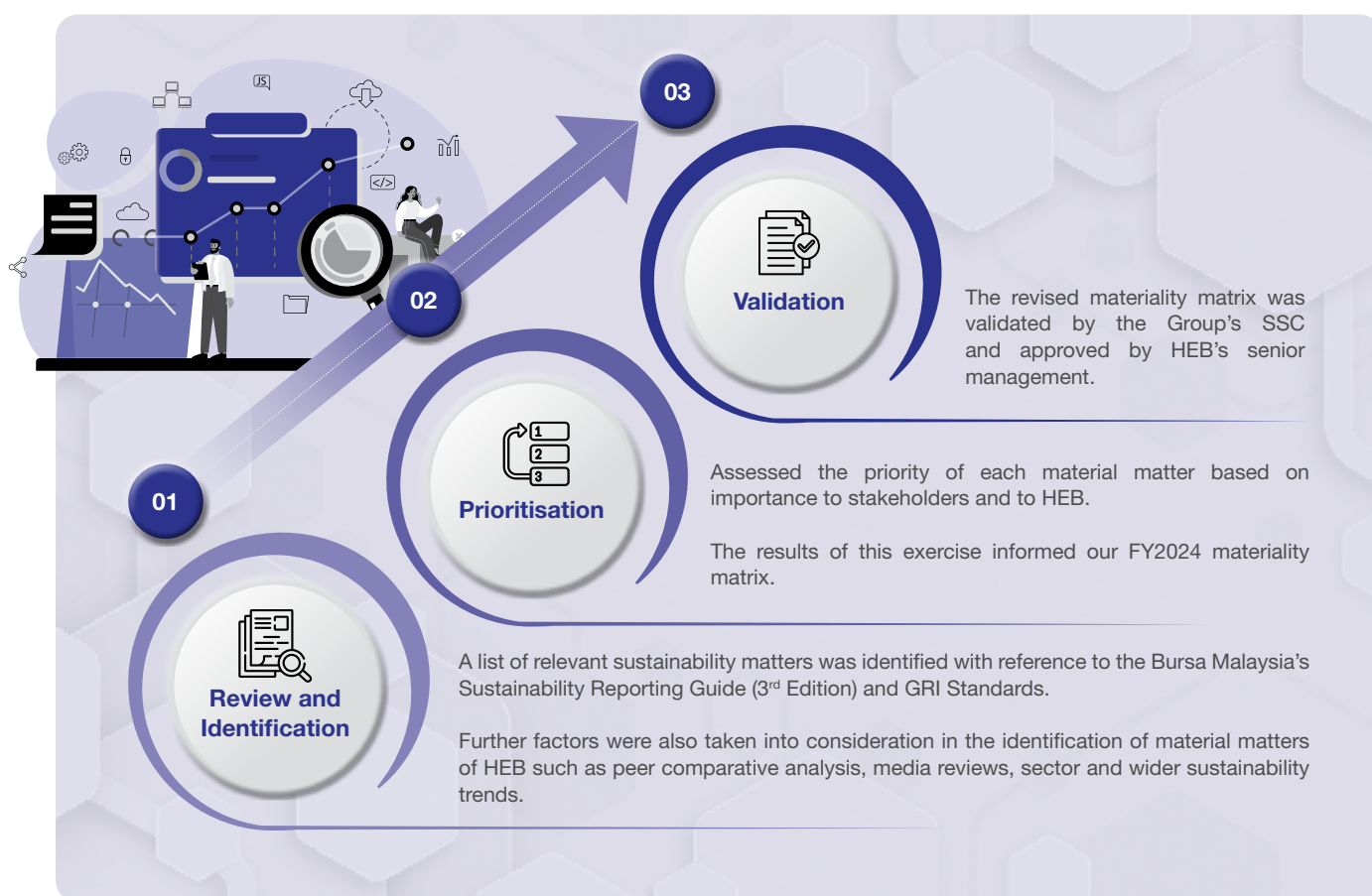
Stakeholder Group	Reason For Being Important to Us	Engagement Method	Related Material Matters
Community and Public	We build communities through our innovative engineering solutions as well as engaging them through many of our project activities.	Community Engagement Activities	<ul style="list-style-type: none"> Local Communities Employee and Public Safety
Suppliers	HEB encourages participation of local suppliers and promotes the advancement of our suppliers.	Contract Bidding and Procurement Management	<ul style="list-style-type: none"> Sustainable Solutions Quality and Client Satisfaction

Legend: ● Annually ▲ Quarterly ■ Per project basis ◆ As and when required — Throughout the year

► Materiality Assessment [GRI 3-1, 3-2]

Our materiality assessment is reviewed on an annual basis to keep abreast of our internal and external stakeholders' evolving priorities, reconfirm our long-standing areas of focus and shape our strategies, whilst considering changing external factors. In FY2024, we undertook a materiality assessment exercise that involved the participation of our internal and external stakeholders via online surveys. The exercise aimed to identify shifts in stakeholder priorities which may have taken place in the past few years.

To determine key sustainability issues during the year, we undertook a three-step materiality assessment process:

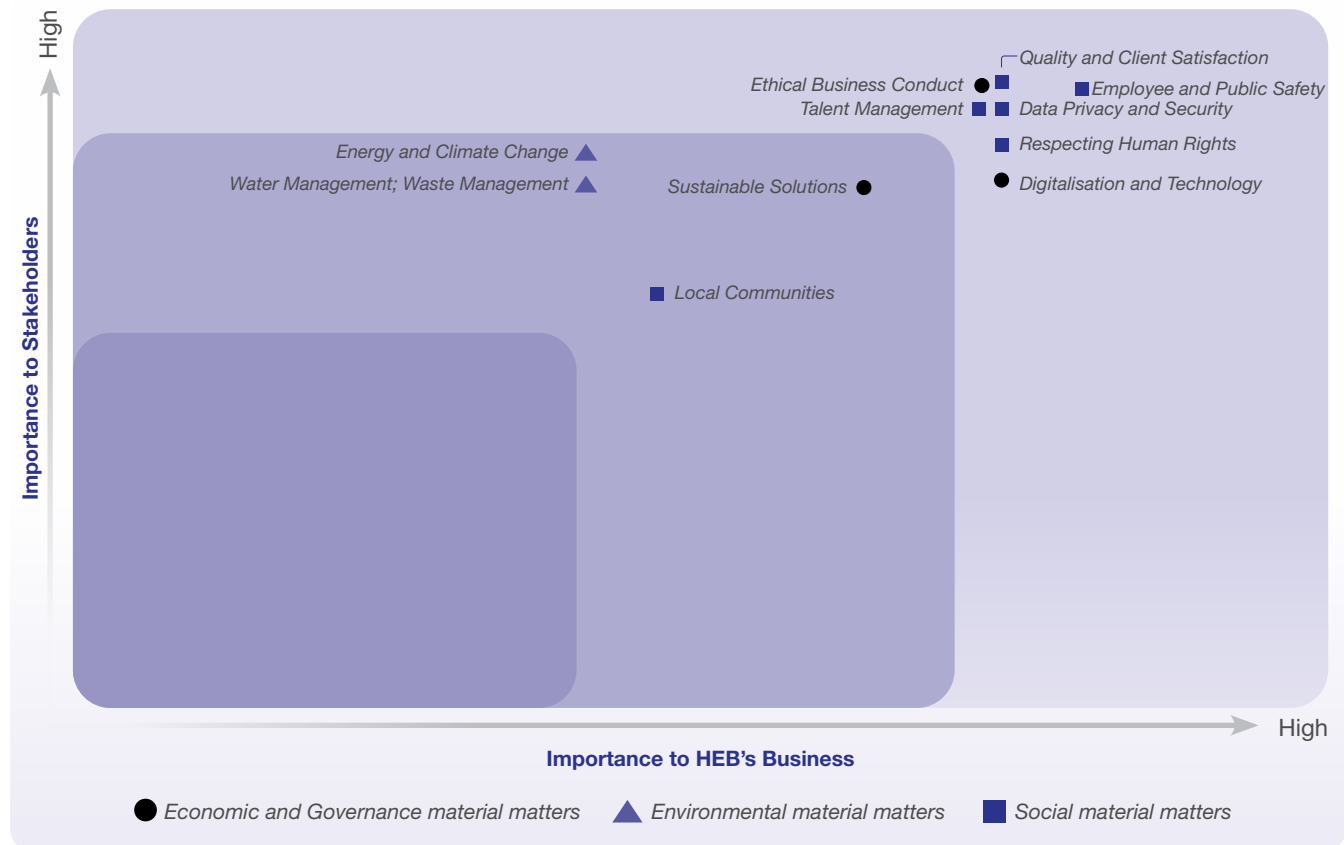


SUSTAINABILITY STATEMENT

Materiality Matrix

The materiality assessment exercise conducted in FY2024 enabled HEB to revise and update its materiality matrix to better reflect the latest prioritisation of HEB's material topics.

The materiality matters were reorganised to better reflect our present and future inspirations and sustainability goals. Based on the refreshed matrix, we have identified 12 material matters for FY2024 which formed the focus of our Sustainability Statement. Specific details on each material topic are provided in the subsequent pages of this report.



We have renamed and consolidated material matters with the aim of providing better focus and alignment with Bursa Malaysia's prescribed common material matters.





Material Topic Reported in FY2023	Renamed for Reporting in FY2024
Corporate Governance	Ethical Business Conduct
Regulatory Compliance	
Career Development	Talent Management
Diversity, Inclusion and Equity	
Employee Engagement	

The illustration shows three hands interacting with a circular diagram. The diagram consists of several interconnected circles and lines, with some circles containing icons like a lightbulb, a bar chart, and a gear. The hands are shown in various positions, suggesting active engagement and collaboration.

SUSTAINABILITY STATEMENT

► Sustainability Risks and Opportunities

Driving sustainable growth for HEB requires a proactive approach to identify emerging and potential risks and opportunities that are pertinent to the business and industry. Furthermore, aligning with sustainability trends opens doors to new markets, improves our competitive edge, and strengthens our reputation as a responsible leader in the industry, ultimately driving long-term growth.

Sustainability Pillars Economic and Governance Pillar			
Related UN SDGs	Risks	Opportunities	Management Action Plan
   	<ul style="list-style-type: none"> Increasing regulations which can escalate costs Non-compliance will result in tarnished reputation and regulatory fines 	<ul style="list-style-type: none"> Collaboration with Universities and Institutions for research on sustainable engineering Dedicated compliance committee and/or hiring external consultants to review and update the policy regularly and provide training for employees 	<ul style="list-style-type: none"> Conduct risk assessment and develop crisis management plan, monitoring and reviewing project performance and compliance with regulations Identify regulatory risks, conducting gap analysis, creating compliance policies and internal controls, implementing training, and conducting compliance audits

Sustainability Pillars Environmental Pillar			
Related UN SDGs	Risks	Opportunities	Management Action Plan
 	<ul style="list-style-type: none"> Climate change can lead to extreme weather events, such as floods, storms, and heatwaves, disrupting construction schedules, damaging infrastructure, and increasing project costs Increasing environmental regulations related to carbon emissions and sustainability may require costly adjustments to construction practices, technologies, and materials to meet new standards 	<ul style="list-style-type: none"> Increased demand for eco-friendly, energy-efficient buildings presents opportunities to lead in sustainable construction practices, offering innovative solutions and attracting environmentally-conscious clients Rising awareness of climate change creates opportunities to develop infrastructure that is resilient to extreme weather, enhancing long-term project value and ensuring safer, more durable construction 	<ul style="list-style-type: none"> Implement energy-efficient technologies, reduce waste, and use sustainable materials across projects to minimise the company's carbon footprint and contribute to environmental conservation Regularly assess climate-related risks, develop strategies to address potential impacts, and ensure all projects are designed to be resilient to climate change effects, such as extreme weather and rising sea levels

Sustainability Pillars Social Pillar			
Related UN SDGs	Risks	Opportunities	Management Action Plan
    	<ul style="list-style-type: none"> Ineffective talent management will lead to knowledge deficits, project holdups and increased turnover expenses Poor customer service would lead to losing customers' interest and damaging our reputation and branding 	<ul style="list-style-type: none"> Strengthen employer branding and establish a high-performing culture to maintain competitive edge Delivering high quality work to our customers which can lead to increased business opportunities and a positive reputation 	<ul style="list-style-type: none"> Streamlining talent acquisition strategy to enhance the Group's image as an employer of choice Customer feedback through customer service surveys

SUSTAINABILITY STATEMENT



► Sustainable Solutions [GRI 3-3, 203-1, 203-2]

Sustainable solutions are crucial for an engineering and construction project management services company as they help minimise environmental impact, reduce costs, and promote long-term value for clients and communities. By focusing on sustainability, we not only meet regulatory requirements but also address the growing demand for eco-friendly practices in the industry. Implementing sustainable solutions enables us to create efficient, resilient, and resource-conscious projects, enhancing our reputation as a responsible leader in the field while contributing to a greener, more sustainable future for all.

PROJECT HIGHLIGHTS

01

THE CONSTRUCTION OF SUNGAI KARANGAN WATER TREATMENT PLANT PHASE 1, KULIM, KEDAH DARUL AMAN

Project background

The Kulim District, covering an area of approximately 765 km² in the State of Kedah, has a population of 362,258 in 2024, with projections indicating it will reach 469,235 by 2040. Currently, the district relies on four overloaded Water Treatment Plants (WTPs) with a combined capacity of 345 million liters per day. The area is experiencing critical reserve margins and frequent water supply disruptions due to aging and damaged distribution systems.

The primary goal of the project is to establish treated water supply infrastructure to accommodate the increasing demand driven by major developments like the Kulim Industrial Corridor (KIC), Kulim Hi-Tech Park (KTHP), and the Kulim North District. Furthermore, the project aims to enhance the treated water reserve margin in Kulim District to ensure a minimum 10% reserve at all times, thereby ensuring a dependable and sustainable water supply for both current and future demands. This initiative is essential for supporting the region's industrial and urban growth while ensuring water security.

Key sustainability highlights of the project

- Green technology by the utilisation of energy efficient treated water pumpsets and motors
- Energy saving lighting and photovoltaic (PV) solar power system designed in two types:
 - Hybrid (connected to the grid through 400V Main Switchboard)
 - Fully solar (for street lighting and compound lighting)
- Energy conservation methods that reduce or eliminate energy consumption, such as the use of static mixers in the chemical mixing chambers and the use of cascade aerator



SUSTAINABILITY STATEMENT

PROJECT HIGHLIGHTS

02

EAST COAST RAIL LINK

Project background

The East Coast Rail Link (ECRL) is a standard gauge, double-track electrified railway line designed for both passenger and freight services, running from Kota Bharu to Port Klang. It is also a key component of the Malaysian Government's broader transportation master plan, aiming to connect the Greater Klang Valley to the East Coast through a strategic railway network.

We were appointed for detail design & supervision works for section A (from Kota Bharu to Dungun) that comprise the following:

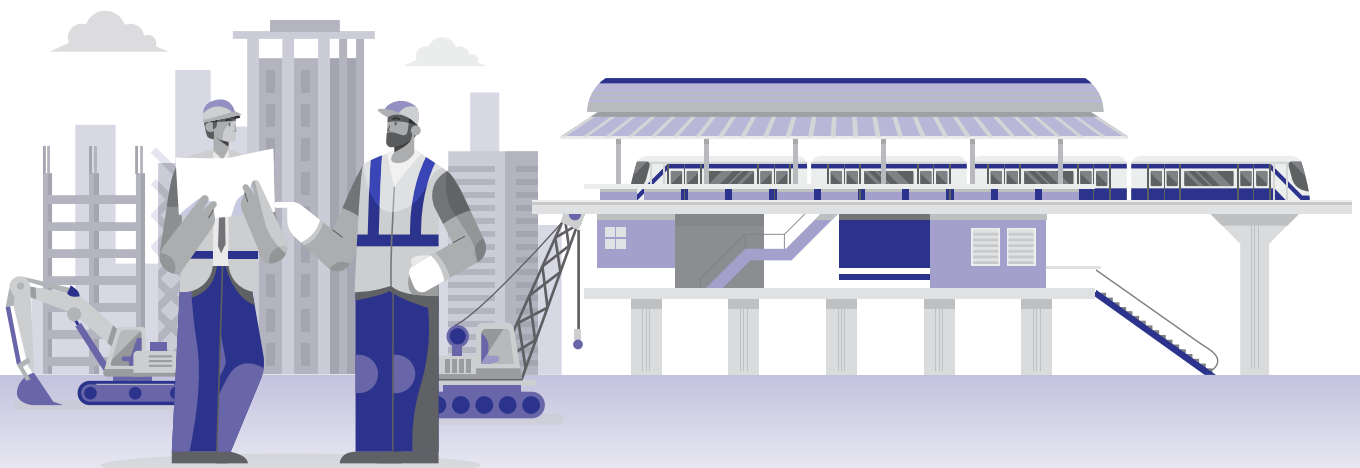
1. Mainline Alignment for Mainline Detail Design (i.e ROBs, RUBs & Frontage Road)
2. Station Design (i.e Structure, M&E, Geotechnical & External/Internal Infrastructure)

Upon completion it will improve access to education, healthcare, and employment opportunities for communities in East Coast thereby enhancing their quality of life while providing a more environmentally friendly alternative to road transport significantly reducing carbon emissions.



Key sustainability highlights of the project

- **Eco-friendly materials:** Low volatile organic compound (VOC) architectural finishes have been adopted at all stations
- **Energy efficient:** Regenerative braking systems and energy-efficient train designs, has been integrated to reduce energy consumption. Furthermore, all stations have been retrofitted with LED lighting, and the lift and escalator systems incorporate sleep mode when they are not in use
- **Green energy:** Use of renewable energy like solar
- **Water use:** Advanced water management systems have been included such as rainwater harvesting for landscape irrigation and toilet flushing, as well as proper drainage systems. Additionally, further efforts such as low-flow toilets and self-closing basin taps have been integrated to reduce water consumption
- **Noise control:** Incorporation of noise barriers to minimise noise pollution
- **Waste management:** Robust waste management practices were established during construction and operation to minimise waste generation and to promote recycling and proper disposal of materials
- **Landscape and greenery:** Extensive landscaping and the planting of trees along the railway to improve the aesthetic appeal and provide environmental benefits



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► Digitalisation and Technology

Digitalisation is crucial for maintaining our business's relevance and driving growth. It allows us to quickly adapt to changes in our operating environment, considering economic, environmental, and social shifts within the built environment. These changes present opportunities for our Group to leverage on innovative solutions and promote productive employment opportunities, which are central to our business focus on addressing future challenges. We believe digitalisation aligns with UN SDGs such as Goal 9 (Industry, Innovation, and Infrastructure) and Goal 8 (Decent Work and Economic Growth). By fostering the demand for highly skilled personnel, digitalisation boosts productivity, reduces costs and accelerates project delivery thereby contributing to economic growth. Furthermore, it drives innovation in infrastructure project by improving design accuracy, collaboration, and resource management resulting in more efficient, sustainable and high-quality infrastructure projects.

In terms of empowering our employees in areas of digitalisation and technology, we aim to increase Building Information Modelling (BIM) readiness for computer-aided design operators by 50%, from the current four employees in the short run.

In FY2024, we are excited about the successful acquisition of three projects, which will allow us to make significant contributions to the evolving digital landscape in the industry. These projects align with our commitment to advancing digitalisation and leveraging technology to drive innovation and enhance efficiency in our operations. Through these opportunities, we aim to play a pivotal role in shaping the future of the industry by integrating cutting-edge solutions into our work. Highlights of key features are illustrated below:

PROJECT HIGHLIGHTS

01

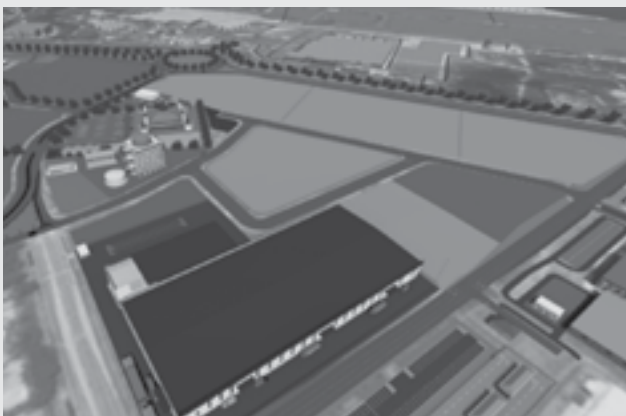
SULTAN ABDUL AZIZ SHAH AIRPORT (LTSAAS) REGENERATION PHASE 2 AND 3

Project background

The Subang Airport Regeneration Plan (SARP) is an extensive initiative focused on revitalising LTSAAS in Subang, with the goal of transforming into a modern city airport and a regional aviation hub by 2030. Our involvement in this project included offering BIM consultancy services for the preparation, submission and approval of amendments to the airport's master layout plan. This effort was aimed to streamline the tender process by delivering precise, data-driven digital models that enhance communication, transparency and decision-making among all stakeholders involved.

Key sustainability highlights of the project

- **Use of BIM:** Collaborative approach of BIM accelerates evaluations, reduces administrative workload and improves overall project planning



02

PROPOSED INTERIOR DESIGN FOR INFINEON KULIM - IFX KLM 3 2.0 PROJECT FOR INTERNATIONAL FACILITY ENGINEERING PTE. LTD.

Project background

Infineon Technologies AG, a global leader in semiconductor solutions, is expanding its Kulim manufacturing facilities with the construction of a new Manufacturing support Building (MSB) and Office 3. The new IFX KLM Office 3 will house around 2000 office workers and a cafeteria for 1200. The MSB will accommodate 700 office workers and include facilities such as a failure analysis lab, locker, main gowning area, test area and manufacturing and engineering supporting facilities. A key focus of scope includes interior design (ID) BIM modeling to ensure seamless coordination, efficient space planning, and integration of architectural and mechanical, electrical plumbing (MEP) elements within the office and support facilities.

Key sustainability highlights of the project

- **Use of BIM:** With incorporation of detailed ID models and data, the project team can achieve enhanced visualisation, precise clash detection, and more accurate cost estimates, ultimately streamlining the overall design and construction process



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03

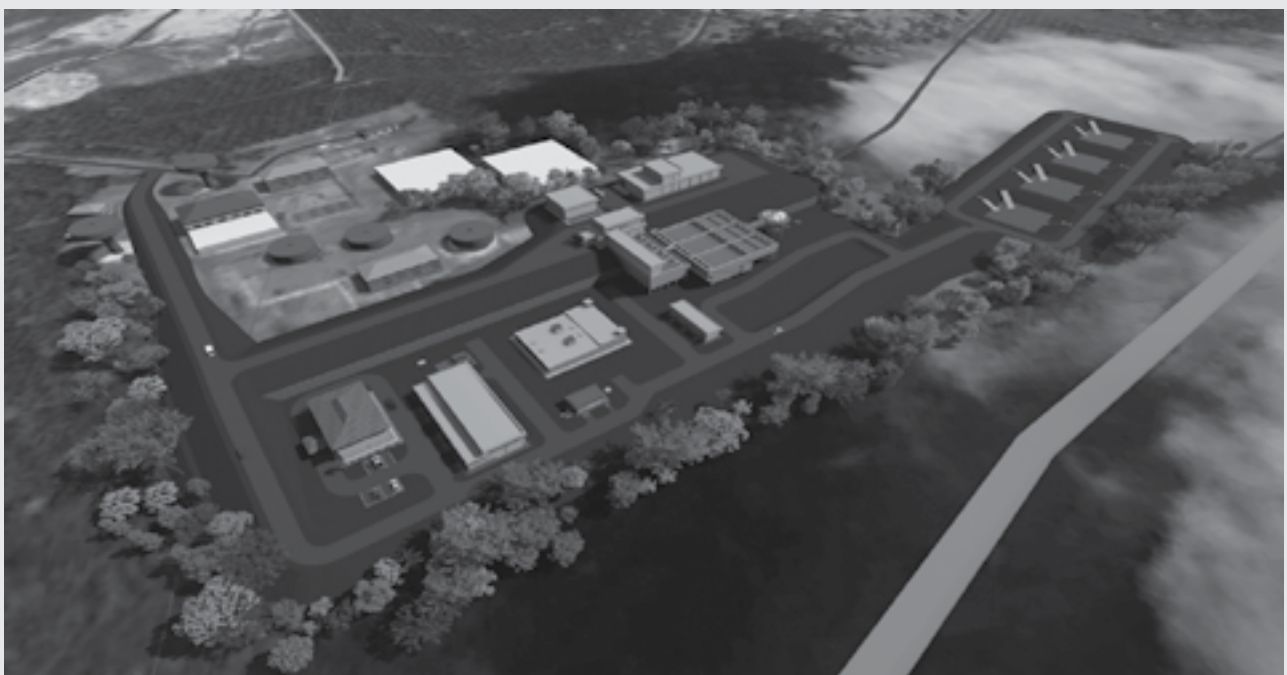
PROPOSED STUDY AND CONSTRUCTION OF A NEW WATER TREATMENT PLANT AND WATER SUPPLY SYSTEM IMPROVEMENTS IN BATU PAHAT DISTRICT, JOHOR

Project background

This project involves the development of water treatment plant and improvements to the water supply system in Batu Pahat District. HEB was engaged to offer BIM consultancy services for the water treatment plant, aiming to improve the design and tender processes by integrating a detailed, data-driven digital model that fosters collaboration and communication among all project stakeholders.

Key sustainability highlights of the project

- **Use of BIM:** Utilising BIM allows design teams to develop detailed three-dimensional (3D) models that help identify clashes early and provide accurate quantity take-offs, minimising errors and rework during the design phase



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► **Energy and Climate Change**
[GRI 3-3, 302-1, 302-4, 305-1, 305-2, 305-3, 305-5, 305-7, Bursa C4, Bursa C11]

Energy


Climate change is anticipated to bring about numerous challenges, especially due to global responses that will affect nearly every sector and segment of society. We strive to improve our electricity consumption and carbon emissions through mitigation efforts such as energy efficiency enhancement measures at our headquarters. This is in line with our Sustainability Policy where we aim to contribute towards a better environment.

We proactively explore and implement new initiatives to operate more efficiently while increasing environmental awareness to reduce overall electricity consumption across our operations. The following table refers to our efforts in reducing energy and electricity consumption:


Our Continuing Approach in Energy and Climate Change Management



As part of our IMS Objectives we have in place current practices to determine and reduce the usage of papers, electricity and water



Being conscious of our energy consumption we are in the midst of phasing out all old inefficient appliances with energy-efficient appliances. This is an on-going initiative within the company



Our employees also slowly embarked on their own small changes by making it a habit to turn off lights and electrical appliances when not in use

Energy Consumption (MWh)	FY2024	FY2023	FY2022	
	966.28	991.14	1,005.00	

Note: Comprises data across our headquarters only. Moving forward, we aim to expand the coverage of our data to cover site offices as well.

In FY2024, our Group’s energy consumption was at 966.28MWh, decreasing by 0.97% from FY2023. Currently, we are in the midst of phasing out old electrical applications internally towards more energy saving ones as one of our initiatives which has seen the decrease in energy consumption, for FY2024 as compared to FY2023.



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Emissions

As a leading engineering consultancy service provider in Malaysia, we are committed to contribute to the national agenda of reducing greenhouse gas (GHG) emissions intensity of gross domestic product (GDP) by 45 percent by 2030 relative to the emissions intensity of GDP in 2005.

We have embarked on our GHG emissions reporting since FY2021 and we will continue to expand the coverage of our emissions inventory. In this reporting year, we have started measurements of Categories 6 and 7 - business travel and employee commuting under our Scope 3 emissions management. We will continue to actively take steps to improve our emissions-related disclosures to gain a comprehensive understanding of our overall carbon footprint and determine how we can mitigate our environmental impact moving forward.

In FY2024, Scope 1 emissions reduced significantly due to embarking on improving efficiency of existing vehicles by using technology in optimising routes as well as encouraging hybrid setting for meetings instead of travelling unless required.

The table below indicates our emissions-related performance for FY2022 to FY2024:

	FY2024	FY2023	FY2022
Scope 1 emissions (tCO ₂ e)	83.86	141.73	105.15
Scope 2 emissions (tCO ₂ e)	736.36	751.00	761.00
Total Scope 3 emissions (tCO ₂ e)	534.52	N/A	N/A
(i) Category 6 - Business travel	90.40	N/A	N/A
(ii) Category 7 - Employee commuting	444.12	N/A	N/A

Notes:

- Scope 1, 2, and 3 covers data across our headquarters only. Moving forward we aim to expand the coverage of data to cover site offices as well.
- We calculate our emissions from business travel and employee commuting, where information provided utilised data assumptions and emission factors from UK Government GHG Conversion Factors for Company Reporting.
- Scope 3 - Category 6 and 7 data only covers employees that are based across our headquarters only.

We are aware that air pollution management is critical due to their significant impact on the environment, public health and regulatory compliance. We have not had any fines or penalties on any environmental-related violations throughout this reporting year. The Group's operations do not emit any air pollutants such as Nitrogen oxides (NO_x), Sulfur oxides (SO_x), Methane (CH₄) and VOCs into the atmosphere.

Air Emissions	FY2024	FY2023	FY2022
Nitrogen Oxides (NO _x) (tonnes)	0	0	0
Sulphur Oxides (SO _x) (tonnes)	0	0	0
Methane (CH ₄) (tonnes)	0	0	0
Volatile Organic Compound (VOCs)(kg)	0	0	0

Responding to Climate Change

The Group is committed to offering engineering consultancy that aligns with the Malaysian Government's goal of achieving 70% renewable energy, as outlined in the National Energy Transition Roadmap (NETR). We also acknowledge that our energy usage and GHG contribute to climate change. Therefore, we see this as an opportunity to deliver services that foster a greener, more sustainable future for generations to come, while expanding our revenue streams and industry reach. To this end, we have begun aligning our disclosure to the TCFD and its recommendations in this reporting year as a start of a progressive journey to managing our climate-related impacts.

The narrative below demonstrates how HEB has aligned to the TCFD themes - Governance, Strategy, Risk Management, and Metrics and Targets and the disclosure recommendations accordingly. The Group is committed to progressively strengthen its disclosures in accordance to TCFD requirements going forward.

According to the International Accreditation Forum (IAF)/ISO Joint Communiqué published on 23 February 2024, Climate Change considerations are added to Management Systems Standards. As an ISO certified organisation, HEB takes into consideration climate change-related aspects and risks within the development and maintenance of its management system.

SUSTAINABILITY STATEMENT



Governance

Our commitment to proper climate risk management means having effective oversight systems in place - such as committees and departments, with the Board setting the tone from the top.

For more information on our sustainability governance structure, please refer to page 39 of this Annual Report.

Strategy

Both physical and transition climate-related risks pose potential financial and non-financial consequences for our business and operations. In FY2024, the climate change objective has been incorporated into our IMS objective.

Strategically, we have continuously monitored and managed our operational footprint through addressing our Scope 1 and Scope 2 emissions. In this reporting year, we have initiated the tracking of our indirect energy (Scope 3) GHG emissions, for Categories 6 and 7 - business travel and employee commuting, and will continuously align our business strategy with sectoral policies as stipulated under the National Climate Change Policy 2.0 and the NETR to pursue a transition to a low-carbon economy.

Risk Management

We recognise the challenges posed by global warming and various environmental issues, as well as the global commitment to combat climate change by aiming to limit the increase in the global average temperature to below 2 degrees Celsius above pre-industrial levels. Understanding our company's significant responsibility, our Board of Directors is committed to incorporating climate change strategies into our broader business plans where appropriate. We will establish clear goals to reduce our carbon footprint, align our value creation with a low-carbon economy, and comply with national environmental policies.

We have an Environmental, Safety and Health (ESH) administration procedure that outlines processes to identify the environmental aspects of our activities, products and services within the defined scope of the Environmental Management System. This includes both elements we can control and those we can influence, considering planned or

new developments. The procedure also incorporates risk assessments and risk matrices to evaluate the probability and severity of potential risks.

As we progress further on our climate-related risks management, we continue to refine our identification, assessment and management of climate risks and opportunities to improve robustness of our climate change strategy.

Metrics and Targets

We are enhancing our ability to identify and measure emissions to explore ways to enhance transparency of our data. This reporting year marks the year we achieve significant progress in our emissions disclosure, allowing us to develop future emissions targets and advancements in our emissions disclosures.

Our emissions-related data can be found in the previous section on page 51 of this statement.

► Waste Management

[GRI 3-3, 306-1, 306-2, 306-3, 306-5, Bursa C10]

At HEB, we recognise the importance of effective waste management to minimise our environmental footprint as part of our commitment to safeguarding the environment as well as the local communities we serve.

We ensure our waste is managed responsibly by adhering to the waste management process through our IMS procedures. This system is designed to track waste-related information, allowing us to effectively monitor and comply with environmental and safety regulations.

We are also cautious in managing our scheduled waste as stipulated in the Environmental Quality (Scheduled Wastes) Regulations 2005. A structured scheduled waste management process has been established throughout our operations, overseeing all activities to ensure proper waste identification and management practices are followed.

SUSTAINABILITY STATEMENT

Our approach in waste management is illustrated below:



The source of waste from HEB's operations stems from general waste and scheduled waste. General waste consists of non-hazardous waste such as garbage, food waste and boxes which are segregated to be recycled or to be disposed of at designated areas whereas scheduled waste encompasses hazardous waste that is strictly regulated due to its potential harm to human health or the environment, such as chemicals, solvents, and certain industrial byproducts. Tracking both types of waste helps ensure compliance with environmental regulations, promotes efficient waste reduction strategies, and supports sustainability efforts within the organisation.

In FY2024, total general waste generated is 11,031kg where 100% of this waste has been directed to disposal. Scheduled waste covers fluorescent tube, bulbs, chokes and batteries, which totalled at 170.95kg, showing an increase from FY2023 due to slowly phasing out all of the organisation's non energy saving electrical appliances. These scheduled waste were disposed through a licensed waste contractor. Moving forward, we will continue our efforts in minimising the generation of scheduled waste and maintain stringent control over its disposal.

General Waste	FY2024	FY2023	FY2022
Total general waste generated (kg)	11,031	3,250*	N/A
General waste directed to disposal (kg)	11,031	3,250*	N/A

Note: Comprises data across our headquarters only. Moving forward, we aim to expand the coverage of our data to cover site offices as well.

* Collection started in the month of September 2023.

Type of Scheduled Waste	Code	FY2024 (kg)	FY2023 (kg)	FY2022 (kg)
Total scheduled waste generated		170.95	86.20	25.30
(i) Fluorescent tube	SW 109	104.31	81.20	21.00
(ii) Bulbs	SW 109	0.40	0.40	0.40
(iii) Chokes	SW 110	54.72	0.00	2.50
(iv) Battery	SW 103	11.52	4.60	1.40

Note: Comprises data across our headquarters only. Moving forward, we aim to expand the coverage of our data to cover site offices as well.

SUSTAINABILITY STATEMENT


► **Water Management**

[GRI 3-3, 303-5, Bursa C9]


A consistent and adequate supply of clean water is crucial for all of our offices. HEB endeavours to effectively utilise water resources and acknowledges the critical role of water in sustainable development, environmental responsibility, and societal wellbeing.

Our approach in water management is illustrated below:


Our Continuing Approach in Water Management



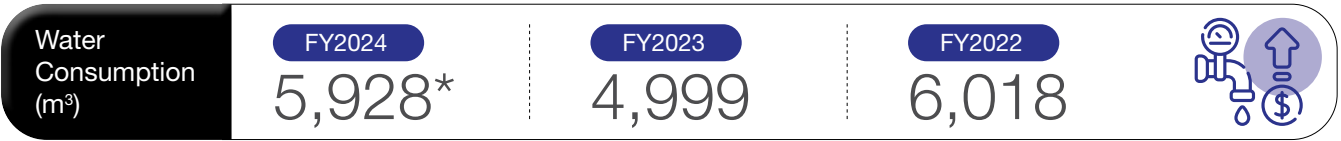
Creating awareness on responsible water consumption among staff through emails to encourage mindful water usage in the workplace



By displaying “Use Water Wisely” signage to encourage staff to use water responsibly and to raise awareness about water conservation within the organisation



Any water leakage to be reported to the Human Resource and Administration department and rectified immediately



Note: Comprises data across our headquarters only. Moving forward, we aim to expand the coverage of our data to cover other branch offices.
** Due to an issue with the building’s meter reading.*

In FY2024, the total water consumption across our headquarters was at 5,928m³. The slight increase in water consumption was identified as a result of an issue with the building’s meter reading, which was brought to our attention by the building management towards the end of the financial year. Moving forward we will monitor on the water consumption regularly and liaise with the building management when the need arises. We are currently planning to further enhance our awareness campaign internally on responsible water consumption among employees in the short-term. Our Board is committed to sustainable practices and believes that water management is pertinent to ensure water usage is done sustainably.



SUSTAINABILITY STATEMENT



► Employee and Public Safety

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-8, 403-9, Bursa C5]

Prioritising a safe work environment has played a crucial role in protecting our reputation and enhancing our competitiveness in the industry. Our strong focus on safety and health has not only uplifted employee morale but also helped us retain a skilled workforce and foster a culture of safety within the Group.

In FY2024, we achieved zero non-conformance report (NCR) during SIRIM audits, reflecting our commitment to maintaining the highest standard of quality and compliance.



The Group has established a comprehensive Occupational Health and Safety Management System to foster a safe environment and safety-first culture, effectively safeguarding the occupational health and safety of employees. Our subsidiaries and associated companies are compliant with the ISO 45001:2018 Occupational Health and Safety Management Systems. Additionally, our group internal auditors are skilled and have undergone specialised training on Integrated Management System ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 37001:2016 to verify compliance with Occupational Safety and Health Act (OSHA 1994) across our operations.

The following illustrates our efforts on safety and health:

ESH Committee Meeting

Safety and Health Campaign

Safety Walkabout

Occupational, Health and Safety Audit In Compliance with ISO 45001:2018

Fire Prevention Training

Fire Safety Emergency Drill

Competency Training
(e.g., Integrated Management System internal auditor, fire awareness programmes)

Emergency Response Plan and Preparedness Training

ESH Committee and Policy

Our health and safety standard is governed by our Quality, Environmental, Safety and Health Policy (QESH), focusing on building a strong company-wide safety culture, with an emphasis on implementing industry best practices and complying with legal requirements. We have a dedicated Emergency Response Team and ESH Committee at the headquarters and our project sites to maintain and enhance our occupational health and safety performance.

Our ESH Committee meetings are conducted to discuss workplace inspection issues and address concerns and provide the relevant corrective actions. The effectiveness of these actions is reviewed in the subsequent meeting supported by rectification photos as evidence. The management is involved in the meetings and has approved the meeting minutes as official documentation of their response and approval.



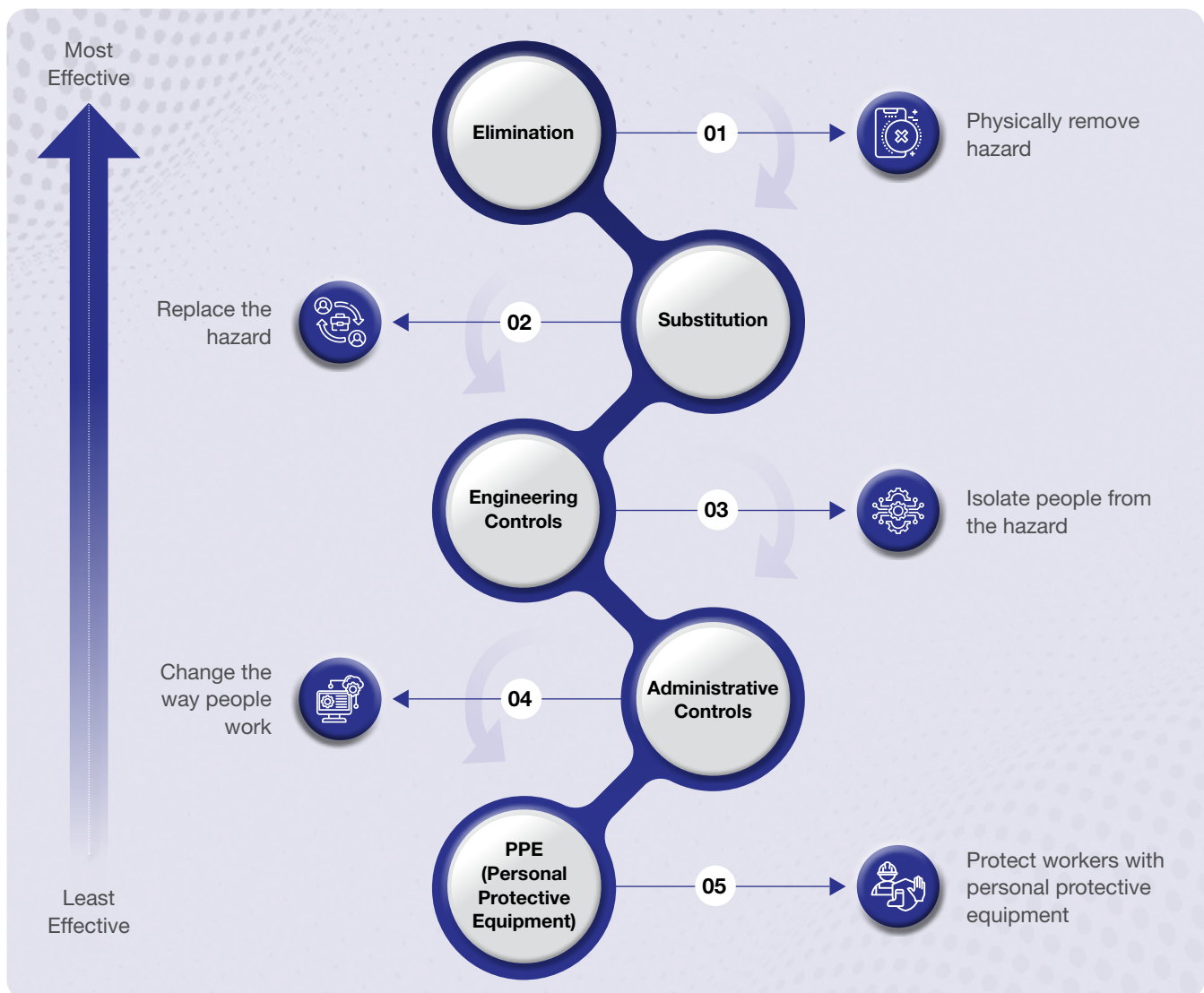
SUSTAINABILITY STATEMENT

Risk Identification and Assessment

Establishing a strong process for identifying and evaluating risks is essential for managing operational risks effectively. We regularly conduct proactive risk identification and assessment, ensuring these activities are carried out before both routine and non-routine tasks. This includes identifying actions to reduce and prevent risks, as well as implementing mitigation strategies based on the hierarchy of controls.

The occupational health and safety risks faced by HEB's employees include exposure to hazardous substances, slips, trips, falls and serious incidents like psychological stress.

The diagram below showcases the hierarchy of controls designed to identify hazards that have the potential to cause high-consequence injuries and/or ill health.



SUSTAINABILITY STATEMENT

Safety and Health Trainings

We require all employees to be trained in appropriate safety skills, with the understanding that safety is a mindset, not a department, and that everyone at HEB is responsible for ensuring it.

The following refers to the list of training and development carried out for employees in FY2024:



01
Occupational
Safety and Health
Construction Industry
Management



02
Oil and Gas
Safety Passport



03
Permit to Work and
Operational Safety



04
Personal
Track Safety



05
Integrated
Management System
(ISO 9001:2015, ISO 14001:2015,
ISO 45001:2018 and ISO
37001:2016) relevant trainings

	FY2024	FY2023	FY2022
Number employees trained on health and safety	55	93	80
Total hours of safety and health training	88	159.5	N/A

HEB's ambition is to create a true safety culture, however we recorded one lost-time injury in FY2024. Moving forward, we will continuously take lessons learnt from accidents and use that as a basis to improve on the gaps in our safety and health practices.

The table below indicates our occupational health and safety performance for the past three reporting years:

	FY2024	FY2023	FY2022
Number of fatalities	0	0	0
Number of lost-time injuries	1	0	0
Lost-time incident rate	0.12	0	0

► Quality and Client Satisfaction

Client satisfaction is a critical aspect of any business's success, as it directly influences customer loyalty, brand reputation, and overall profitability. We remained focused on enhancing our range of services to uphold high-quality standards across our services. Our offerings are supported by recognised certification bodies such as the MS ISO 9001 certification standards for Quality Management System, which affirms our commitment to quality management across a broad range of services, including consultancy for civil, mechanical and electrical design, as well as site supervision, independent consulting and project management.

We have various client feedback mechanisms such as time-based survey (after project initiation) and experience-based survey (upon completion of services). Beyond these, we conduct annual client satisfaction surveys to collect feedback across various aspects to better assess quality and customer satisfaction regarding our service. In FY2024, we achieved a score of 77% in our client satisfaction index. Benchmark targets set for client satisfaction score is a minimum of 85% annually and we aim to continually improve our service quality moving forward.

AWARD OF EXCELLENCE

This was awarded to us for outstanding performance to East Coast Rail Link (ECRL).



SUSTAINABILITY STATEMENT

The table below illustrates our annual client satisfaction survey results, broken down into categories.

No.	Survey Item	FY2024	FY2023	FY2022
1	Budget/Cost	75.4%	81%	70%
2	Schedules	74.5%	89.5%	75%
3	Occupational Health and Safety	77.5%	91%	80%
4	Environmental	78%	91.5%	75%
5	Quality	77.3%	83.5%	81%
6	Performance Satisfaction	79.3%	100%	80%

► Employee Management

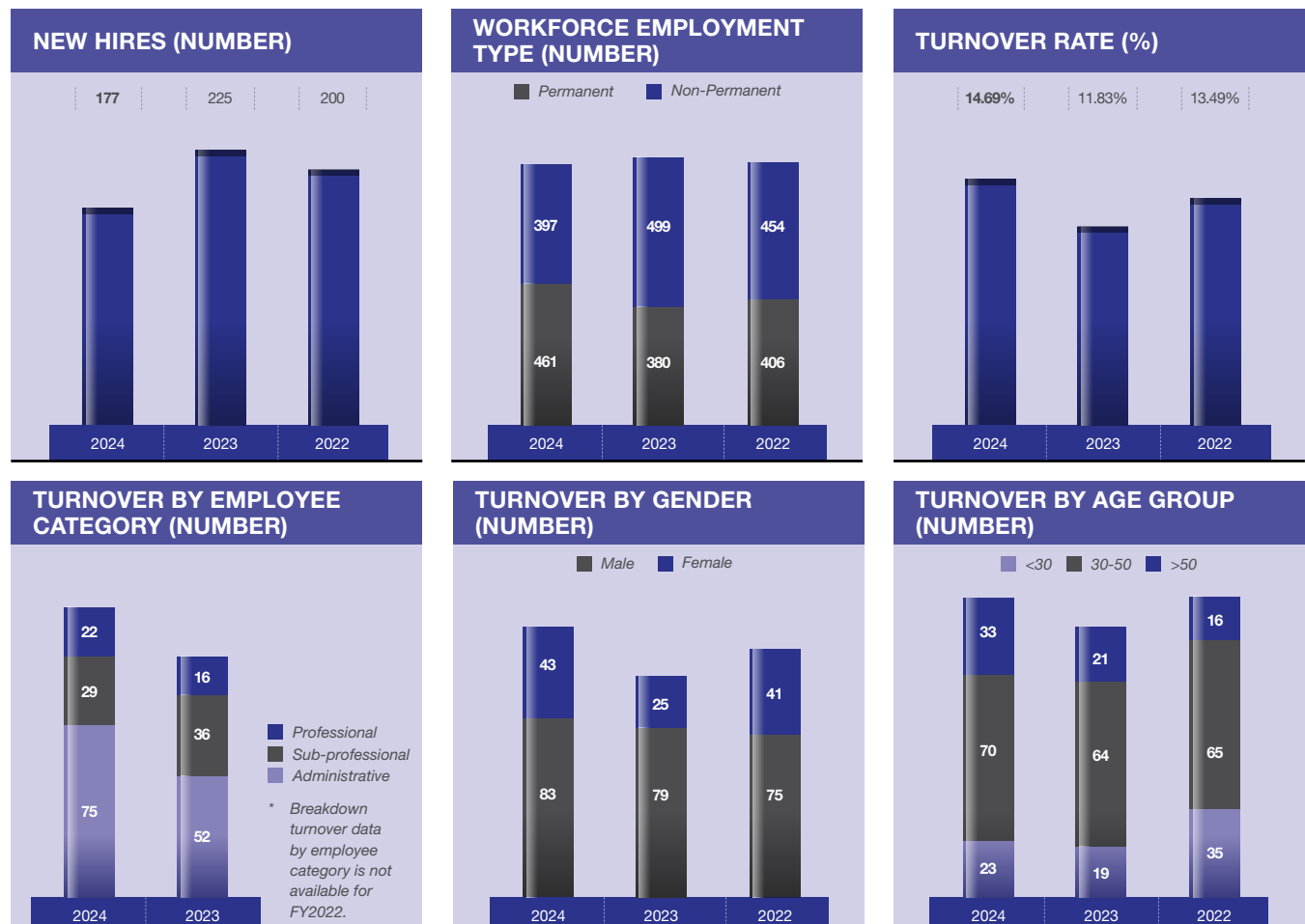
[GRI 2-7, 3-3, 401-1, 401-2, 404-1, 404-2, 405-1, Bursa C3, Bursa C6]

At HEB, our people are the backbone of the organisation, essential in achieving our company's objectives and playing a key role in driving business growth by contributing innovative business solutions. We focus on attracting top talent by offering competitive compensation, professional development opportunities, and a positive work environment that fosters innovation and collaboration. To retain our skilled workforce, we prioritise employee well-being, provide clear career progression paths, and create a culture of recognition and support.

Talent Recruitment

Our goal is to be an employer of choice by empowering our people to realise their potential and contribute to HEB's ongoing success. In this reporting year, we hired 177 new employees, representing 20.6% of our total workforce.

The figures below illustrate our employee-related data from FY2022 to FY2024.



SUSTAINABILITY STATEMENT

Our Professional Training and Education for Growing Entrepreneurs (Protégé) is our long-standing commitment to growing the Malaysian talent pool. The 12-month programme is under the purview of the Ministry of Entrepreneur Development and Corporation (MEDAC), with a combination of soft skills training with on-the-job learning focused on developing engineering talent in Malaysia. The criteria for the programme is reflected in the chart below.



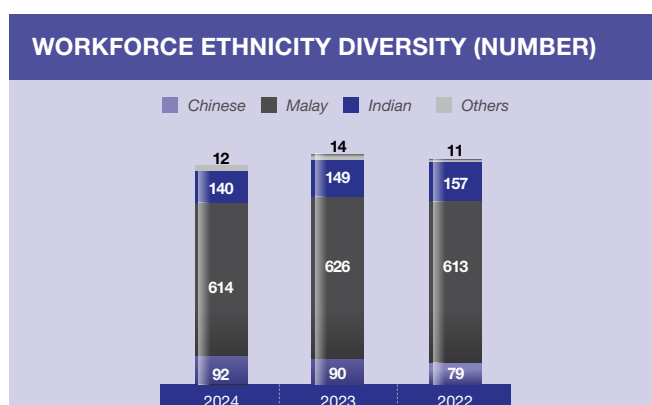
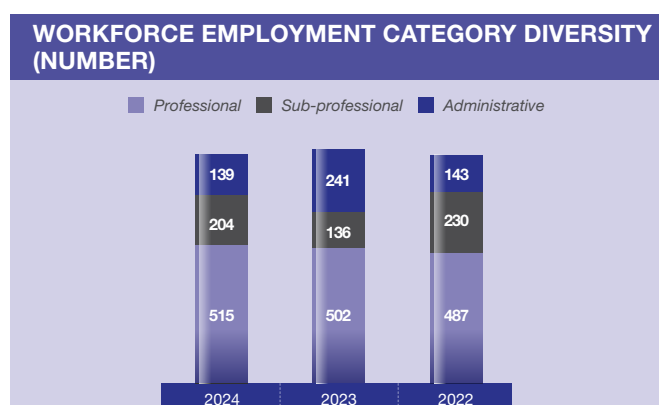
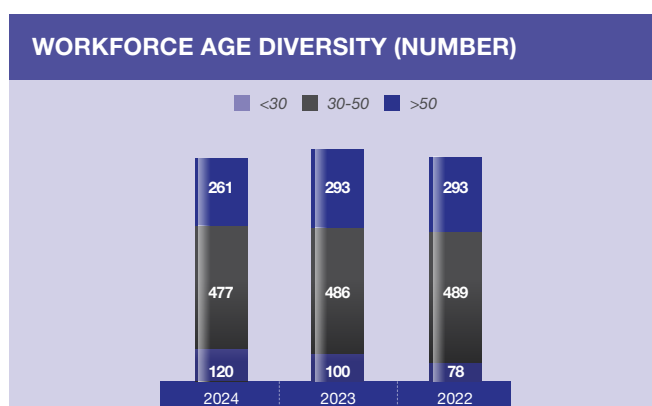
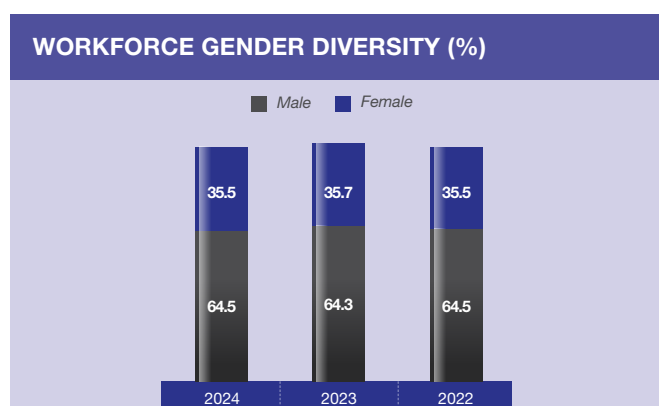
Since FY2020, we have welcomed over 80 Protégé participants into our team, with an additional 16 in this reporting year, of which two were transitioned into permanent hires within the Group. Upon the successful completion of this programme, we offer permanent positions in relevant departments within our Group. The number of Protégé and permanent hire over the last three years is reflected in the table below.

HEB Protégé Outlook	FY2024 (Numbers)	FY2023 (Numbers)	FY2022 (Numbers)
Protégé	16	20	39
Permanent Hire	2	2	18

Diversity

A diverse and inclusive workforce can foster creativity, innovation and a broader range of perspectives. Our support for diversity, inclusiveness and equal opportunities is reflected in our Diversity Policy and Code of Conduct. Besides at the working level, we aim to ensure that women are part our highest governance levels. As at the end of 2024, we have two women serving as members of the Board, indicating 25% female representation on the Board. Moving forward, we aim to uphold women in leadership and work towards fulfilling the requirement of having 30% female directors on our Board.

The following figures illustrate HEB's employee distribution by gender, age group and category and ethnicity.



SUSTAINABILITY STATEMENT

Employee Engagement

An engaged workforce is a productive workforce. When employees are engaged, they feel more connected to the company's goals, are motivated to contribute their best efforts, and are more likely to stay with the organisation long-term. Engaged employees foster a positive work environment, encourage innovation, and drive business growth.

To this end, we conduct frequent employee engagement activities via various channels such as annual performance review sessions and town hall meetings. The Group ensures that two-way communication between the immediate superior and employee work on expectations and performance for continuous improvement.

In collaboration with our Sports and Recreational Club, the following activities were held:

Annual General Meeting
and New Year Dinner 2024

Volleyball Friendly match
between HSS Engineering
against KPJ Tawakkal KL
Specialist Hospital

HSSI Mixed Volley 2024:
Battle of the Ages

Ice Cream and Waffle Day

'Fun Kart' (Go Kart)

'Join Us for a Strike-tacular
Bowling Event!'

July Badminton Weekly
Session

Movie Night -
Transformers One

Fortnightly Badminton
Session

Zumba Fortnightly Session

Futsal Session

Pool and Darts Competition

Ice Cream Day



HSSI Mixed Volley 2024



Ice Cream and Waffle Day



SUSTAINABILITY STATEMENT

Employee Benefits

We provide a comprehensive benefits package for our full-time employees to support their overall well-being, including healthcare, insurance and leave options. The table below outlines some of the key benefits we offer:

Type of Benefits	Details of Benefits
Leave	Maternity and paternity leave, compassionate leave, prolonged illness leave and marriage leave, study and examination leave, haj and pilgrimage leave entitlement (for Muslim staff), religious leave entitlement (for non-Muslim) and compassionate leave
Health benefits	Group hospitalisation and surgical plan, personal accident insurance, Group Term Life and outpatient coverage
Allowance and subsidy	Travelling allowance (mileage and subsistence allowance), handphone allowance, overseas training/work allowance
Award	Long-service rewards

Training and Development

By investing in our people, we ensure that we have the expertise and dedication needed to drive our business forward while maintaining high levels of employee satisfaction and engagement. Ongoing reviews are conducted on the Group's approach to designing training and development strategy in identifying any skill employee gap or area of priority. Respective department heads have also been actively identifying gaps to plan out training for employees.

In FY2024, we continued to support the talent, culture and the needs of our employees in order to deliver our strategic priorities through organising various training in the following areas:

Categories	Types of Training
Functional and Technical Training	Eurocode, Autodesk Advance Steel, Geographic Information System (GIS), Openflows Water CAD, Lumion, LiDAR Data Acquisition and Processing for Industrial Applications
ISO/Quality Assurance Training	Integrated Management System Internal Auditor Training
Sustainability/ESG-related Training	Certified ESG Professional Programme, Sustainable Railway Infrastructure
Microsoft Training	Excel, Power BI, Project, Word
Safety and Health Training	Occupational Safety and Health Construction Industry Management (OSHCIM), Permit to Work and Operational Safety, Personal Track Safety, Fire Training Policy
Standard Operating Procedures (SOPs)	Human Resources, Employment Act, Governance, Risk and Compliance Framework, Company Secretarial Practice
Soft Skills	Train the Trainer programme, Effective Communication and Time Management Skills, Business Communication, Effective Leadership Programme
Anti-Bribery	ISO 37001 Anti-Bribery Management Systems - Legal and Other Requirements
Claims Training	Loss and Expenses Claims under Clause 24, Analysis of Causation and Quantum

Note: The list of our training is non-exhaustive.

SUSTAINABILITY STATEMENT

In the year under review, average training hours per employee is at 12.58 hours.

Employee Category	Total Hours of Training		
	FY2024	FY2023	FY2022
Professional	8,150	4,936	N/A
Sub-professional	1,818	379	N/A
Administrative	825	476	N/A
Total	10,793	5,791	6,520

* Breakdown of training hours data by employee category is not available for FY2022.

	Average Hours of Training		
	FY2024	FY2023	FY2022
Average Hours of Training	12.58	6.59	7.58

* Average hours of training for FY2023 and FY2022 have been restated due to a standardisation for methodologies for calculations.

Furthermore, the Group has also sponsored 65 technical employees to attend Professional Assessment Examination Seminar for those who intend to apply for the Board of Engineers Malaysia (BEM) Outcome-Based Professional Assessment Examination (PAE) in FY2024.

► Respecting Human Rights [Bursa C6]

Our business conduct in our operations and through our business relationship across our value chain has the potential to impact the society - both positively and negatively. In 2023, we have developed our Human Rights Policy, in line with the International Bill of Rights and United Nations Guiding Principles on Business and Human Rights.

The following principles guide our commitment and the priorities in the way we work with human rights at HEB:



Conducive Work Environment

01

- Fostering a work environment that encourages diversity, inclusivity, mutual respect, and collaboration
- Equal opportunities regardless of race, religion, nationality, age, gender, sexual orientation, disability, or any other protected category



Safety and Health

02

- Providing a safe and healthy working environment
- Providing appropriate training, ensuring that safety equipment is available and used correctly, and regularly reviewing and updating our health and safety policies



Workplace Security

03

- Providing a secure workplace, where all employees can perform their duties without fear of violence, threats, or other forms of harassment



Child Labour

04

- Strictly prohibits the use of child labour in any of our operations or supply chains



Anti-exploitation, Human Trafficking and Slavery

05

- Stand firmly against all forms of human exploitation, including human trafficking and slavery
- Do not tolerate these practices in our operations or supply chains and take measures to prevent them



Violence and Sexual Harassment

06

- Zero tolerance for any form of violence or sexual harassment in the workplace



Fair Compensation and Wage Standards

07

- Adherence of the minimum wage as set by the Government

SUSTAINABILITY STATEMENT

During the reporting year, there were no complaints concerning human rights violations.

Number of substantiated complaints concerning human rights violations

FY2024

0

FY2023

0

FY2022

0



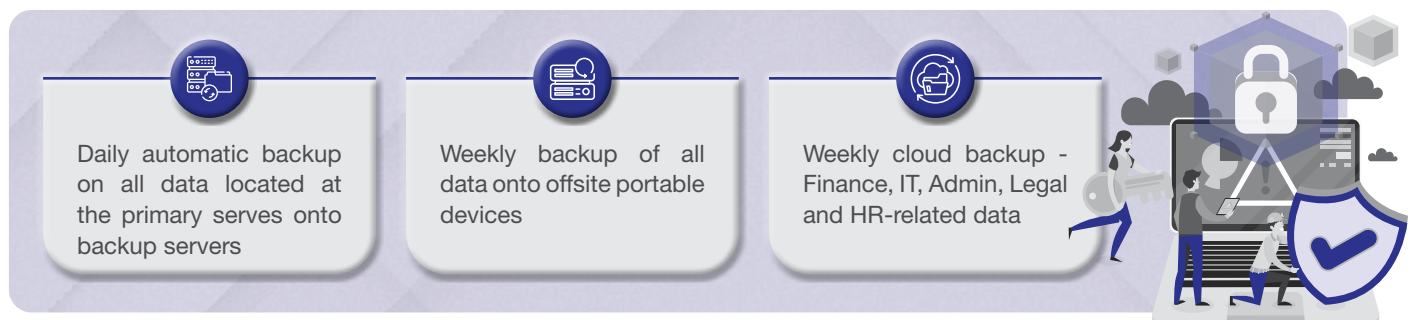
► Data Privacy and Security

[GRI 3-3, 418-1, Bursa C8]

The ever-changing technological landscape has compelled business and their operations to shift towards diverse online platforms. HEB is vigilant against any threats and manages our data privacy and security risks appropriately to ensure the protection of stakeholders' data to uphold their trust, confidence and satisfaction.

Our IT Policy informs how we manage software and hardware assets, network, physical and cloud data storage and systems, to ensure that all confidential information is handled ethically and in compliance with all applicable laws and regulations.

Control Measures to Protect Customer Data



There were no complaints concerning breaches in customer privacy or data loss as of 31 December 2024. We strive to maintain this achievement by enforcing rigorous compliance and continuously improve our data privacy and security capabilities.

Number of substantiated complaints concerning breaches in customer privacy or data loss

FY2024

0

FY2023

0

FY2022

0



► Local Communities

[GRI 3-3, 413-1, Bursa C2]

Local communities are vital to the overall success and well-being of society, as they foster connections, support economic growth, and contribute to the cultural fabric of the region. As a company, supporting local communities is essential not only for building trust and positive relationships but also for driving sustainable development.

In FY2024, we donated furniture to two schools in Johor - namely Sekolah Agama Bandar Selesa Jaya and Sekolah Menengah Kebangsaan Gelang Patah to fulfil the needs of school children getting basic education. These furniture includes seven tables and chairs, two drawers and two whiteboards.

Furthermore, our employees located in the Northern Region collaborated with the Northern Corridor Implementation Authority to donate food to 50 families during the floods at Kampung Rambutan, Kuala Nerang, Kedah.



Flood assistance at Kampung Rambutan, Kuala Nerang, Kedah

SUSTAINABILITY STATEMENT

STORY HIGHLIGHT #1:

We have sponsored the Tekla Structures Steel BIM competition for Tunku Abdul Rahman University of Management and Technology (TARUMT). The event brought together 18 students from Diploma in Building and the Bachelor of Construction Management and Economics (Honours) programmes to which participants successfully converted a 2D CAD file into a detailed 3D Tekla structure model, complete with steel detailing and connections.



Tekla Structures Steel BIM competition for Tunku Abdul Rahman University of Management and Technology

STORY HIGHLIGHT #2:

We also sponsored the M-CRIInfra2024 Symposium organised by Monash University Malaysia. This event was also co-join by Warwick University and IIT Madras. This symposium fosters these strategies via a combination of collaboration on educational, and outreach activities focusing on developing and advancing the capacity of research in climate resilience of built infrastructure, with a focus on supporting strategies for low-carbon construction/living and initiatives to enhance the resilience of the built infrastructure in adapting to climate actions.



Sponsored M-CRIInfra2024 Symposium organised by Monash University Malaysia

The symposium featured several technical presentations covering the themes of:

- 01 Transforming Construction: Innovations in high-performance fibre-reinforced concrete, and towards net-zero concrete
- 02 Future Mobility: Climate-resilient soil infrastructure; and smart and resilient transportation
- 03 Extreme Hydroclimatics: Water management in shifting climate
- 04 Sustainable Development: Reducing embodied carbon

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA'S ESG REPORTING PLATFORM

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Professional	Percentage	3.29	30.68	33.59
Sub-Professional	Percentage	1.40	5.81	23.53
Administrative	Percentage	3.48	24.26	41.73
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	0.00	3,700.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	114	87
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Professional Under 30	Percentage	-	9.76	13.01
Professional Between 30-50	Percentage	-	60.56	61.17
Professional Above 50	Percentage	-	29.68	25.83
Sub-Professional Under 30	Percentage	-	9.54	8.82
Sub-Professional Between 30-50	Percentage	-	46.47	47.06
Sub-Professional Above 50	Percentage	-	43.98	44.12
Administrative Under 30	Percentage	-	20.59	25.18
Administrative Between 30-50	Percentage	-	51.47	47.48
Administrative Above 50	Percentage	-	27.94	27.34
Gender Group by Employee Category				
Professional Male	Percentage	-	69.92	71.26
Professional Female	Percentage	-	30.08	28.74
Sub-Professional Male	Percentage	-	79.67	79.41
Sub-Professional Female	Percentage	-	20.33	20.59
Administrative Male	Percentage	-	17.65	17.99
Administrative Female	Percentage	-	82.35	82.01
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	-	75.00 *	75.00 *
Female	Percentage	-	25.00 *	25.00 *
Under 30	Percentage	-	0.00	0.00
Between 30-50	Percentage	-	12.50 *	12.50 *
Above 50	Percentage	-	87.50 *	87.50 *
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	1,005.00	991.14	966.28
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.12
Bursa C5(c) Number of employees trained on health and safety standards	Number	80	93	55
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Professional	Hours	-	4,936	8,150
Sub-Professional	Hours	-	379	1,818
Administrative	Hours	-	476	825
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	56.80	46.22
Bursa C6(c) Total number of employee turnover by employee category				
Professional	Number	-	52	75
Sub-Professional	Number	-	36	29
Administrative	Number	-	16	22
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0

SUSTAINABILITY STATEMENTS

Indicator	Measurement Unit	2022	2023	2024
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	99.00	99.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	6.018000	4.999000	5.928000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	0.03	3.34	15.20
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.03	3.34	15.20
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	105.15	141.74	83.86
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	761.00	751.00	736.36
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	534.52