



SUSTAINABILITY STATEMENT

The Company is pleased to present the Sustainability Report, which outlines the Company's commitment towards being a sustainable organisation that continuously strives for improvements across the three aspects of sustainability in Economic, Environmental, and Social ("EES") considerations.

Whilst governance is also a key component of sustainability, governance will not be discussed in this section of the Annual Report but discussed separately on pages 54 to 68 as part of the disclosure requirements for corporate governance in the Listing requirements, as well as the Malaysian Code on Corporate Governance 2017 and the Corporate Governance Guide.

This report discloses the material sustainability matters and impacts arising from the activities of the Company during FY2020. The Company recognises that business decisions may potentially impact the surrounding communities and environment that the Company operates. Therefore, the material sustainability matters disclosed in this report was identified and strategic measurement and actions were taken to manage the subject matter.

The Company focuses on driving sustainable growth to pursue its objectives and is committed to engaging its stakeholders and operates with the highest degree of integrity and transparency. The Company will continue to integrate sustainability elements into its daily operations and communicate its initiatives at all levels within the organisation.

SUSTAINABILITY STATEMENT



SUSTAINABILITY GOVERNANCE

The role of Sustainability Reporting in Wah Seong Corporation Berhad (“WSC”) has been consolidated under the Investor Relations, Corporate Communications and Sustainability Department (“IRCSD”). In 2017, the Head of IRCSD had been appointed as a member of the Risk Management Committee (“RMC”) of WSC where the sustainability agenda is discussed and reported every quarter. The committee which reports directly to the Board of Directors of WSC has amended its charter to include sustainability as referenced on pages 10 to 24 of the Annual Report.



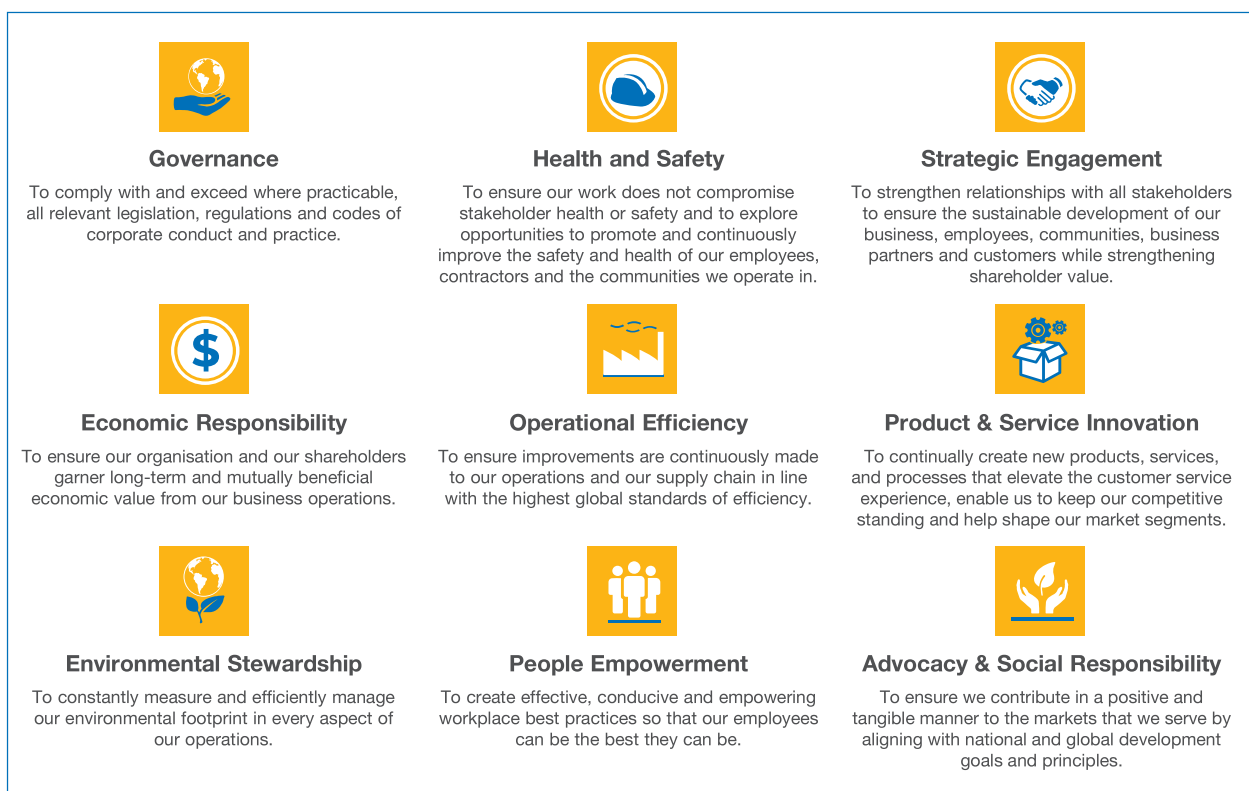
SUSTAINABILITY REPORTING SCOPE AND BOUNDARY

During the year, the committee has presented and has obtained the Board’s approval to scope WSC’s Sustainability Reporting for the reporting period of 1st January 2020 to 31st December 2020 to its oil and gas division “WASCO” being the single largest business segment of the Company. Moving forward, the committee shall make its recommendations to the Board for the scoping of Sustainability Reporting to cover the entire organisation and its subsidiaries, which include quantitative and qualitative data relevant for sustainability reporting. The Company adopts the principle guidelines of Sustainability Reporting provided by Bursa Malaysia.



SUSTAINABILITY POLICY

In WASCO, sustainability is about delivering value for all our stakeholders in a responsible manner and our sustainability focus are summarised below:



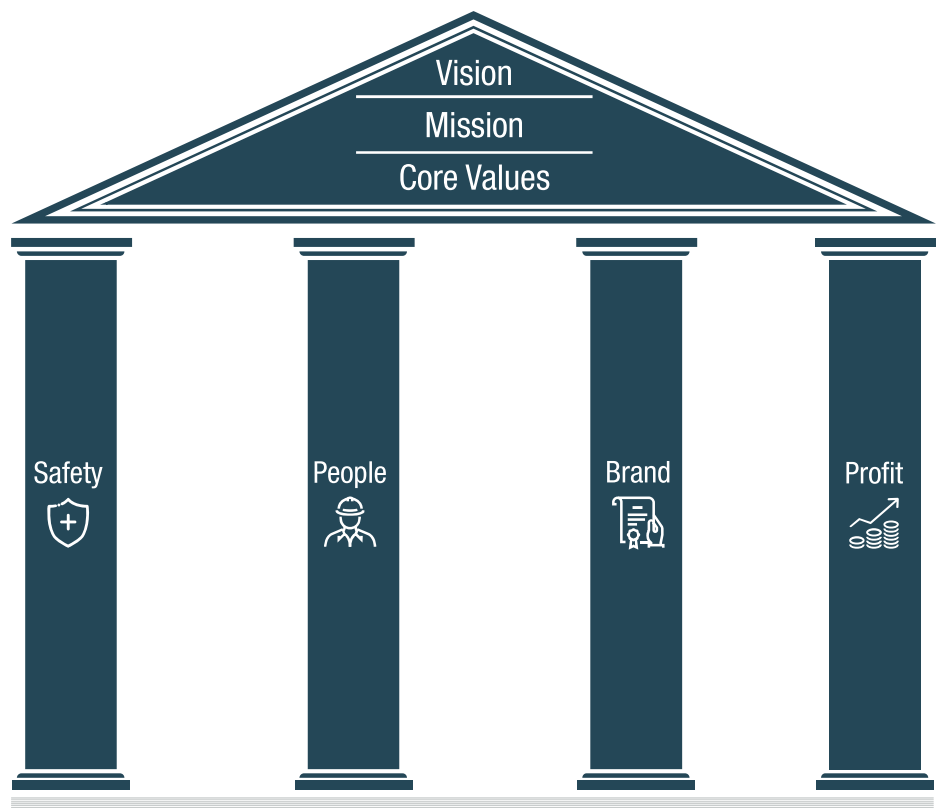
SUSTAINABILITY STATEMENT

SUSTAINABILITY APPROACH AT “WASCO”

While a formal policy has been in place since 2012, the sustainability practice has been apparent in WASCO’s day-to-day operations even before this date. The Chief Executive Officer of WASCO champions the sustainability agenda and ensures that each of WASCO’s global operations abides by the policy. The implementation is formally tracked and measured for each operation via a robust MyGoals performance management system.

WASCO conducts its materiality review every year to identify the sustainability matters that are important and relevant to the Company and its stakeholders. The result would help WASCO to address and manage the material sustainability matters.

WASCO’s identifies its materiality matters based on its strategic priorities as set out in the following diagram:







Based on the strategic pillars, material topic as an “EES” issues of critical importance both to stakeholders and the long term success of WASCO is identified and are aligned with internal governance processes and operational imperatives and are therefore managed as part of internal processes and procedures that answer to both regulatory requirements and also internal Key Performance Indicator (“KPI”).

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

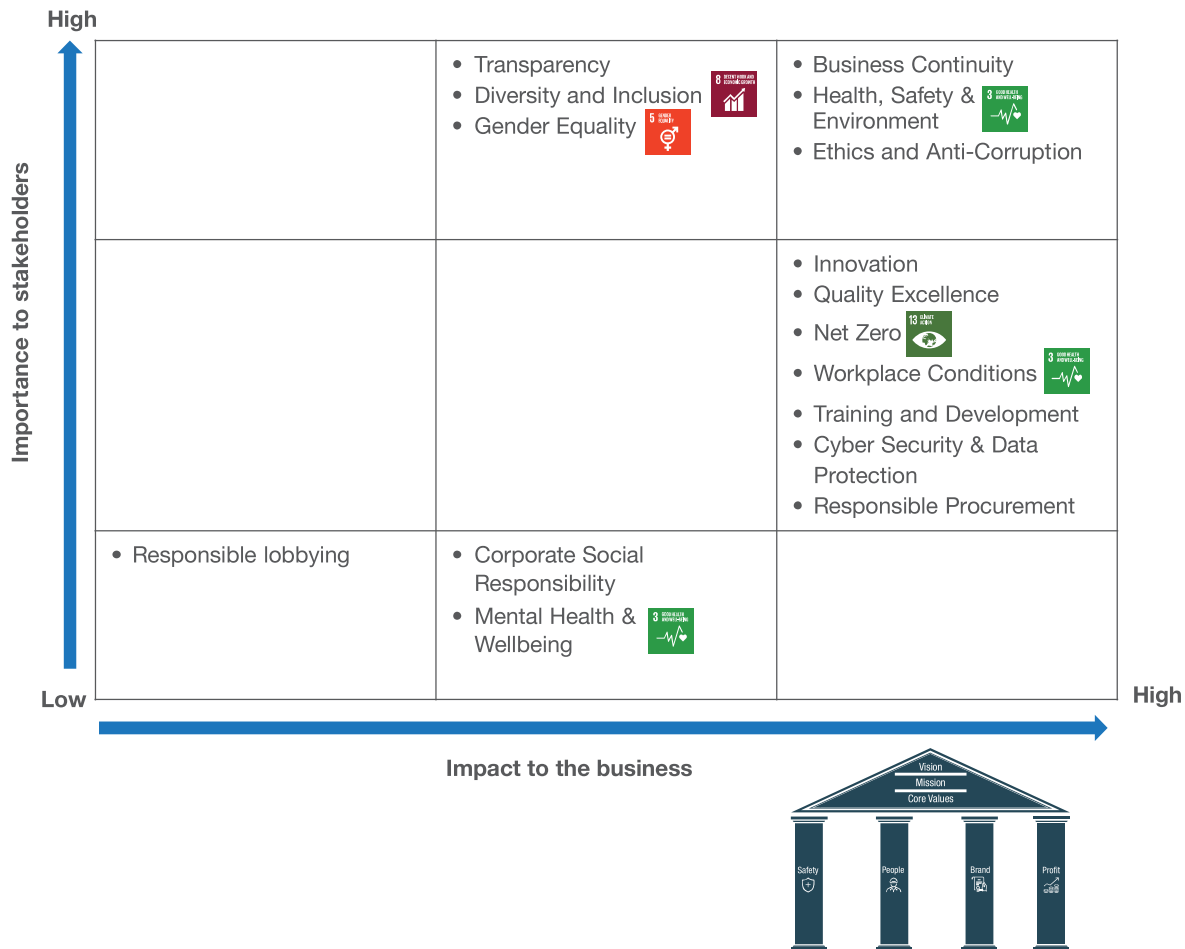
Regarding sustainable development, WASCO believes stakeholders' inputs are essential in shaping the roadmap and strategy to strengthen the EES management and actively engage in different platforms to communicate with its various stakeholders.

Stakeholder	Engagement Platform
Employees 	<ul style="list-style-type: none"> • Workplace Meetings and Employee Briefing • Intranet and Bulletins • Town Halls • Employee Surveys • MyGoals Performance Reviews
Customers 	<ul style="list-style-type: none"> • Quality Certification Audits • Regulatory Site Visits and Audits • Social Media • Official Website • Marketing Events • Customer Satisfaction Surveys
Shareholders & Investors 	<ul style="list-style-type: none"> • Annual and Quarterly Reports • Annual and Quarterly Results Announcements • Annual General Meeting ("AGM") • Extraordinary General Meeting ("EGM") • Announcements on Bursa Malaysia • Investor relations section of the Company's website • Press release and coverage
Regulators & Authorities 	<ul style="list-style-type: none"> • Emails/Letters • Dialogues with the authorities • Workshops and trainings organised by the relevant regulatory authorities
Vendors/Suppliers 	<ul style="list-style-type: none"> • Negotiations with vendors/suppliers • Supplier periodical performance evaluation • New vendor evaluation and registration
Media 	<ul style="list-style-type: none"> • Ongoing engagement sessions and interviews • AGM and EGM • Press release and coverage • Press conference

SUSTAINABILITY STATEMENT

SUSTAINABILITY MATERIALITY MATRIX

WASCO conducted its materiality assessment in 2020 to continue to prioritise, refine and streamline the Company's sustainability work and reporting.



As a result of the assessment, three (3) of which were regarded as high materiality topics in 2020:

- **Business Continuity**
- **Health, Safety and Environment**
- **Ethics and Anti-Corruption**

MATERIALITY MATTERS


Business Continuity

A "Business Continuity Plan" ("BCP") is vital to ensure that WASCO's delivery of products and services remains uninterrupted even during emergencies or crisis. We have developed a robust BCP that has allowed us to prepare and respond well that has allowed our operations to function during an emergency or crisis. Our goal is to ensure that we reduce losses and minimise recovery time when a crisis or emergency arises. Analysing and managing the threats posed by any emergency or crisis is critical for our business survival.

Our BCP is comprehensive and details our business's risk management strategies and business impact analysis. It describes how our company intends to respond to an incident, specification of a recovery plan and defined policies and procedures for managing our employees and communication during the crisis.

SUSTAINABILITY STATEMENT

During the year, we activated our “Global Pandemic Preparedness Response Team” (“GPPRT”) to respond to the COVID-19 Outbreak, which is aligned to the Disease Outbreak Response System Condition (“DORSCON”) Control Level.

 <p>List of preventive and recovery measures to manage the COVID-19 pandemic</p>	No.	Activities
	1	Setting up of Pandemic Preparedness Response Team (“PPRT”)
	2	Health Declaration and Screening
	3	Use of hand sanitisers at entry points
	4	Travel restrictions
	5	Education and communication
	6	Hand washing and sanitization/increased locations for hand sanitizers
	7	Common areas with increased cleaning and sanitization
	8	Social Distancing at work place
	9	Acquisition, Stocking and Replenishment of Personal Protective Equipment (“PPE”)
	10	Documentation of Plans and Procedures
	11	Management of Infected Staff and Contacts
	12	Dedicated quarantine areas
	13	Deceased staff
	14	Vaccination/Prophylaxis/Antivirals
	15	Minimum Manning
	16	Supply chain disruptions
	17	Staying Motivated

GROUP COVID-19 PREPAREDNESS & RESPONSE PLAN IS ALIGNED WITH DORSCON CONTROL LEVEL			
Level	People	Workplace	Travel
Level 1 When public health agencies have not declared to be a serious threat at a local level.	Provide guidance on basic hygiene precautions.	<ul style="list-style-type: none"> Ensure basic hygiene measures in facilities. Provide relevant, updated information. 	Apply restrictions as suggested at organisational level
Level 2 When there is a perceived public health threat at a local level as declared by local or international public health agencies.	All measures mentioned in LEVEL 1 and in addition <ul style="list-style-type: none"> Close monitoring and support of ‘individuals at high risk of infection’. Trigger action consequent to ‘abnormal health situation’. Cancellation of face to face, if applicable. 	All measures mentioned in LEVEL 1 and in addition <ul style="list-style-type: none"> Information and guidance to teams and managers. Elements of advanced hygiene protocols. Added disinfection measures for employees. Advanced disinfection and cleaning protocols of premises. Ensure adequate ventilation of premises, as practicable. Encourage practice of social distancing. Ensure availability of appropriate PPEs. May consider screening of visitors and employees. May consider Monitoring, Evaluation and Research (“MER”) plan deployment. 	Apply restrictions/ guidance as suggested at organisational level
Level 3 When it is a declared public health emergency at local level demanding advanced protocols.	All measures mentioned in LEVEL 2 and in addition <ul style="list-style-type: none"> Quarantine of suspected exposure case. Isolation procedures for infected persons as applicable. Guidance for caregivers. 	All measures mentioned in LEVEL 2 and in addition <ul style="list-style-type: none"> Elements of advanced hygiene protocols or Shut down of premises for business as per business decision Restrictions of access to premises or complete ban Depending on decision taken at organisational level - Standard Work Time (“SWT”) / Work From Home (“WFH”) Deployment of MERP 	Apply restrictions/ guidance as suggested at organisational level

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Health, Safety and Environment

An excellent Health, Safety and Environment (“HSE”) performance is central to the responsible delivery of WASCO’s products and services.

Ensuring that everyone goes home safe from our workplace is our number one priority. We have “zero harm” to people, property and environment goals in all of WASCO’s operations. We strive to achieve the “zero harm” goals to people, property and environment in all Wasco’s operations, prevent any damage to our assets and continuously mindful of the impact of our activities on the environment.

We manage HSE risk across our global operations through clear standards, control and compliance systems combined with a behavioural safety-focused culture.

Our Group standards and operating procedures define the controls and physical barriers we require to prevent incidents. We regularly inspect, test and maintain these barriers to ensure they meet our standards. We also routinely prepare and practice our emergency response to potential incidents such as a chemical spill or a fire. Plus, we are also working closely with local services and regulatory agencies in testing our plans and procedures. These tests continually improve our readiness to respond. If an incident does occur, we investigate to identify the root cause, put in place controls to prevent recurrences and share lessons learned across the Group. We also have procedures in place to reduce the impact on people and the environment. We continue to strengthen the safety culture among our employees and contractors. We are committed to workplace improvement and environmental safety, consistent with international best practices. HSE is deeply embedded within our business culture as we prioritise continuous improvement in HSE by reducing accidents, occupational injuries and work-related illness rates.

We expect everyone working for us to intervene and stop work that may appear to be unsafe. In addition to our ongoing safety awareness programs, we hold annual safety days to give employees and contractors time to reflect on how to prevent incidents.

The full list of HSE Statistics is provided in the following section of the Sustainability Reporting Disclosure on page 17.

Ethics and Anti-Corruption

Our various stakeholders depend on us to be a transparent and compliant partner. We also expect the same of our partners and suppliers to carry out business responsibly.

WASCO is committed to conducting business dealings with ethics and integrity. This means avoiding practices of bribery and corruption of all forms in the Group’s daily operations. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. Employees will not suffer discrimination or disciplinary action for refusing to participate in any activity reasonably judged there to be involved bribery and corruption but not mitigated by the Group.

During the year, WASCO rolled out its Anti-Bribery and Corruption Policy to all its operations. Having a clear and unambiguous Policy statement on Wasco’s position regarding bribery and corruption forms the cornerstone of an effective integrity management system. This Wasco’s Anti-Bribery and Corruption Policy elaborates upon those principles, guiding employees concerning dealing with improper solicitation, bribery and other corrupt activities and issues that may arise in the business affairs.

The Anti-Bribery and Corruption Policy was developed as part of WASCO’s Anti-Bribery Management System (“ABMS”), which aligns with the requirements set out in the ISO 37001:2016. WASCO intends to get its ABMS certified by SIRIM in 2021.

Indicators relating to Anti-Bribery and Corruption is reported in the following section of the Sustainability Reporting Disclosure on page 21.

SUSTAINABILITY STATEMENT

SAFETY - OIL & GAS DIVISION



The full list of HSE Statistics is provided as below for the WASCO operations:

- Wasco Coatings Malaysia Sdn. Bhd. ("WCM")
- Wasco Lindung Sdn. Bhd. ("WLSB")
- Petro-Pipe (Sabah) Sdn. Bhd. ("PPS")
- WS Engineering & Fabrication Pte. Ltd. ("WSEF")
- PT. Wasco Engineering Indonesia ("PT.WEI")
- Wasco Engineering International Ltd. ("WEIL")

GROUP HSE PERFORMANCE KPIs – LAGGING INDICATORS JANUARY – DECEMBER 2020

Business Unit	WCM	WLSB	PPS	WSEF	PT. WEI	WEIL	Group Total
Man-hours Worked	446,503	48,965	362,648	105,180	1,957,877	117,587	3,038,760
Reportable Cases							
Fatality	0	0	0	0	0	0	0
Loss Time Injury (LTI)	0	0	0	0	0	0	0
Reportable Occupational Illness	0	0	0	0	0	0	0
Restricted Work Case (RWC)	0	0	1	0	0	0	1
Medical Treatment Case (MTC)	0	0	0	0	1	0	1
Total Reportable Cases	0	0	1	0	1	0	2
Other Cases (Recordable)							
First Aid Case (FAC)	6	0	2	0	4	0	12
Near Miss (NM)	6	0	2	0	3	0	11
Statutory Notice/Fine	0	0	0	0	0	0	0
Dangerous Occurrence	0	0	0	0	0	0	0
Fire/Explosion	1	0	0	0	1	0	2
Property Damage (PD)	8	1	1	0	0	0	10
Effluent Pollution	0	0	0	0	0	0	0
Spill Incident	2	0	0	0	0	0	2
HSE Performance							
Man-hours Lost	0	0	0	0	0	0	0
Man-days Lost	0	0	0	0	0	0	0
Lost Time Incident Frequency (LTI F)	0	0	0	0	0	0	0
Total Reportable Occupational Illness Frequency (TROIF)	0	0	0	0	0	0	0
Total Reportable Incident (TRIF)	0	0	2.76	0	0.51	0	0.66
Incident Free Man-hours Worked since last LTI	6,682,187	1,192,877	2,380,014	1,119,624	22,968,317	7,507,962	41,850,981

SUSTAINABILITY STATEMENT

WASCO COATINGS MALAYSIA SDN. BHD. & WASCO LINDUNG SDN. BHD.

Safety Scorecard as per previous section

Energy Management

YEAR	2020	2019	2018	2017	2016
All Plant (kw/h)	6,842,603	3,001,028	6,489,626	15,105,290	6,143,696
Total Man-hours	495,216	234,584	425,771	1,478,078	572,577
(kw/h)/Man-hours	13.82	12.79	15.24	10.22	10.73

Water Management

YEAR	2020	2019	2018	2017	2016
All Plant (m ³)	193,994	51,515	148,481	237,677	176,604
Total Man-hours	495,216	236,170	425,771	1,478,078	572,577
(m ³)/Man-hours	0.39	0.22	0.35	0.16	0.31

PETRO-PIPE (SABAH) SDN. BHD.

Energy Management

YEAR	2020	2019	2018	2017	2016
All Plant (kw/h)	1,303,897	1,701,435	992,081	1,456,034	1,723,400
Total Man-hours	362,648	377,160	386,857	453,774	521,526
(kw/h)/Man-hours	3.60	4.51	2.56	3.21	3.30

Water Management

YEAR	2020	2019	2018	2017	2016
All Plant (m ³)	15,235	17,188	16,987	17,491	17,610
Total Man-hours	362,648	377,160	386,857	453,774	521,526
(m ³)/Man-hours	0.042	0.046	0.044	0.04	0.03

SUSTAINABILITY STATEMENT

WS ENGINEERING & FABRICATION PTE. LTD.

Energy Management

YEAR	2020	2019	2018	2017	2016
All Plant (kw/h)	214,095	261,990	201,465	187,155	187,125
Total Man-hours	105,180	83,258	70,986	67,864	91,336
(kw/h)/Man-hours	2.03	3.15	2.84	2.76	2.05

Water Management

YEAR	2020	2019	2018	2017	2016
All Plant (m³)	1,606	951	1,563	1,128	1,848
Total Man-hours	105,180	83,258	70,986	67,864	91,336
(m³)/Man-hours	0.0152	0.0114	0.0220	0.0166	0.0202

PT. WASCO ENGINEERING INDONESIA

Energy Management

YEAR	2020	2019	2018	2017	2016
All Plant (kw/h)	2,608,456	1,991,640	4,113,980	2,591,557	3,002,153
Total Man-hours	1,957,877	1,253,335	2,560,234	1,172,174	1,774,125
(kw/h)/Man-hours	1.33	1.59	1.61	2.21	1.69

Water Management

YEAR	2020	2019	2018	2017	2016
All Plant (m³)	6,049	6,432	10,779	8,647	14,786
Total Man-hours	1,957,877	1,253,335	2,560,234	1,172,174	1,774,125
(m³)/Man-hours	0.0030	0.0051	0.0042	0.0073	0.0083

WASCO ENGINEERING INTERNATIONAL LTD.

Energy Management

YEAR	2020	2019	2018	2017	2016
All Plant (kw/h)	107,477	67,678	76,224	66,289	47,975
Total Man-hours	117,587	320,072	480,934	105,331	106,856
(kw/h)/Man-hours	0.91	0.21	0.16	0.63	0.44

Water Management

YEAR	2020	2019	2018	2017	2016
All Plant (m³)	209	335	230	275	279
Total Man-hours	117,587	320,072	480,934	105,331	106,856
(m³)/Man-hours	0.0017	0.0010	0.0004	0.0026	0.0026

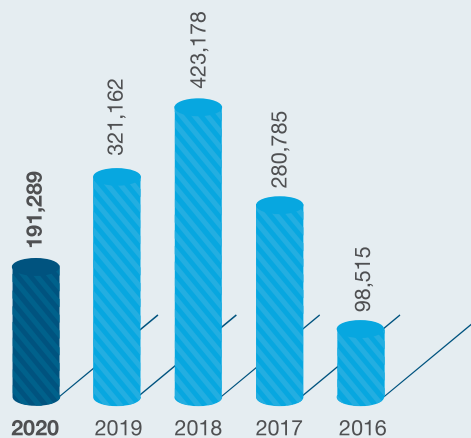
SUSTAINABILITY STATEMENT



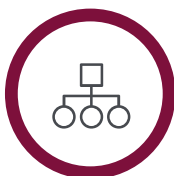
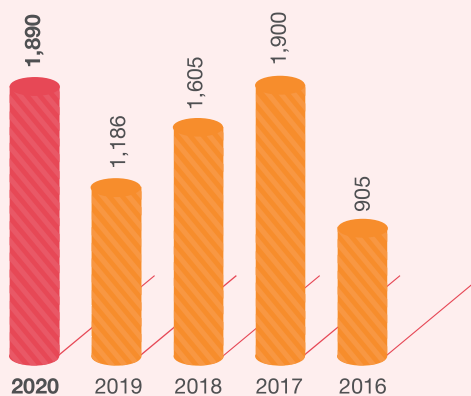
PEOPLE



**Salaries,
Wages
and Other
Benefits**
(in RM'000)

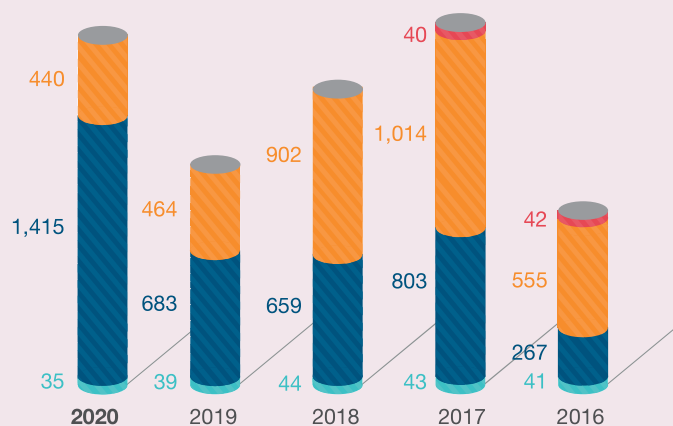


**Total
Headcount**
(at 31 December)

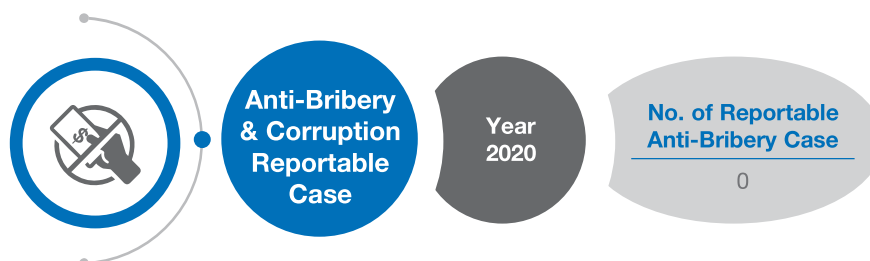
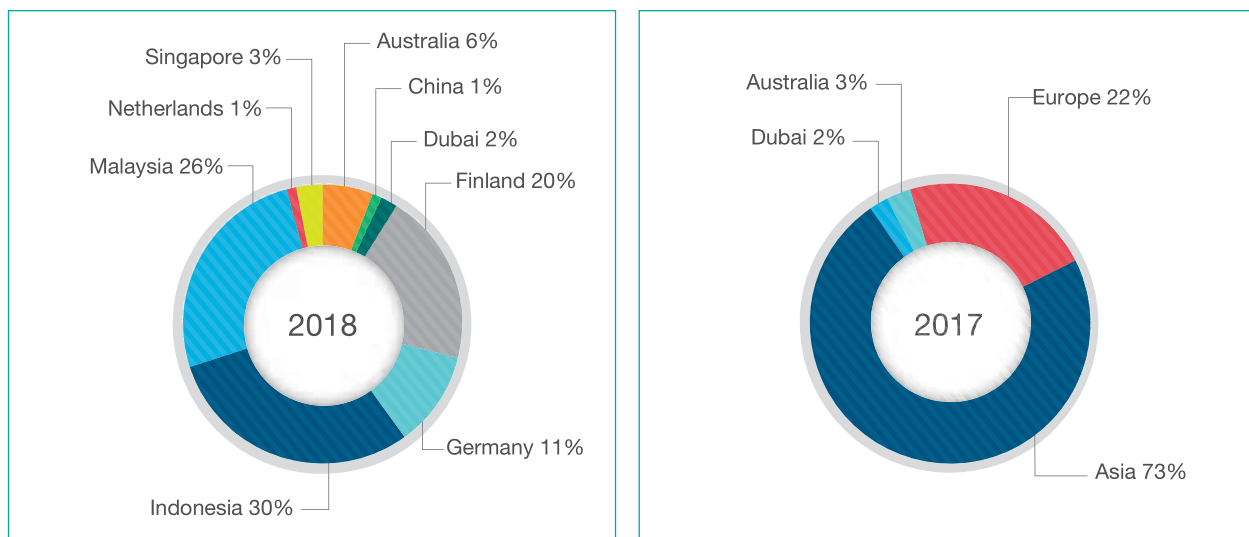
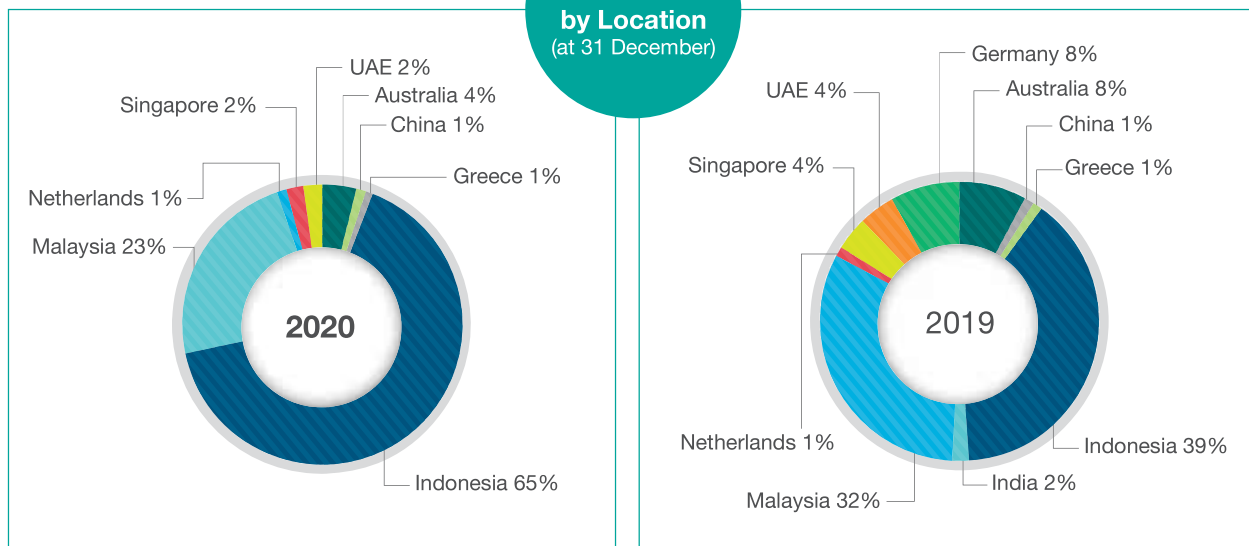


**Total
Headcount
by Division**
(at 31 December)

■ Corporate Office
■ Engineering
■ Pipeline Services
■ Energy Services



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CERTIFICATIONS

Wasco Coatings Malaysia Sdn. Bhd. <ul style="list-style-type: none"> • ISO 9001:2015 • ISO 14001:2015 • ISO 45001:2018 	PT. Wasco Engineering Indonesia <ul style="list-style-type: none"> • ISO 45001:2018 • ISO 14001:2015 	Wasco Engineering International Limited (Dubai Branch) <ul style="list-style-type: none"> • ISO 14001:2015 • ISO 45001:2018 • ISO 45001:2018 	Petro-Pipe (Sabah) Sdn. Bhd. <ul style="list-style-type: none"> • ISO 45001:2018
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AWARDS

WASCO COATINGS MALAYSIA SDN. BHD.

NO.	YEAR	CLIENT/ORGANISATION	AWARDS & RECOGNITIONS
1	2020	CHEVRON	In recognition of completing the Gorgon Stage 2 Project without any incident
2	2018	STATOIL	In recognition of the coating of 36,200 pipes and performing 1,601,164 Safe Man-hours without Lost Time Injury ("LTI")
3	2017	STATOIL	In recognition of completing 1,000,000 Safe Man-hours without LTI
4	2015	PCSB	Outstanding Vendor Award Project Development Category
5	2014	PCSB	In appreciation for hosting Q3 2014 Projects & Engineering PCSB HSE Contractors Conference
6	2014	PetroVietnam	In recognition for excellent performance in Pipeline Coating Application of Dai Hung Gas Gathering Project – Merit Award
7	2013	PCSB	Offshore Installation (DCI) Most Outstanding Unsafe Act (UAUC) reporting in 2013

WS ENGINEERING & FABRICATION PTE. LTD.

NO.	YEAR	CLIENT/ORGANISATION	AWARDS & RECOGNITIONS
1	2019	TengizChevroil/Kazakh PJV/ Schneider Electric/Siemens	Achieved 3,000,000 Man-hours worked without Loss Time Injury ("LTI") in TCO Future Growth Project (TCO Area, TCO Gathering & TCO HV)
2	2018	Schneider Electric and Siemens	Achieved 2,000,000 Man-hours worked without LTI in TCO Future Growth Project (TCO Area, TCO Gathering & TCO HV)
3	2018	TengizChevroil/Kazakh PJV/ Schneider Electric/Siemens	Achieved more than 2,000,000 LTI free Man-hours in TCO Future Growth Project
4	2017	Schneider Electric	Achieved 500,000 LTI free Man-hours in TCO Future Growth Project
5	2016	Yinson/Kongsberg	PT. WEI received Construction of Excellence Certificate from Yinson for achieving 1,100,000 Man-hours without any LTI for Ghana OCTP FPSO Development Project in 2016
6	2016	Wartsila/Bumi Armada	Received Appreciation Certificate from Wartsila for achieving 2,000,000 Man-hours without any LTI in M70A/B Power Generation Packages, Armada Kraken Project
7	2016	Bumi Armada	1,000,000 Man-hours worked without LTI for M70A/B Power Generation Packages Armaden Kraken Project
8	2016	Total/Saipem	Achieved 1,000,000 Man-hours without LTI in Total E&P Angola Block 32 Kaombo Project

SUSTAINABILITY STATEMENT

COMMUNITY OUTREACH PROGRAM CALENDAR



WASCO ENERGY LTD

Date	Program
05-05-2020	Wasco Coatings Malaysia Sdn. Bhd. and Wasco Lindung Sdn. Bhd. have donated a COVID-19 screening booth to the International Islamic University Medical Centre of Malaysia ("IIUMMC") for the usage of IIUMMC healthcare front line workers for the screening of suspected COVID-19 patients and to protect them from having direct contact with suspected patients without changing their Personal Protective Equipment ("PPE").



22-12-2020	Wasco held a donation drive among the employees and delivered food essentials to Pertubuhan Pengurusan Pusat Jagaan 1 Malaysia ("PPPJ1M") in Ipoh, Perak. PPPJ1M is a non-profit organisation that takes on itself the responsibility to take care of the children (some are orphans) who have nowhere else to go. PPPJ1M has been accepting, protecting and raising these kids, regardless of their background, race or religion.
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PT. WASCO ENGINEERING INDONESIA

Date	Program
29-05-2020	PT. Wasco Engineering Indonesia has donated 300-food aide to the local community badly affected by the COVID-19 Pandemic outbreak in Batam, Indonesia. The food aide includes food essentials such as rice, cooking oil and sugar. Present to receive the food aide packages on behalf of the local community was the District Head of Tanjung Uncang. The event was attended by WASCO employees, members of the local community, government officials of the Tanjung Uncang district and the police chief. Wasco also distributed approximately 3,800 pieces of reusable facemasks to our employees and their family members. The distribution of face masks is part of our effort to prevent COVID-19 transmission and keep our employees and their families safe.



YAYASAN WAH SEONG

Date	Program
April – May 2020	Yayasan Wah Seong ("YWS") donated Personal Protection Equipment (PPE) worth RM160,190.88 to various government hospitals in Selangor, Johor, Pulau Pinang, Perak and Sabah due to the COVID-19 pandemic.

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