

Sustainability Report

Year In Review/ Sustainability Highlights



4.0
FTSE Russell
ESG Score

Top
25%
by ESG Ratings amongst
237 PLCs in FBM EMAS
that have been assessed
by FTSE Russell.



22%
Women Board
of Directors

15%
Women in Senior
Leadership Team

20%
Group emission intensity
reduction in FY2023
compared to FY2022



9.0mm
Average diameter of
trees at Wasco Forest
at present, indicating
good growth rate

6,665 MWh
Electricity save through
renewable energy



Ariesza Noor

Chief Strategy Officer's Statement

Nurturing a Sustainable Future

Dear Valued Stakeholders,

In this pivotal era where sustainability is no longer an option but a necessity, Wasco stands as a beacon of visionary leadership and unwavering commitment.

As Chief Strategy Officer, I am honored to share our journey in this Sustainability Report—a journey defined by ambition, action, and an unyielding dedication to our core principles, all fortified by robust governance.

Guided by Our Principles

At the heart of our sustainability journey lies a set of guiding principles that steer our actions:

Economic Resilience: We believe that sustainability is synonymous with resilience. We pursue strategies that enhance long-term economic viability while mitigating risks.

Environmental Responsibility: We recognise our duty as custodians of the environment, going beyond mere compliance to actively reduce our ecological impact and safeguard the planet for future generations.

Social Equity: Sustainability extends beyond environmental concerns; it encompasses people too. We champion social equity, diversity, and inclusion within our workforce and the communities we serve.

Governance: Integrity, transparency, and accountability form the bedrock of our governance framework. Ethical practices, rigorous risk management, and stakeholder engagement are central to our operations, fostering trust and collaboration.

Sustainability Report

Our Transformative Journey

This year, our journey has been transformative:

Pioneering Environmental Leadership:	Empowering Through Diversity and Inclusion:	Innovating for Economic Sustainability:	Governance Excellence:	Enhanced Disclosures:
We have achieved a 20% reduction in GHG emissions intensity and expanded the Wasco Forest, demonstrating our commitment to biodiversity and global conservation efforts.	Elevating female representation to 15% in Senior Leadership Team and engaging in comprehensive community development programmes underscore our dedication to social equity.	We are integrating sustainability into our economic framework, setting new industry standards for resilience.	Our governance model ensures the highest integrity across operations, with rigorous risk management and transparent stakeholder engagement.	Our commitment to transparency and reporting sustainability indicators has not only strengthened stakeholder trust but has also resulted in improved scores for our FTSE4Good ESG rating in 2023. Furthermore, believing in continual improvement, we have voluntarily conducted internal audit assurance for selected scope of our Sustainability KPI disclosure.

Looking Forward

Our vision for the future is ambitious and purpose-driven:

Accelerating Renewable Energy Integration:	Fostering Gender Diversity, Equity, and Inclusion:	Championing the Circular Economy:	Enhancing Biodiversity and Ecosystem Restoration:
We aim for a 30% reliance on renewable energy by 2024, reducing our carbon footprint and leading sustainable energy practices.	We aspire for women to hold at least 30% of leadership positions, recognising the value of diverse perspectives in driving innovation and sustainable growth.	We are committed to waste reduction and recycling, embodying our dedication to sustainable growth.	Our efforts in biodiversity conservation reflect our commitment to preserving natural habitats and contributing to global biodiversity.

Sustainability Report



An Invitation to Join Our Legacy

We invite you to join us on this transformative journey towards a sustainable, resilient, and equitable future. Together, supported by strong governance and stakeholder collaboration, we can make a meaningful impact.

Our dedication to continuous improvement and transparency remains steadfast, ensuring that the insights and achievements shared in this report are reflective of our most current efforts up to 2023. We pledge to uphold this standard of openness and accountability as we advance in our sustainability journey.

Thank you for your continued trust and partnership.

Ariesza Noor
Chief Strategy Officer
Wasco Berhad



Note: The information provided in this report is based on data available up to 2023. We remain committed to continuous improvement and transparency.

Sustainability Report



About This Report

Wasco Berhad ("Wasco or the Group") recognises its responsibility to all stakeholders and is committed to reporting its environmental, social and governance performance regularly and transparently.

This Sustainability Report ("SR") communicates material sustainability information and performance across Wasco's business operations as a whole.

This Report covers the reporting period for the financial year 1 January to 31 December 2023. It provides an insight into how the Group manages its material sustainability risks, issues and opportunities to create economic, environmental and social value.

The SR is published annually as part of the Annual Report, with this Report published in April 2024. Our last SR was published in April 2023.

Policy documents mentioned in this report are available on the Company's website at www.wascoenergy.com.

Framework and Standards

This Report and its content have been prepared with reference to and guided by recognised global and local sustainability reporting frameworks, standards and guidelines as follows:

- Bursa Malaysia Main Market Listing Requirements on sustainability reporting
- Bursa Malaysia Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative ("GRI") Universal Standards 2021
- United Nations ("UN") Sustainable Development Goals ("SDGs")
- Greenhouse Gas ("GHG") Protocol
- UN Global Compact's ("UNGC") 10 Principles

In addition, our disclosures were guided by relevant performance indicators from FTSE4Good Bursa Malaysia.

Sustainability Report

Reporting Scope and Boundaries

The scope of the SR for FY2023 covers the entire Wasco organisation and its subsidiaries. One notable inclusion for this reporting period is our new project site in Tanzania.

Wasco reports on an 'operational control' basis, focusing on assets, offices and activities where Wasco is the operator and has management control over policies and practices. We note that our Business Units' ("BUs") operating environment may vary from one market to the next, but we have nevertheless made the attempt to harmonise general reporting areas, as well as highlighting the achievements of our specific BUs throughout the disclosure.

This SR excludes our Joint Venture ("JV") companies and discontinued operations Syn Tai Hung Trading Sdn Bhd and WDG Resources Sdn Bhd.

Reporting Principles

This statement summarises the sustainability performance of Wasco's strategic businesses. In defining the content, the following GRI Standards Reporting Principles have been applied in this Report to ensure high-quality disclosure.

- **Accuracy:** Reporting information that is correct and sufficiently detailed to allow an assessment of the organisation's impacts
- **Balance:** Reporting information in an unbiased way and provide a fair representation of the organisation's negative and positive impacts
- **Clarity:** Presenting information in a way that is accessible and understandable
- **Comparability:** Selecting, compiling, and reporting information consistently to enable an analysis of changes in the organisation's impacts over time and an analysis of these impacts relative to those of other organisations
- **Completeness:** Providing sufficient information to enable an assessment of the organisation's impacts during the reporting period
- **Sustainability Context:** Reporting information about its impacts in the wider context of sustainable development
- **Timeliness:** Reporting information on a regular schedule and making it available in time for information users to make decisions
- **Verifiability:** Gathering, recording, compiling, and analysing information in such a way that the information can be examined to establish its quality

Wasco developed the content according to defined material topics following a review of the overall sustainability risks and opportunities determined by macroeconomic analysis, sustainability trends, and senior management input. Stakeholders' views, concerns and key expectations also shaped the materiality assessment. This assessment helped the Board realign the Group's sustainability strategy while ensuring the transparent coverage of critical topics.

Forward-Looking Statements

Certain statements in this SR may constitute forward-looking statements concerning our financial and non-financial position, future priorities, strategies, and growth opportunities. They are formed based on reasonable assumptions and are not intended to guarantee future results. Actual results could differ materially from those projected in any forward-looking statements throughout this SR due to various events, risks, uncertainties, and other factors.

Sustainability Report

Sustainability Data and Disclosure

Wasco's management and dedicated internal resources reviewed the completeness and accuracy of the data and information. The senior leadership team oversaw the statement's preparation, assembly, and drafting, complementing the significant internal and data-collection resources to ensure accuracy.

Assurance

Wasco's Group Internal Audit provided an independent limited assurance for three key Environmental, Social and Governance ("ESG") indicators as below:

- GRI 205: Business Ethics and Compliance – Anti Bribery and Corruption and Whistleblowing
- GRI 404: Training and Development
- GRI 405 & 406: Diversity, Equal Opportunity, and Non-Discrimination

For more information on the subject matter and scope of assurance, please refer to the Statement of Assurance on page 91.

Sustainability Report Feedback

Feedback from our stakeholders is vital for us to continually improve our reporting and sustainability practices. We welcome all feedback and views from our stakeholders on this Report or any aspect of our sustainability performance.

Please address all feedback to Group Sustainability: sustainability@wascoenergy.com

Sustainability Report

Sustainability Across Our Operations

Wasco delivers sustainable value for all stakeholders safely, securely and in an environmentally and socially responsible manner by:

- Reducing the environmental footprint through the life cycle developments; and
- Bringing social and economic benefits for people associated with business operations in line with Wasco's shared values.



Wasco integrates sustainability throughout the business on three levels.



- running a safe, efficient and profitable business



- meeting expectations and delivering our commitments



- sharing benefits wherever we operate and making positive contributions



Sustainability Report

Sustainability Policy

At Wasco, sustainability is about delivering value for all our stakeholders in a responsible manner, balancing short and long-term interests that integrates economic, environment and social considerations into our business strategy. Wherever possible, we will implement and maintain accredited management systems for corporate sustainability to drive performance and improvement by focusing on our business processes, our culture, and our digital agenda – all underpinned by a strong governance structure.

To achieve these goals we will;

- Ensure that our safety values remain a top priority, ensuring that nobody gets hurt, no damage to property and no harm to the environment.
- Generate financial gains aligned to the needs of our stakeholders.
- Employ a diverse workforce and provide a work environment where everyone is treated fairly, with respect, avoid excessive working hours, given the right to a minimum wage and can realise their full potential.
- Implement actions within our own business and other stakeholders to accelerate the transition to net-zero emissions to reduce the impact of climate change.
- Manage our businesses efficiently through embracing digitalisation and innovation.
- Conduct our business in an ethical and transparent manner.
- Safeguard human rights within our sphere of influence, opposing all forms of child labour and forced labour.
- Support employment of underprivileged groups and youth.
- Contribute to the well-being of local communities wherever we operate.
- Periodically review our performance and implement appropriate actions for continuous improvement.

In implementing this Policy, we will support and advance the United Nation's Sustainable Development Goals focusing our efforts on those that align with our aims in order to make the most impactful contribution.

We will engage with our employees, contractors, suppliers, customers, and business partners in sharing responsibility for meeting these goals.

ESG considerations are integrated into our corporate strategy and sustainability approach to ensure long-term value creation and sustainable business growth. We periodically review our approach to sustainability and priorities to meet stakeholders' growing expectations and incorporate value creation.

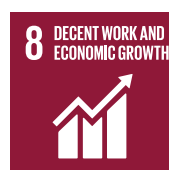
Our Sustainability Framework supports our commitment to making sustainability core to our business and managing what matters where it matters most. This is in line with the increasing demand for corporate organisations to play a more active role by focusing their business on ESG and thinking beyond short-term profits.

Guided by our purpose, the Sustainability Framework was developed by taking into consideration the different levels of maturities across the Group and global push for ESG. The process included assessing existing sustainability programmes and initiatives, considering changes in regulatory requirements and defining targets and goals to measure impacts.

The following factors were taken into consideration:

1. Wasco's material matters founded through materiality assessment conducted with our Board of Directors, Senior Leadership Team members and stakeholders.
2. Regular engagement with Business Units on pertinent sustainability issues.
3. Internal assessment and benchmarking against industry peers.
4. Monitoring and tracking of key performance indicators.

Additionally, our Framework takes into consideration the global agenda to achieve a better and more sustainable future for all through the UN Sustainable Development Goals ("UN SDGs"), which aim to leave no one behind.



Sustainability Report

Our United Nations Sustainable Development (“UN SDGs”) Alignment

The United Nations Sustainable Development (“UN SDGs”) are a set of 17 global goals established by the UN General Assembly in 2015 to make the world a better place by 2030. The goals intend to end poverty, protect the planet and ensure prosperity for all. Wasco is aligned with the UNSDGs and committed to contributing to their framework to enhance sustainable initiatives. The Group also calls on all its partners across the business to collaborate on achieving these goals.

While our activities touch on nine of the seventeen goals, we have identified four UNSDGs that impact our sustainability strategy where we can make the most contributions in these areas.

Goals	Our Commitment	Progress and Achievements
 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> Provide a safe and healthy workplace for our staff and contractors by embracing internationally recognised HSE Management Systems, namely ISO 45001:2018 for Health & Safety and ISO 14001:2015 for the environment. Achieve Zero Lost-time Incidents (“LTI”). 	<ul style="list-style-type: none"> All sites in the organisation either have been or are being certified with the ISO 45001:2018 for Health & Safety and ISO 14001:2015 for the Environment. On-going implementation of i-Start initiative to enable a safety culture transformation. Tracking leading and lagging KPIs and taking action for continuous improvement. Performing periodic inspections, audits, and safety observations addresses gaps and prevents incidents. Launched Digital Care Card initiative, digitalising analysis of safety observations and providing insights on potential safety issues.
 5 GENDER EQUALITY	<ul style="list-style-type: none"> Establish policies to promote gender equality in recruitment, compensation, training, promotion and work-life balance. Eliminate sexual harassment, violence, discrimination and other harmful practices against women in the workplace. 	<ul style="list-style-type: none"> 15% of Senior Leadership Team are female. Clearly articulating statements on equal opportunity and non-discrimination in the Principles of Business Conduct and Human Rights Statement.
 8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> Develop a high performing entrepreneurial culture (culture of curiosity) in the Company where all staff give their best. Develop leaders at all levels of the Company and create a learning and coaching mindset amongst all staff. 	<ul style="list-style-type: none"> Quarterly reviews for performance assessment and coaching. Talent development through regular training and digital learning platform. High retention of senior management. Annual performance appraisals for compensation and promotion.
 13 CLIMATE ACTION	<ul style="list-style-type: none"> Reduce emissions by improving energy efficiency, transitioning to renewable energy such as solar power and offsetting residual emissions through in-house programmes such as tree planting. 	<ul style="list-style-type: none"> Tracking, analysing and reporting of Group greenhouse gas emissions (“GHG”) using digital dashboard developed internally. Completed planting 160,000 trees and on-going maintenance of our reforestation programme as part of our effort to mitigate climate change. Subscribed to 500,000 kWh/month Green Energy Tariff by TNB. Solar panels at various sites generated 698MWh of renewable energy for our operation’s use.

Sustainability Report

Sustainability Governance & Accountability

Sustainability Governance

To effectively implement sustainability strategies and initiatives across our organisation, we focused on building close collaborations between Management and Business Units. We will continue to regularly review and enhance, where necessary, the roles and responsibilities of the relevant Wasco functions to support a holistic approach towards managing our sustainability performance and the credibility of our programmes and activities.



Roles & Responsibilities



Sustainability Report

Board Level

Wasco's Board holds ultimate responsibility of the Group's sustainability agenda and provides oversight of the integration of ESG matters in Wasco's corporate strategy with the aim of balancing stakeholder interests while ensuring that we grow responsibly and create long-term value.

Governance, Compliance and Risk Committee ("GCRC")

The Governance, Compliance and Risk Committee ("GCRC") was introduced in 2023 to provide enhanced Board oversight on Sustainability issues across Wasco Group. This change underlines our top-down approach and our commitment to embracing sustainability as a Group-wide agenda. The GCRC also has oversight of climate-related matters, including climate risks and opportunities.

The members of GCRC comprises of a Non-Independent Non-Executive Director and two Independent Non-Executive Director. The GCRC is chaired by an Independent Non-Executive Director.

The GCRC met two times in the year under review and among the matters discussed were:

- Reviewing Wasco's sustainability performance and activities.
- Sustainability Report enhancement recommendation.
- TCFD adoption recommendation.

Management Level

The overall management responsibility and oversight of sustainability-related matters lies with our Managing Director/Group CEO. The Managing Director/Group CEO is supported by the Group Chief Strategy Officer, who oversees Group Sustainability, and other senior management within their areas of responsibility.

For accountability, sustainability-related KPIs are included in our Managing Director/Group CEO as well as Business Unit's Senior Leadership Teams ("SLTs") annual remuneration-linked KPIs. All Business Units CEOs are also authorised to sign off on sustainability-related governance as part of internal control assurance.

Working Level

Wasco Sustainability Steering Committee ("SSC")

Chaired by the Managing Director/Group CEO, the SSC consists of representatives from Group Sustainability ("GS") and selected Heads or nominees from key Group corporate functions. The SSC is responsible for supporting the management of ESG matters and ensuring collaboration to streamline the approach within the Group and promote sharing.








Sustainability Report

Group Sustainability ("GS")


GS leads the development of overall strategy and framework to drive sustainability initiatives and programmes across the Group in a structured and cohesive way. Their responsibilities include monitoring and managing business sustainability practices and targets, keeping abreast of the sustainability development landscape and ensuring management of the Group's Environmental, Social and Governance ("ESG") risks and opportunities are assessed and evaluated. The team also provides advisory support and capacity building for the sustainability teams in all Business Units and receives sustainability progress updates.

Stakeholder Engagement

Long-term business success depends mainly on understanding and addressing stakeholders' expectations. Wasco engages with various stakeholder groups, including employees, customers, shareholders and investors, regulators and authorities, vendors, suppliers and the media. We continually seek opportunities to speak with stakeholders, understand their viewpoints and talk transparently about the business. The table below summarises Wasco's approach to stakeholder engagement.

Stakeholder	Engagement Platform	Areas of Interest	Our Commitment
 Employees	<ul style="list-style-type: none"> • Workplace meetings and employee briefings • Intranet and bulletins • Townhall meetings • Employee surveys • MyGoals performance reviews 	<ul style="list-style-type: none"> • Equal opportunities • Diversity • Career progression • Benefits and rewards 	Our employees are key to our innovation-driven culture and we are committed to nurturing their talent.
 Customers	<ul style="list-style-type: none"> • Quality Certification Audits • Regulatory Site Visits and Audits • Social Media • Official Website • Marketing Events • Customer Satisfaction Surveys 	<ul style="list-style-type: none"> • Business growth • Risks and challenges • Customer privacy • Target, quality and delivery 	We reinvent technology, create new approaches and conceive end-to-end solutions for greater efficiency and capabilities.
 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 	<ul style="list-style-type: none"> • Long-term profitability • Sustainability matters • Company's performance • Compliance 	We are committed to delivering economic value to our capital providers through a robust financial performance.
 Regulators & Authorities	<ul style="list-style-type: none"> • Emails/letters • Dialogues with the authorities • Workshops and training organised by the relevant regulatory authorities 	<ul style="list-style-type: none"> • Compliance • Reducing the impact of operations 	We have established sustainability governance to manage risk, ensure compliance and always operate with integrity.
 Vendors/Suppliers	<ul style="list-style-type: none"> • Negotiations with vendors/suppliers • Supplier periodical performance evaluation • New vendor evaluation and registration 	<ul style="list-style-type: none"> • Fair procurement • Sustainable supply chain management • Long-term relationships 	We maintain two-way relationships with suppliers who follow our supplier code of conduct.

Sustainability Report

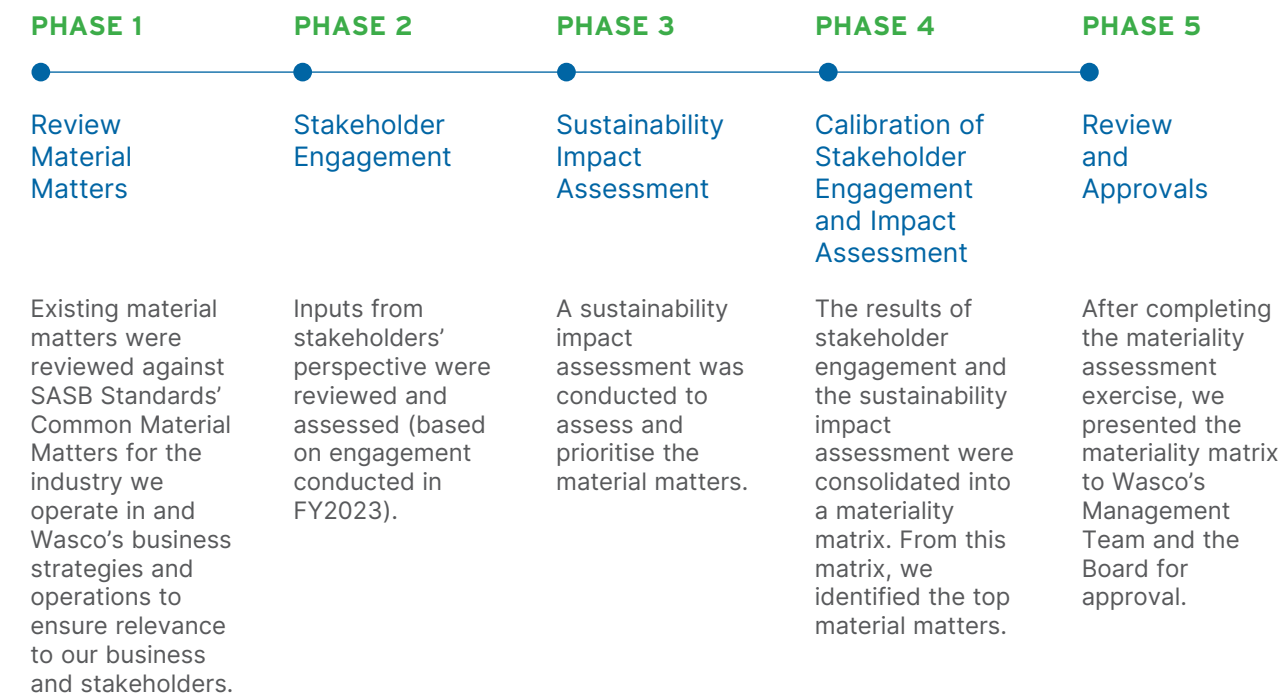
Stakeholder	Engagement Platform	Areas of Interest	Our Commitment
 Media	<ul style="list-style-type: none"> • Ongoing engagement sessions and interviews • AGM and EGM • Press release and coverage • Press conference 	<ul style="list-style-type: none"> • Company's performance and outlook • Business risks • Sustainability matters 	<p>We continue to make the greatest possible difference through transparent and active engagement with media partners and interest groups.</p>

Materiality Assessment

Materiality assessments are integral to our sustainability journey, as they enable us to evaluate the Environmental, Social and Governance ("ESG") issues that affect our business and our stakeholders. We conduct a materiality assessment once every two years to ensure that the ESG issues and material matters we look into remain relevant and aligned with current sustainability trends, industry developments and regulatory shifts. It also allows us to identify opportunities and mitigate risks posed by each material matter.

In 2023, we re-evaluated our ESG material issues following the consolidation of Business Units under Wasco Berhad. Our material matters represent key sustainability issues that will affect our business strategy and stakeholder value creation in the short and long term.

The following infographic explain the steps taken in our materiality assessment process.



Sustainability Report

Stakeholder Groups Participating in the Survey



Shareholders and Investors



Employees



Media



Customers



Vendors/Suppliers



Regulators and Authorities

The survey asked stakeholder representatives to rate the importance they placed on 18 areas of sustainability.

We asked respondents to indicate how important each criterion was on a scale of 'very unimportant' (1) to 'very important' (5). We employed a 5-point Likert Symmetric Scale so respondents could specify their level of agreement with (3) being neutral.

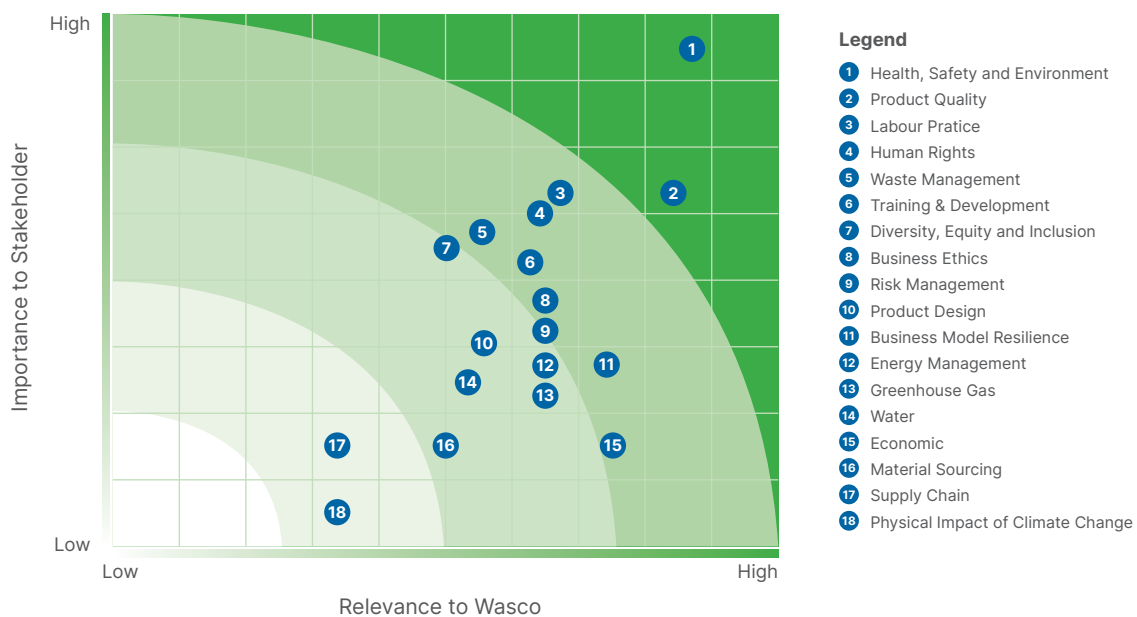
We discovered a natural skew in the results as each stakeholder group was not represented equally. Unsurprisingly, we received the most responses from our employees and the fewest from Regulators & Authorities and Media.

We calculated an average score for all areas within each stakeholder group to rectify the sample imbalance. An average rating from all eight stakeholder groups was then obtained.

We also asked members of our Senior Leadership Team and Board to complete the survey. Their views represented Wasco.

Materiality Matrix

Scores over 3 were considered of medium importance. Stakeholder scores ranged from 4.06 to 4.74; Wasco's between 3.69 and 4.77, indicating that all issues were material to some degree. A material to very material scale was adopted as even the lowest scores fell into the important category. The matrix is presented in the following diagram.



Health, Safety and Environment remained as the top material matter to Wasco, as well as to stakeholders. Apart from that, our stakeholders placed Product Quality, Labour Practice, Human Rights, Waste Management, Training & Development and Diversity, Equity and Inclusion as top material matters that the Group will need to prioritise.

Sustainability Report

Integrity, Compliance, Assurance and Reporting Concerns

Wasco's commitment in ensuring that integrity and compliance are observed in the day-to-day business operations, are pillars to a sustainable foundation of our culture and a business priority. We set high expectations to all our employees as outlined in our Principles of Business Conduct. These vital values of integrity and compliance are the fundamentals to good governance.

Anti-Bribery and Corruption

Wasco's Anti-Bribery and Corruption Policy ("ABC Policy") and Anti-Bribery and Corruption Management System ("ABMS") together with its 24 Standard Operating Procedures ("24 SOPs") established on 1 June 2020 and 1 December 2020 respectively are testimony of the Company's initiatives and commitment towards an organisation that are integrity and compliant oriented. These fundamentals have been deeply rooted into the business perspective and in its corporate culture. Wasco adopted a zero-tolerance approach against all forms of bribery and corruption, such as fraud and illegal kickbacks. Wasco's ABC Policy sets the tone and standards on anti-bribery and corruption across the Group while the ABMS together with its 24 SOPs communicate its comprehensive approaches and processes in deterring, mitigating and addressing corruption risks including bribery, fraud and corrupt acts. Wasco's ABMS and its 24 SOPs are aligned to SIRIM ISO 37001:2016 standards and are the best practices as prescribed under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) ("MACC Act"). Wasco's ABC Policy fulfils the provisions of the Guidelines on Adequate Procedures pursuant to Section 17A (5) of the MACC Act.

Coverage of ABC

Directors	Employees	Vendors	Contractors	Sub-contractors
Consultants	Clients	Customers	Representatives	
Business associates (including joint venture and consortium partners)		Other intermediaries performing works or services, for and on-behalf of Wasco		

The ABC Policy applies to the Board of Directors and employees within Wasco. They have all completed the necessary initial training on anti-bribery and corruption as well as yearly refresher trainings pertaining to the same.

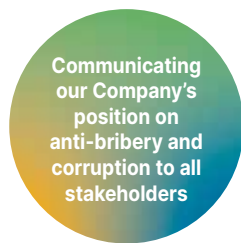
The Board of Directors oversees our compliance with ABC Policy and the ABMS together with its 24 SOPs via the Governance, Compliance and Risk Committee and the Integrity Committee accordingly. Every employee is responsible for preventing and reporting instances of corruption, bribery, suspicious activity or wrongdoing which may lead to bribery and corruption using our established whistleblowing channels.

Wasco recorded zero case related to bribery and corruption and received no (RM0) penalties due to ethical conduct breaches such as corruption during the year under review.

A keen understanding of corruption risk exposure is the foundation of an effective anti-corruption compliance programme. Corruption risks, including bribery, are important elements in the Business Units' risk register. This keen understanding helps the Company design effective mitigation strategies and strategically deploy resources to combat potential bribery, corruption and fraud, especially for high-risk operations.

Sustainability Report

Contractors, subcontractors and third parties are subject to corruption and bribery risk assessments and must declare they are not involved in any misconduct or corrupt, unethical and illegal behaviour. Wasco communicates its anti-corruption policy clearly to these intermediaries.



- Employees are given an introduction to our anti-bribery and corruption policy upon joining the Company.
- Each employee must sign the ABC Personnel Declaration and return to the Human Resources Department.
- Employees are reminded of our Company's opposition to corruption during regular engagement sessions and training via iLearn
- The anti-corruption policy is also communicated to suppliers, contractors, subcontractors, agents, joint venture companies and third parties.

The Group also screens new and existing business partners for corruption and bribery, which is part of due diligence in Wasco's compliance requirements.

Business books and records reflect all business dealings accurately and transparently. Wasco introduced monitoring and enforcement procedures to ensure compliance with anti-corruption laws in Malaysia. Wasco did not make any political contributions in 2023 (RM0).

No major disciplinary cases were reported for corrupt practices that resulted in employees' dismissal. There were no instances of corruption-related violations with our business associates. We have received zero fines and penalties from the authorities during the recent years and reporting period, which demonstrates the effectiveness of our stringent anti-corruption policies and practices.

Whistleblowing

Wasco's whistleblowing policy applies to all employees and external parties who have business relationships with the Group. Our Whistleblowing Policy is aligned with the ISO 37001:2016 Clause 8.9 Raising Concern. Individuals raising concerns or reporting possible violations of the Code of Conduct in good faith are:

- Protected from any forms of retaliation; and
- Treated with the utmost confidentiality.

Whistle-blowers are encouraged to raise their concerns and report to the Group Chief Executive Officer, Gian Carlo Maccagno or to the Chairman of Audit Committee, Datin Wan Daneena Liza Binti Wan Abdul Rahman, confidentially. Senior officers have been trained to handle these reports, corruption, harassment, bribery, financial irregularity and other offences.

Sustainability Report

Economic

As a global leading integrated energy group, we take responsibility to power global and local economies seriously. We are a critical part of the world's energy infrastructure, and we believe in lowering barriers to clean, affordable energy for everyone, everywhere.

In 2023, our Company generated a direct economic value of RM 2.606 Billion in revenue. Our economic impact also extends to our role as a global employer. At the end of 2023, we employed approximately 5,752 employees and offered fair and competitive wages and benefits. Developing a diverse global workforce helps bring innovative and sustainable solutions to the market, contributing towards the future of energy transition.

Supporting Sustainable Economic Growth and Development Through Our Operations

Wasco has been a leading integrated energy group that operates globally, providing comprehensive technical services primarily to the oil and gas sectors worldwide. Increasingly, we leverage on our expertise to contribute to the advancement of other industries such as carbon capture and storage pipelines, wind-offshore, data centers and renewable energy.



Pipeline Services

Wasco is a recognised market leader in pipe coating, manufacturing spiral welded steel pipes and providing offshore corrosion control system. We have a global operations strategically serving the energy industry and have coated over 22,000km of pipelines across 25 countries.



Engineering and Fabrication Services

Wasco provides an all-encompassing solution covering Engineering, Procurement and Construction ("EPC") project delivery and offering modular fabrication solutions for the global energy industry. Our fabrication facilities are strategically located in Southeast Asia and the Middle East & Africa. We invested in world-class facilities featuring fully concreted waterfront fabrication base in the Southeast Asia FT zone, spanning over 34 hectares and equipped with a dedicated jetty for loading modules up to 10,000 tonnes. This enables us to adapt our expertise to fabricate for renewables.



Bioenergy Services

Wasco is the largest fabricator of steam biomass turbines and boilers, serving 70% of the agro industry. Our high-capacity boilers run on clean energy, including biomass and natural gas, contributing to eco-friendly solutions. In addition, our Heat Recovery System Generator technology achieves 80%+ efficiency, reducing carbon footprint for industrial clients.

Sustainability Report

Participating in Industry Organisations

Wasco proactively engages with other leading companies and organisations to help advance standards, share best practices, activate stakeholders, and create a sustainable economy. Wasco continues to work with leading organisations, namely the Malaysian Oil & Gas Services Council (“MOGSC”), the largest national-level independent industry association promoted and driven by the services sector of the Malaysian Oil & Gas Industry. In addition, we are an active member of Energy Industries Council (“EIC”), one of the world’s largest energy trade associations for companies that supply goods and services to the energy industries worldwide.

Responsible Procurement

Our supply chain includes the supply of goods and services. We strive to improve our supply chain’s social and ethical footprint and work with suppliers that share our values. We expect our suppliers to comply with all applicable laws and demonstrate that they have the attributes set out in our Supplier Code.

We recognise the opportunity to positively impact communities by making balanced choices about sourcing the required goods and services for business operations. Our responsible procurement plan focuses on four key areas:

- Upholding ethical treatment of workers
- Supporting local businesses
- Encouraging participation
- Assessing supply chain risk management

We conduct quantitative and qualitative assessments of all suppliers on our Approved Vendor List every year. Our selection is based on Major and Minor Vendors categories. We examine their performance to mitigate risks and drive improvement during the review. We notify poor performing suppliers and provide corrective action or improvements. The vendor may be suspended or removed from the Approved Vendor List if they do not take the requested action or make the necessary improvements. Wasco updates the Supplier Audit Matrix following the yearly assessment.



Sustainability Report

Environmental & Climate Change

Wasco's commitment to practising environmental sustainability is a continuous process. We align our environmental policy and practices with environmental laws and legislations, including strategies to prevent pollution, minimise waste and conserve natural resources where we operate. We received no environmental fines and penalties during the year.

Wasco is committed to providing high-quality services that protect and improve the environment. 54% of our Environmental Management System is ISO14001 certified as of 2023.

Our Approach



Conduct a comprehensive assessment of environmental issues directly related to our operations. This evaluation will identify key areas where our activities impact the environment, such as resource consumption, emissions, water consumption and waste generation.



Establish robust tracking and monitoring routines to collect relevant data. This information will serve as the foundation for developing measurable targets. By tracking our environmental performance consistently, we can make informed decisions and measure progress effectively.



Develop data-driven strategies and action plans aimed at minimising our environmental footprint. These strategies address critical aspects like energy efficiency, emission reduction waste reduction, and sustainable sourcing. By aligning our efforts with empirical data, we can achieve maximum impact in our sustainability initiatives.



Regularly report our progress to senior management and the Board. These reports highlights the implementation of our strategies, their effectiveness, and any adjustments made based on data insights. Transparency ensures accountability and encourages continuous improvement.

The team works closely with clients, contractors, the community, industry, and the State and Federal Governments to establish procedures so staff can positively contribute to innovative and cost-effective environmental outcomes.



Continually improve our awareness and management of environmental risks to avoid, reduce and control pollution from our operations

Promote the open exchange of environmental information with our customers, suppliers and the community to improve environmental awareness and to obtain feedback on or environmental performance

Identify and comply with environmental legislation, regulation and license standards for all our operations and environmentally relevant activities

Promote waste minimisation, energy management and greenhouse gas emissions within our day-to-day operations

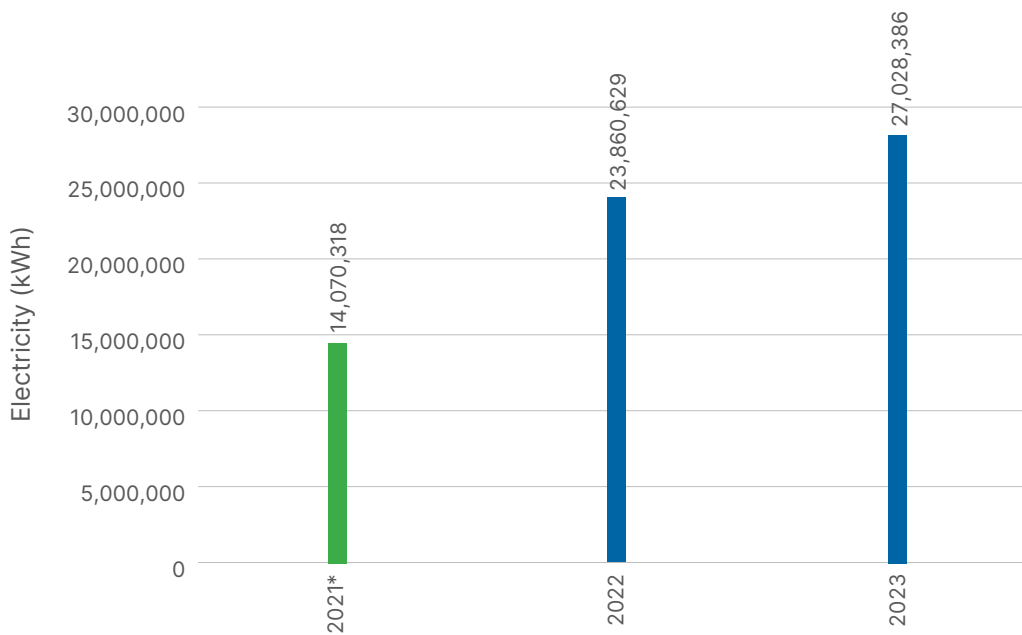
Sustainability Report

Energy Management

Wasco is committed to addressing energy use and efficiency by:

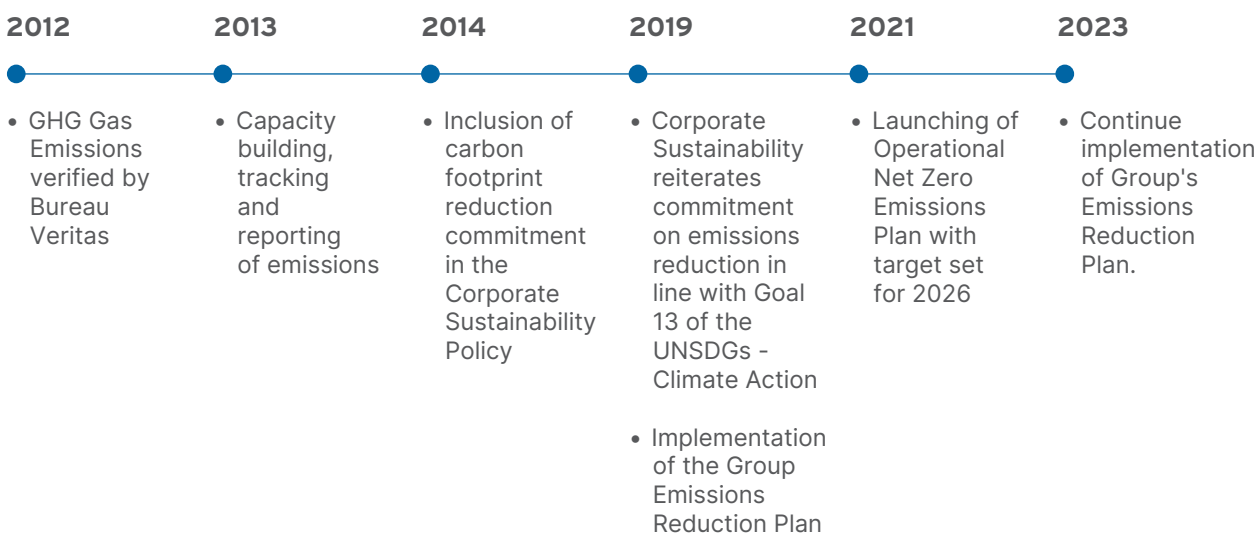
- Adhering to relevant legislation and regulations concerning energy
- Improving and promoting energy efficiency by implementing effective energy management programmes throughout the organisation
- Communicating with employees, government agencies and the community on energy management
- Identifying, implementing and developing measurable targets for energy conservation projects
- Conserving energy resources through best practices and integrating energy management in business activities

Our Group-wide energy consumption for the past three years is presented below.



Note: Data for 2022 and 2023 encompasses all entities in Wasco. Data for 2021 were scoped to Wasco's Energy Division only.

Our Journey Towards Operational Net Zero Emissions



Sustainability Report

Greenhouse Gas Emissions Management

Climate change remains one of the most significant challenges facing society. As a leading energy company, embedding the climate transition in our strategy is key to delivering our mission and vision.

We unequivocally support the United Nations Framework Convention on Climate Change and the Paris Agreement and measures to progressively reduce global emissions, including the aim to limit the world's temperature increase to 1.5°C above pre-industrial levels.

In an effort to reduce our emissions impact, we are currently updating our emissions reduction targets to be consistent with a 1.5°C pathway. We aim to achieve net-zero Scope 1 and Scope 2 emissions by 2026.

Scope	Principal Means of Emissions Reduction	Initiatives identified and implemented	Targets
Scope 1 Coverage: entire Group (100%) <ul style="list-style-type: none"> • Stationary combustion • Company-owned vehicles • Refrigerant leakage • Fire suppression • Welding 	Reducing waste, improving energy efficiency and using lower-carbon fuels	<ul style="list-style-type: none"> • Phasing out use of diesel fuelled air compressors and power generators in all operations. • Mobile tower light powered by solar and battery instead of diesel. • Using natural gas for all burners • Minimising the use of LPG • The "Benefit of Walking" Campaign encourages personnel to walk instead of using vehicles • Optimising fuel use by periodically maintaining and servicing the plant and equipment • Using Euro 6 standard vehicles, which are energy efficient and limit harmful exhaust emissions • Using arc welding 	Target to reduce emission intensity from stationary combustion by 5%. Achieved 12% reduction in emission intensity from stationary combustion.
Scope 2 Coverage: entire Group (100%) - Purchased electricity	Increasing energy efficiency and using electricity from renewable sources	<ul style="list-style-type: none"> • Energy Saving Awareness Campaign • Using hibernation features for all computers • Installing timers/sensors for lighting, air conditioners, hydraulic power packs and blowers • Replacing malfunctioning bulbs with LED lights • Installing solar power system at production facilities. 	Target 25% of Group's energy mix from renewable sources. Achieved target of 25%.

Sustainability Report

Forests Alone Cannot Handle Carbon: Balancing Nature's Role in Climate Change

Facts: Nature has garnered significant attention for its remarkable ability to remove carbon dioxide ("CO₂") from the atmosphere and sequester it within the biosphere. This natural process occurs through photosynthesis, involving soils, grasslands, trees, and mangroves. However, nature is not only a carbon sink; it also contributes to carbon dioxide emissions due to deforestation, land degradation, ecosystem disruption, and agricultural practices. Fortunately, strategic changes in land management practices can mitigate emissions and enhance carbon storage.

Solutions: The urgency of achieving net-zero emissions to safeguard our climate is undeniable. A pivotal strategy relies on tree planting—the most impactful and cost-effective method to extract CO₂ from the atmosphere. Net-zero initiatives hinge on maximising the carbon uptake capacity of these trees beyond their existing absorption rates.

During this past year, we continued maintenance activities for the 160,000 trees planted in Wasco Forest phase one. Third party consultants were engaged to track and monitor the growth of Wasco Forest. We are pleased to share that our forest is healthy and growing well. This sentiment is shared by Pahang Forestry Department, who has granted an additional 670 hectares of land in Maran for us to continue our reforestation efforts.



Sustainability Report

Managing Climate Change Risks and Opportunities

Wasco's commitment to producing in a way that helps protect people, the environment and the communities where it operates includes mitigating the risks of climate change. We recognise the devastating effects and associated short- and long-term business risks that climate change presents. Wasco is committed to addressing this issue and to avoid the impact of climate change by improving the efficiency of our operations. Our climate change strategy includes working with employees and supply chain partners on energy-saving processes and a complete climate change risk assessment.

The Group's greenhouse gas ("GHG") inventory is tracked on a monthly basis via a dashboard that we developed internally. From the dashboard, metrics such as emission intensity, top GHG emission source and more are analysed and inform our GHG reduction strategies. Through the Sustainability Steering Committee, our management team devises strategies to manage and minimise our environmental footprint. The senior management team, along with the respective Heads of Business Units ("BUs"), regularly review GHG emission data on a monthly basis and effectively execute GHG reduction plans. Additionally, the Board receives quarterly updates on the Group's progress in this regard.

Climate-related risks and opportunities are identified, assessed and managed using Wasco's Risk Management Framework in the same way as all other risks. The Board and senior management consider, review and monitor climate-related risks and opportunities as part of our strategic planning process, investment decisions, and regular financial and operational performance reviews throughout the year.

Risks	Opportunities
Regulatory and Policy Risks <ul style="list-style-type: none">• Changes in environmental regulations and policies can impact operations, compliance costs, and market access.• Climate change related disclosures and regulations that could impact our regulatory reporting.	Energy Transition Services <ul style="list-style-type: none">• Diversify by offering services related to renewable energy, carbon capture, and energy efficiency.• Support clients in transitioning to cleaner technologies.
Market Risks <ul style="list-style-type: none">• As the world shifts toward cleaner energy sources, demand for oil and gas services may decline.• Fluctuations in oil and gas prices can affect project viability and revenue.	Market Opportunities <ul style="list-style-type: none">• Positive differentiation in the market for long-term value creation for the benefit of stakeholders.
Operational Risks <ul style="list-style-type: none">• Extreme weather events (e.g., floods, extreme heat) can disrupt operations, damage infrastructure, and lead to downtime.	Innovation and Technology <ul style="list-style-type: none">• Develop and provide innovative solutions for emissions reduction, digitalisation, and sustainable practices.• Effective management of climate change risks results in less wastages and contribute to overall cost savings for the Group.

Sustainability Report

In 2023, we invested RM1,574,500 on:

- Solar power system for manufacturing plant at Wasco Process Engineering Sdn Bhd in Telok Panglima Garang, Selangor; and
- Subscription to TNB's Green Electricity Tariff ("GET") programme for Wasco Coatings Malaysia Sdn Bhd in Kuantan, Pahang.

We are committed to addressing the issue of climate change and improving efficiency through adaptation by adopting new and green technology in developments and implementing fuel efficiency measures.



Wasco is an active member of the Malaysian Oil & Gas Services Council ("MOGSC") continues to address climate-related issues, specifically how it affects the Energy sector. Our role and involvement in this membership include:

- Identifying pressing environmental issues in climate change, water and waste; and
- Collaborating on solutions that drive improvement within Wasco and its supply chains.

We contribute to driving change management through knowledge and information sharing, especially public policy and regulation. The Council also examines various opportunities, such as hydrogen technology.

We continue to ensure consistency between our climate change policy and the position we advocate at trade associations of which we are members. In FY2023, key industry events we participated in were:

- Invited as panel speaker at Petronas' PD&T and Partners HSE Conference held in Kota Kinabalu to share our experience regarding our sustainability efforts.
- Participated in TNB's The Energy Transition Conference in Kuala Lumpur.



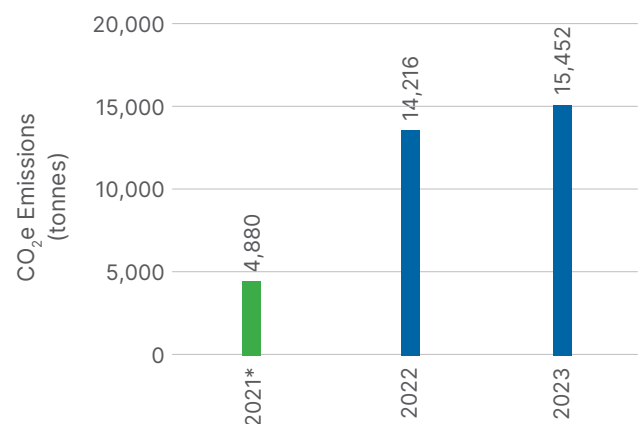
Sustainability Report

Consolidation method in carbon footprint calculation	Operational
Organisational boundary in carbon footprint calculation	Accounts for 100% of GHG emissions where Wasco has the authority to implement operational policies
Independent verification of operational GHG data	Our process in calculating and measuring GHG is guided and verified by the MGTC.

Scope 1

Coverage: entire Group (100%)

CO₂ emissions from the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

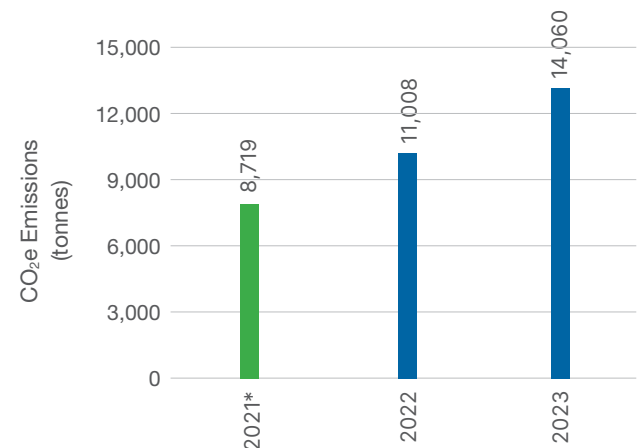


Scope 2

Coverage: entire Group (100%)

CO₂ emissions from electricity use:

- Emissions were derived from specific emission factor published by the relevant national government bodies.



Note: Data for 2022 and 2023 encompasses all entities in Wasco. Data for 2021 were scoped to Wasco's Energy Division only.

Sustainability Report

We have considered the effects of decarbonisation on the value of our assets over the short, medium and long term and recognise the importance of considering climate-related impacts and opportunities across our business. Wasco's key strategic priority is to accelerate the global energy transition agenda.

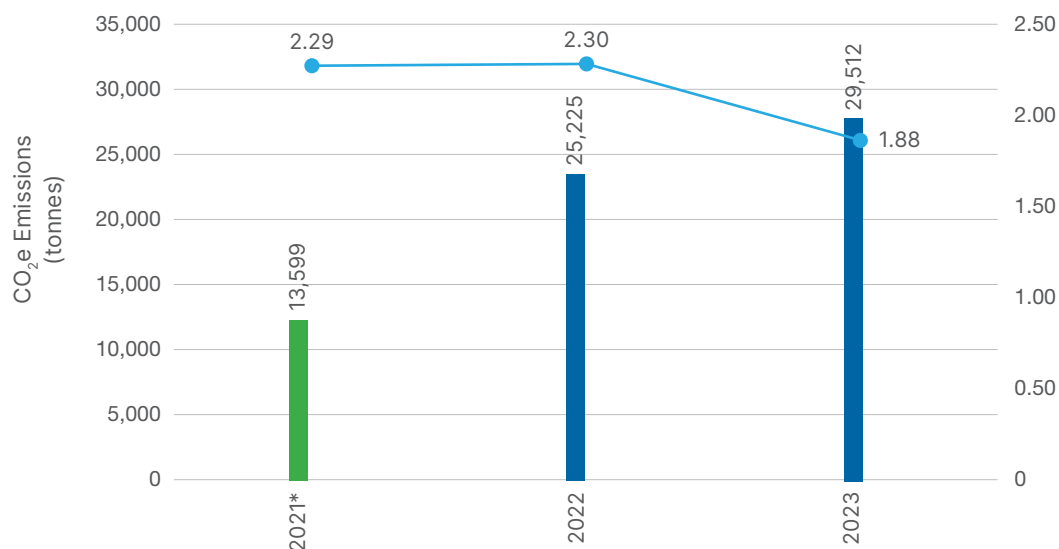
We actively monitor the latest global climate change science published by leading international organisations to help assess potential risks and opportunities for our portfolio. We seek to manage our portfolio to be resilient to adapt to a fast-moving energy transition and the increasing expectations of our stakeholders.

We are continuously improving how we identify, assess, manage and govern climate-related risks and opportunities for our business.

Emissions Intensity

Total GHG emissions do not necessarily reflect efficiency as they do not consider changes in output. Wasco expresses its emissions intensity as the tonnes of carbon dioxide equivalent produced by 1,000 man-hours.

Year	2021*	2022	2023
Total Emission (tCO₂e)	13,599	25,225	29,512
Total Man-hours	5,938,644	10,985,154	15,704,670
tCO₂e/Man-hours (1,000)	2.29	2.30	1.88



Note: Data for 2022 and 2023 encompasses all entities in Wasco. Data for 2021 were scoped to Wasco's Energy Division only.

Pollution Prevention and Control

Wasco is committed to addressing pollution by taking the following measures to reduce and avoid pollution impacts. They include:

- Identifying resources and the generation of all types of waste;
- Avoiding their impact and improving efficiency;
- Reducing or eliminating pollution at its source; and
- Modifying production, maintenance and facility processes, materials substitution, conservation, recycling and reusing materials where applicable.

Sustainability Report

Preserving Biodiversity

We strive to operate responsibly and protect biodiversity where we work worldwide. As part of our commitment to the UNSDGs, we commit to net positive biodiversity impact by exploring our impacts on biodiversity, protected areas and areas of significant biological value at our operational sites. We are focused on minimising biodiversity impact and our environmental footprint, preserving natural habitats and protecting and restoring ecosystems through nature-based projects.

We conduct formal biodiversity risks assessment on existing operations and potential new operations and projects. Before commencing a project, we perform a detailed Environmental Impact Assessment ("EIA") to study the potential impact of our operations on habitats and ecological functions. The EIA also helps the Company to formulate risk mitigation approaches. As example, biodiversity risks are continuously monitored at our new site in Tanzania.

Waste

Wasco is responsible for conducting business without any detrimental effects on the environment. We comply with all applicable and prevailing laws and industry standards on waste management, adopting products, systems, and work practices that minimise or reduce the impact of waste whilst improving efficiency by increasing the potential for reuse and recycling of resources.

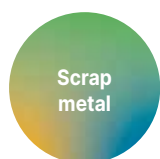
The Group's Waste Management Procedure sets out the following expectations:

- Efficient resource use to minimise the impact of pollution.
- Waste generation should be minimised at its source whenever possible.
- Finding alternative means for waste disposal by adopting cleaner and sustainable technology.
- Meeting all legal requirements on waste handling and disposal.

Our waste handling process for every type of waste disposed of from our operations is presented below.



- Sewage and greywater are collected in designated tanks, supplied and plumbed, and attached to ablution and lunchroom facilities.
- Tanks are emptied regularly by an authorised contractor.



- Scrap metal, including copper, is collected in a scrap metal skip.
- Scrap metal is collected or replaced by a contractor as appropriate.



- Scrap timber and large general waste items are collected in a general waste skip.
- Smaller or lighter general waste items, waste paper and food waste are collected in local, lined bins. Waste is fully contained and tied within suitable garbage bags upon emptying before being placed in the general waste skip to prevent it from being blown by the wind.
- The general waste skip is emptied by a contractor as appropriate.



- Aluminium cans and plastic bottles are deposited in a designated recycling bin for donation.



- Waste paint is fully hardened in its original container and disposed of as per SDS requirements, such as general waste or by an authorised contractor

Sustainability Report



- Oily rags are stored in a designated oily rag receptacle.
- Clients' maintenance operations should have an existing process for disposing of oily rags



- Hydrotest water is collected.
- The greywater system can dispose of untreated test water of fewer than 100 litres. Operations confirm greywater can handle the volume at the time of disposal. Third parties may dispose of it if the site cannot handle the additional volume.



- An authorised contractor collects condensate waste in suitable containers for transport and disposal.
- The client provides a bundled storage area for waste containers awaiting collection.



- An authorised contractor collects amine waste in suitable containers for transport and disposal.
- The client provides a suitable, bundled storage area for waste containers awaiting collection.



- A civil contractor removes soil and spoil from the site, transporting them for disposal at an authorised facility.



- A civil contractor removes waste concrete from the site, transporting them for disposal at an authorised facility.



- Contaminated soil, where it arises, is removed and stockpiled for disposal at a suitably licensed facility.

Noise Boundary Monitoring

The noise produced during the construction, operations and decommissioning of large infrastructure projects can potentially impact nearby noise-sensitive receptors. The Group complies with the Environmental Quality Act 1974. We also conduct boundary noise monitoring at a few points along the perimeter of our operations to align with approval conditions of Environmental Impact Assessments ("EIA"). In 2022, all noise levels were within 65 dBA, the level stipulated by the Department of Environment.

Sustainability Report

Conserving Water Resources

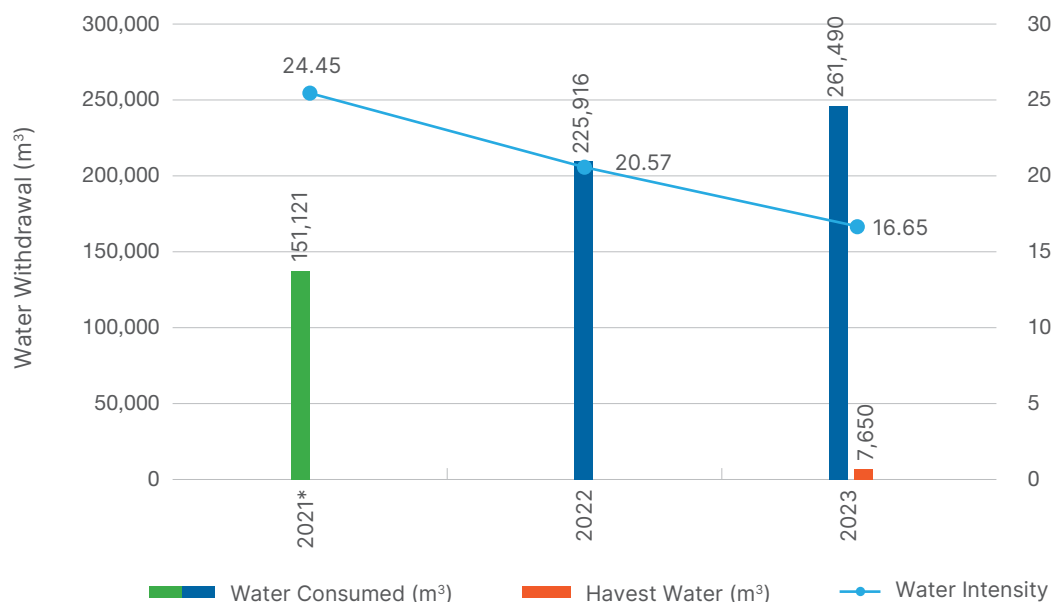
We carefully manage the use of fresh water in our operations and the impact of our projects on water resources in the surrounding areas. We aim to use alternatives such as recycled water to reduce water use and improve its efficiency. We have a range of processes that evaluate and help us manage risks associated with our water use. These processes focus on considering water conservation and efficiency in critical decisions and striving to conserve, reuse and recycle. Wasco has one operation in water-stressed regions. We make every effort to manage this resource efficiently and minimise water use at all sites.

In each site we have our HSE Management Plan, which includes a Water Management Procedure. This procedure outlines appropriate water control and monitoring measures for water management in the localities that we operate in, with reference to relevant local regulations and applicable legal requirements. Some examples of site level water reduction measures include water recycling, rainwater harvesting and reusing process water used in plant operation where possible. There has been no incidence of violations of water quality standards during this reporting period.

Water Consumption and Intensity (100% of Operations)

Wasco expresses its water intensity as total water consumed measured in cubic metres by 1,000 man-hours.

Year	2021*	2022	2023
Total Water Consumed (m ³)	151,121	225,916	261,490
Total Water Harvested (m ³)	0	0	7,650
Total Man-hours	5,938,644	10,985,154	15,704,670
m ³ /Man-hours (1,000)	25.45	20.57	16.65



Note: Data for 2022 and 2023 encompasses all entities in Wasco. Data for 2021 were scoped to Wasco's Energy Division only.

Sustainability Report

Social

Wasco's community investment principles are closely aligned with the goal of enhancing the well-being and development of local communities. By strategically aligning business objectives with community investment, the Group can achieve more favourable outcomes for both itself and the local communities it serves. The focus of community investment centers around a clearly defined purpose: to drive positive transformation.

Corporate Social Responsibility

Wasco is committed to providing long-term benefits to the community where we operate. In FY2023, we carried out a series of corporate social responsibility ("CSR") projects at our operations across the globe.

CSR Programmes for 2023

Volunteer at Casa Harapan – Wasco Coatings Malaysia Sdn Bhd, Kuantan



Wasco demonstrates its commitment to social responsibility through its volunteer efforts at Casa Harapan, a shelter home managed by the Drugs Intervention Centre Malaysia. Wasco staff actively engage in various tasks aimed at improving the living conditions of the residents.

Volunteer activities include cleaning, repairs, and installations such as ceiling fans, piping, doors, and LED lamps. By providing essential maintenance and upgrades to the facility, Wasco contributes to creating a safer and more comfortable environment for the residents of Casa Harapan. This hands-on involvement reflects Wasco's dedication to supporting local communities and making a positive impact on society.

Maendeleo Programme – Wasco ISOAF, Tanzania



Wasco had taken on a culturally conscious and intentional approach by investing in the living cultural heritage of villagers in Sojo and Igusule in Tanzania, through functional, artisanal craft. Wasco took initiative to commission, collaborate and procure locally made furniture complete with decorative trimmings from makers in the villages. Traditional craftsmanship's key advantage lies in its utilisation of natural materials and waste minimization, as artisans efficiently employ every part of the material, in stark contrast as mass production, which Traditional craftsmanship practices not only minimise energy consumption but eliminate harmful emissions, resulting environmental benefits and a reduction in our Carbon footprint.

In addition to supporting local artisans, Wasco has initiated a Bicycle Safety Campaign. This campaign aims to enhance road safety by equipping 1000 cyclists with essential safety gear, including side mirrors, dynamo lights, and reflectors.

School Facilities Upgrade – PT Wasco Engineering Indonesia, Batam



A flagship programme involving the upgrading of school infrastructure, aiming to cultivate secure and enriching learning environment for the children. The infrastructure enhancement including constructing an art studio stage, concreting school yards, building new restrooms, renovating existing facilities, repairing classroom ceilings and providing essential furniture for the schools.

Through these efforts, Wasco aims to empower local schools and contribute to the holistic development of the community, ultimately enhancing educational opportunities and outcomes for children in Batam.

Sustainability Report

**Clean-up Day at Aiyki Beach –
Wasco Greece, Thisvi**



Wasco Staff participated in collecting litter, sorting materials for responsible disposal, ensuring a cleaner beach and promoting responsible waste management.

**Wasco Christmas Wish Project –
Wasco HQ, Kuala Lumpur**



The project went beyond fulfilling the wishes of 30 children, embracing the spirit of generosity with gift ranging from anime-themed clothing to essential items. In collaboration with Aeon BIG, goody bags and electrical goods enhancing home's facility were contributed.

**Titiwangsa Park Clean-Up –
Wasco HQ, Kuala Lumpur**



On the designated park clean-up day, Wasco HQ staff and family members gathered at the expansive lakeside area of Taman Titiwangsa early in the morning. Their collective efforts promoted community social responsibility and fostered a spirit of togetherness.

A Place for People

Employees power the work of our company. We provide comprehensive compensation, benefits, tools and benefits to foster success and career growth for all employees, aligning our labour standards with the International Labour Organisation ("ILO") goal of promoting decent work.

Stringent yet fair employment standards and practices are stipulated in the Principles of Business Conduct. Our stance is communicated to all employees in English as it is the most commonly used business language. This document is translated into other languages such as Bahasa Malaysia when necessary.

As part of our risk assessment procedure, we regularly review the labour standards of existing and potential business and supply chain partners as part of due diligence. All parties are familiarised with our Principles of Business Conduct from time to time. There were no instances of non-compliance with labour standards during this reporting period.



Sustainability Report

Competitive Benefits

Our competitive benefits packages provide comprehensive health and wellness resources consistent with the Employment Act 1955 and additional benefits at our discretion. Wasco also provides leaves of absence for several quality-of-life needs, including personal, maternity and paternity leave.

Learning and Development

The Group invests in its people by enhancing their competencies and skills to improve work performance and results; and motivate and reward employees.



Wasco encourages its people to upskill their knowledge by investing in training and development. Employees can apply for training and supervisors also identify training and development where necessary to improve the employees' skill and competencies in accordance to established training matrix. Wasco also provides a suite of training material through our iLearn e-learning platform which is accessible to all employees assigned with an email. As a Group, we recorded a total of 69,565 training hours, equivalent to an average of 14.35 training hours per employee in 2023.

The Group also offers graduate placement and internship programmes to build future generation of leaders and address youth unemployment.

Employee Engagement

Employee engagement plays a vital role in boosting employees' motivation and morale. Wasco engages in regular staff dialogue physically and virtually to update employees on group developments. Close group engagement activities at the departmental level strengthened team members' bonds and addressed human resource-related matters.



Sustainability Report

Occupational Health and Safety

Operating in the energy industry, Wasco's prime objective is to establish a safe and healthy workplace for employees, contractors and other stakeholders while protecting the environment. Health, Safety and Environment ("HSE") is paramount and prioritised throughout the Group.

Wasco's HSE policy applies to all contractors and other stakeholders present on its premises. The management is committed to continuous improvement and compliance with OHSA 1994, FMA 1967, EQA 1974 and other applicable acts, legislations, orders, rules, codes of practices and other requirements, to which Wasco subscribes.

We are pleased to report no health & safety incidents that have led to fatalities recorded in 2023. We recorded three Lost Time Incidents ("LTIs") in the same period. We are committed to continuous improvement to providing a safe working environment and maintaining people's health and well-being. For FY2024, we continue to strive for ZERO injuries and fatalities at our operations.

Our Total Recordable Incident Frequency ("TRIF") in 2023 was 1.5, compared to the industry average of 0.9 as reported by the International Association of Oil & Gas Producers ("IOGP") in their "IOGP Safety Performance Indicators – 2022 data".

Wasco's commitment to health and safety:

- ✓ Increased awareness of health and safety among employees
- ✓ Reduced number of work accidents and their severity
- ✓ Zero occupational illnesses
- ✓ Reduced stress
- ✓ Enhanced well-being

2023 Highlights

- 71,106,642 Incident Free Man-hours Worked since the last LTI.
- Continued implementation of i-Start programme to enable a safety culture transformation.
- Digital safety observation initiative, the Care Card Advance Analytics project.

Safety starts with the individual; all individuals must protect their health, safety and well-being. Stringent health and safety standards help prevent hazards and incidents for all employees. As much of our work involves high-risk construction, we strictly follow the Safe Work Method Statement ("SWMS"), which clearly states measures to control the risks associated with our nature of work.

All employees are responsible for reporting incidents, near-misses, safety breaches and hazards. In 2023, Wasco trained 5,352 employees on health and safety standards, including general safety. Training included HSE induction, forklift operation, rigging and slinging training, working at height, electrical safety, hand safety, grinding safety and confined space entry.

Wasco's Board-approved Health and Safety Policy formalises the Group's health and safety philosophy and approach. Safety initiatives, internal monitoring and internal safety audit include creating a robust set of safety protocols and delivering carefully developed safety orientation and ongoing training. This training is extended to all employees, contractors and subcontractors. Every employee must attend a safety briefing before starting their workday at a minimum.

Sustainability Report

Emergency Response Team

Wasco's Emergency Response Team is responsible for directing evacuation procedures with the aid of fire wardens, subcontractors, suppliers and emergency services.

Assessing Safety Risks and Compliance

Health hazard, accident and injury prevention are integral parts of the sustainable strategy and business risk management processes. Wasco's due diligence includes a health and safety risk assessment for existing and potential new operations or projects. The Group benchmarks performance monitoring results and trends against its targets and industry standards.

HSE Certification

ISO 45001:2018 certification covers 69% of Wasco's operations, ensuring compliance with Occupational Health and Safety Management System standards.

Safety Governance

Wasco's Group HSE Committee is responsible for improving working conditions and provides employees and management with a forum to solve health and safety problems. The HSE Committee is a participative initiative comprising a chairman and management representatives. Led by Managing Director/Group CEO Mr Gian Carlo Maccagno, the committee reviews safety concerns, performance and risks and reports the Group's safety performance to the Board.

Wasco's HSE managers and officers are responsible for:

- Coordinating and ensuring HSE programmes are implemented effectively;
- Checking that the Company's facilities and infrastructure comply with applicable HSE standards;
- Ensuring employees and every individual present at its premises meet all HSE requirements; and
- Inspecting the port facilities and infrastructure daily to ensure compliance with the Occupational Safety and Health Act 1994, Act 514 ("OSHA 1994") and its safety guidelines.

Safety Performance

Coverage 100%

Fatalities

Coverage	2021*	2022	2023
Employees	0	0	0
Contractors	0	0	0

Lost-time Incident* Rate

2021*	2022	2023
0	0	0

* Lost Time Injury (LTI) is an injury sustained on the job by an employee that results in the loss of productive work time.

Note: Data for 2022 and 2023 encompasses all entities in Wasco. Data for 2021 were scoped to Wasco's Energy Division only.

Sustainability Report

Human Rights



Wasco summarised its human rights policy in our Human Rights Statement. All staff receive training on this policy. All associates review and receive annual awareness briefings on the statement as part of their human rights policy training. These documents are available in English and Bahasa Malaysia.

Wasco aligns its conduct with the United Nations Guiding Principles on Business and Human Rights. The day-to-day responsibilities and functions for monitoring human rights compliance have been allocated to various departments.

- Proactively assessing our human rights impacts on an ongoing basis as part of the Group's core business processes
- Evaluating the effects of the business and setting targets to drive continuous improvement.
- Avoiding, preventing and mitigating human rights issues
- Communicating expectations to all stakeholders, including business partners.
- Implementing human rights screening, training and monitoring of internal operations and supply chain partners

Wasco adheres to all applicable employment and human rights regulations where operations are based. Suppliers must do the same and abide by the Group's Principles of Business Conduct and Human Rights Statement as a minimum. To ensure that suppliers abide by the Group's Principles of Business Conduct and Human Rights Statement, it is included in our procurement process for vendors to sign our Corporate Social Responsibility (Labour) declaration.

Wasco ensures compliance to all relevant labour laws and our internal Principles of Business Conduct covers human rights issues, including non-discrimination, freedom of association and collective bargaining, prevention of child labour, forced and compulsory labour.

Sustainability Report

Our Approach to the Human Rights Issues Affecting the Industry



We do not tolerate forced labour and/or any forms of modern slavery, including bonded labour or human trafficking. Every employee willingly accepts the offer made by the Company.



We strictly comply and adhere to international child labour laws and the minimum legal age to work in every country in which we operate.



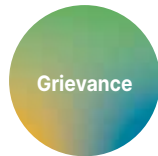
We prohibit any form of discrimination based on race, creed, sex, social status, religion, nationality, age, sexual orientation, gender identity, physical and mental disability or any other grounds.



Harassment is strictly not tolerated in any form, whether physical or mental, including sexual harassment or power harassment.



We monitor employee working hours, holidays and leaves of absence to comply with applicable laws and regulations.



Transparency and respectful engagement are cornerstones of our sustainability performance, allowing our business to evolve successfully and respectfully. We consider a robust grievance mechanism essential to protecting the people, community and environments affected by our operations.

Sustainability Report

Non-Discrimination

Wasco is committed to a workforce free of harassment and unlawful discrimination.

We treat all employees equally and fairly regardless of:

- Race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity or nationality, disability, pregnancy, religion, political affiliation or marital status.

We protect all employees in:

- Hiring and employment practices through adequate living wages, promotions, rewards and access to training.

We uphold our stand of 'equal pay for equal work' and comply with all local laws. There were no reported discrimination cases related to equality and diversity in 2023.

Equality in Recruitment

Wasco adheres to local labour laws during recruitment, with a preference for hiring locally. Hiring from local communities enhances our ability to understand local needs and strengthens our capabilities on the ground. However, diverse talent and expertise are vital for a Group with an ever-expanding international customer base. Wasco sources these talents and expertise internationally when unavailable locally.

Wasco practises equal opportunity and non-discrimination in its hiring process; candidates are only assessed on their qualifications and job suitability. Wasco does not discriminate in any stage of the hiring process, including recruiting from underprivileged groups, deprived backgrounds or people with disability. However, we employed 0% employees with disability at the end of FY2023.

In 2023, Wasco recorded an overall voluntary turnover rate of 10.91% during the year. Females represented 8% of the total workforce. Female representation at the Senior Leadership Team level remained stable at 15%.



Speak Up

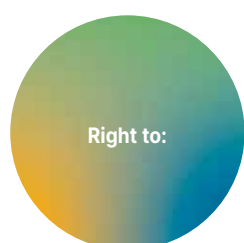
Wasco complies with laws by continuously monitoring internal processes, such as hiring and promotion. We actively encourage employees to speak up if they believe someone has violated the Principles of Business Conduct or labour laws. We take all reports seriously, investigate each rigorously and demand the same high standards from suppliers and other entities with which we conduct business.

Wasco has a formal mechanism for individuals, employees and communities impacted by our business activities to raise their grievances, including human rights. An effective whistleblowing channel guarantees anonymity and is available to internal and external stakeholders. Our whistleblowing channel also allows employee representatives to engage with management. There were no instances of human rights violations during this reporting period.

Sustainability Report

Salient Human Rights Issues

Wasco assessed potential adverse human rights impacts and salient human rights issues. Engaging with stakeholders helped identify potential human rights impacts affecting operations.



- Freedom of association and engagement
- Enjoy just and favourable conditions of work
- An adequate standard of living
- Health
- Social security and social insurance

Wasco supports the amendments to the Workers' Minimum Standards of Housing and Amenities Act 1990. All contractors working on our projects must provide worker facilities that follow the International Labour Organisation (ILO) guidelines.

Employees' wages comply with all applicable Malaysian laws such as working hours, minimum living wages, overtime hours and legally mandated benefits. In compliance with Malaysian law, we compensate workers for overtime at pay rates above the stated regular hourly rates. Docking wages as a disciplinary measure is not permitted. We also aim to eliminate excessive working hours by limiting them.

Product Responsibility

Providing cutting-edge technical services and licensed technologies, Wasco possesses the capabilities to deliver reliable and competitive products, premium solutions and unrivalled services.

Premium Solutions, Flawless Deliveries

Wasco's quality management system ("QMS") employs a process approach, enabling Wasco to plan its processes and interactions adequately. Wasco is committed to enhancing customer satisfaction and providing products and services that meet applicable statutory and regulatory requirements.

This QMS aligns with the most current ISO 9001:2015 and ISO 45001. Our laboratories are also certified with ISO/IEC 17025, the general requirement for the competence of testing and calibration laboratories published by the ISO.

We ensure all company and project-level QMS processes run effectively to improve customer satisfaction as mandated in the Group's Quality Policy.

Installing an Improved Pipe Tracking System enhanced quality delivery by tracking individual pipeline movement and status throughout the coating system. The system maintains pipes' current position, including repair and rejection, and improves tracking traceability. Utilising the powerful Welds Tracking System boosts efficiency and reduces wasted resources through effectively managing welders' status.

Wasco encourages anonymous customer feedback and monitors the results regularly. Maintaining close customer engagement during various project stages helps us understand and achieve their expectations.

Sustainability Report

Our Digital Transformation Journey

Wasco recognised that Digitalisation is a core competency for Wasco to survive and thrive. In 2023, we continued delivering various workshops and discussions virtually and physically to raise awareness of digitalisation at management and operation levels. We continued our journey in the smart manufacturing context by embarking on an Industry 4.0 journey by understanding its generic definition, aligning it with business priorities and understanding the different levels of digital maturity before directly entering the project implementation phases.

Wasco nurtures its in-house IT capabilities by investing heavily in its ERP system for several years. Developing different business applications in data reporting and process automation has supported our business divisions. In navigating the uncertain future of energy transition, we recognise the requirement for a new wave of digital transformation to equip our employees with the necessary skillsets, tools and platforms to embrace such dynamic changes.



While digital technologies are the enablers for the next wave of transformation, Digitalisation extends beyond the technology component; data-driven initiatives change how we think, work and collaborate. Digitalisation value is unlocked when employees are empowered with digital and data, shifting their focus to a more people-centric model by providing higher-value and sustainable solutions to customers and partners.

Empowering stakeholders to do more with less can only be achieved by allowing employees and customers to work together with digital technologies in the same ecosystem. We have started the data and AI journey by converging digitalisation with safety, sustainability and other strategic pillars, strengthening their potential.

For FY2023, we continued our programme to empower HSE personnel with a digital platform, rolling out to newly established operation sites. This platform covers people, processes, and technology to address safety concerns raised in our plants and yards, promptly. The Environmental Dashboard continues to provide valuable insights on the Group's GHG emission from the data gathered, enabling us to focus our efforts in combating climate change effectively. In 2023, the Governance Dashboard was developed, providing a digital platform for our Risk Management process. We will expand this further in FY2024 to track key performance indicators related to the Social aspect of ESG.



Sustainability Report

ESG Performance Data

Environmental Performance

Parameter	Units	2021*	2022	2023
Energy				
<u>Electricity</u>				
Total Electricity Consumption	MWh	14,070	23,861	27,028
Rooftop Solar PV Generation	MWh	0	640	664
Green Electricity Purchased via Green Electricity Tariff	MWh	0	5,000	6,000
<u>Fuel</u>				
Diesel Consumption	Liter	1,258,620	3,604,783	4,225,355
LPG Consumption	m ³	39,980	143,192	308,875
Petrol/Gasoline Consumption	Liter	51,683	95,112	107,513
Air Emissions				
NOX Emission	kg	30	85	99
SOX Emission	kg	0	0	0
Volatile Organic Compounds (VOC) Emission	kg	0	0	0
Water & Wastewater				
<u>Water Withdrawal</u>				
Municipal potable water	m ³	151,121	225,916	261,490
Harvested rainwater	m ³	0	0	7,650
Surface water from rivers, lakes, natural ponds	m ³	0	0	0
Groundwater from wells, boreholes	m ³	0	0	2
Used quarry water collected in the quarry	m ³	0	0	0
External wastewater	m ³	0	0	0
Sea water, water extracted from the sea or the ocean	m ³	0	0	0
Total water withdrawal	m ³	151,121	225,916	258,046
<u>Wastewater/Effluent Discharge</u>				
Discharge to Off-site Water Treatment Plant	m ³	4,316	10,744	1,310
Discharge to Ocean	m ³	0	0	0
Discharge as Surface Water	m ³	0	0	0
Discharge to Subsurface/Well	m ³	0	0	0
Others	m ³	0	0	0
Total wastewater/effluent discharge	m ³	4,316	10,744	1,310
Percentage of WSC sites located in water stressed area	%	0%	6%	5%
Water consumed in water stressed area	m ³	0	13,859	6,848
Cost associated with water-related risk	RM	0	0	0
Investment in water saving initiative	RM	0	0	0
Number of incidents related to non-compliance with water consumption related to local regulations	No. of Incidents	0	0	0