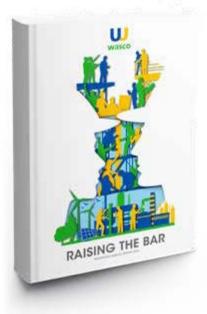


## RAISING THE BAR



#### Online Version



This report and additional information on Wasco Berhad are available online at our corporate website, www.wascoenergy.com.

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#### **RAISING THE BAR**

The theme "Raising the Bar" reflects our ongoing journey towards greater achievements in sustainability, operational excellence, and leadership. It highlights the tangible results of our initiatives, showing how the steps we took last year have translated into measurable progress. We are not just adapting to change—we are leading it and setting new benchmarks for ourselves and the industry.

The cover of our Integrated Annual Report this year features a dynamic illustration that embodies the spirit of our 2024 theme. The layered structure, formed by vibrant silhouettes of people in action, represents the collective strength, collaboration, and dedication of our workforce. As the figures ascend, they symbolise growth, progress, and the continuous pursuit of excellence, with each level building on the solid foundation of our past achievements.

The integration of industrial, renewable energy, and natural elements encapsulates our dedication to sustainability, innovation, and leadership in the evolving energy landscape. This visual narrative captures how we are not just adapting to change but actively driving it—setting higher standards for ourselves, our industry, and the future.

This embodies our commitment to exceeding expectations, pushing boundaries, and delivering outstanding performance across all operations. It marks our proactive role in driving change, with a strong focus on sustainability, collaboration, and creating lasting value.







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**Proxy Form** 

## ABOUT THIS REPORT

#### SCOPE AND BOUNDARY OF REPORTING

This Integrated Annual Report covers the reporting period from 1 January 2024 to 31 December 2024, unless otherwise specified. The information presented reflects the activities of Wasco Berhad and its subsidiaries ("Wasco" or "the Group"), including our subsidiaries, joint operations, joint ventures, and associates. References to "Wasco Berhad" or "the Company" refer specifically to the parent entity on a standalone basis.

#### FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding future performance. These statements and projections are based on current assumptions and conditions, which are subject to change and may involve uncertainty. A variety of factors could cause actual results to differ materially from those expressed or implied in these forward-looking statements.

#### **OUR TARGETED READERS**

This is our primary report to stakeholders, designed to meet the informational needs of long-term investors, including our equity and preference shareholders, as well as prospective investors. Additionally, we provide insights into how we create value for other key stakeholders, such as our employees, clients, business partners, regulators, and communities.

#### **MATERIALITY**

The information presented in this report addresses matters that are most material to our business and stakeholder value. We identify, prioritise and validate our material matters via a comprehensive three-step materiality assessment.

#### **INDEPENDENT COMBINED ASSURANCE STATEMENT**

The credibility of this report is underpinned by robust governance practices. Assurance for this report is provided by our Board of Directors, supported by external verification by PricewaterhouseCoopers PLT, our auditors for financial information and providers of limited assurance on selected non-financial information.

#### **FEEDBACK**

We welcome and value any feedback on this report from our stakeholders. Please direct your feedback or inquiries to:

#### **Chief Strategy Officer**

Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City,

Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia

Tel : +603-2685 6800 Fax : +603-2685 6999

E-mail: enquiry.investorrelations@wascoenergy.com

#### OUR APPROACH TO DELIVERING IMPACT

is aligned to the United Nations Sustainability Development Goals and we prioritised 9 out of the 17 goals based on our ability to delivering greatest impact through our core business.

#### **OUR SIX CAPITALS**

#### **Financial Capital**

Securing funding from capital providers is instrumental in supporting our business operations, augmenting the cash flow derived from both operational and investment sources

#### **Human Capital**

Wasco's unwavering commitment to nurturing a highly skilled regional workforce underscores our dedication to harnessing human capital as a pivotal asset in achieving our corporate objectives

#### **Manufactured Capital**

M Our state-of-the-art facilities, strategically positioned around the world, highlight our global reach and expertise

#### **Intellectual Capital**

Our competitive edge in the energy industry is driven by our strong intellectual capital which encompasses our team's expertise and innovation in niche market allowing us to adapt swiftly and lead in the sector

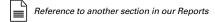
#### **Social & Relationship Capital**

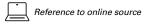
Our commitment transcends stakeholders, encompassing the communities where we operate, fostering collaboration, shared success, and responsible engagement

#### **Natural Capital**

Our commitment to preserving capital drives sustainability.
We minimise environmental impact, protect biodiversity,
and manage resources responsibly for a sustainable future

#### **CROSS REFERENCE**





#### **MATERIAL MATTERS**

- Health, Safety and Environment
- 2 Product Quality
- 3 Labour Practices
- 4 Human Rights
- Waste Management
- 6 Training & Development
- Diversity, Equity and Inclusion
- 8 Business Ethics
- 9 Risk Management
- 10 Product Design
- Business Model Resilience
- 12 Energy Management
- Greenhouse Gas
- 14 Water
- 15 Economic
- 16 Material Sourcing
- 17 Supply Chain
- 18 Physical Impact of Climate Change

#### STAKEHOLDERS



**Employees** 



Shareholders & Investors



Customers



Government & Regulators



Suppliers & Contractors



**Local Communities** 



Media



Partners and Principals



Financial Institutions



















### WHO WE ARE

## Wasco's Cultural Beliefs

At Wasco, our core values of partnership and commitment are the foundation of who we are. These principles are deeply embedded in our vision, mission, and operational standards, shaping our identity and the way we engage with the industries we serve.

As we elevate our services in the global energy landscape, our values play a crucial role in driving our cultural transformation. This dynamic synergy is designed to align with the next phase of growth, reinforcing a workplace culture that reflects our beliefs, philosophies, and priorities.

Beyond shaping our internal identity, these values also strengthen our dedication to delivering innovative and value-driven solutions to our stakeholders. They serve as a guiding force in our commitment to energy transition, ensuring sustainability remains at the heart of our journey.

As we move forward, our shared values not only honour our legacy but also set a clear direction for the future—one built on partnership, commitment, and proactive engagement in shaping a more sustainable energy landscape.



## **Our Vision**

To deliver reliable and competitive solutions to the energy industry with net zero carbon emissions by the year 2026.

Guided by our vision, we are dedicated to delivering reliable energy solutions and achieving net zero carbon emissions for Scope 1 and 2 by 2026.



## **Our Mission**

To accelerate the global energy transition while enhancing value for all our stakeholders.

Our mission is a powerful call to action, transcending the traditional company role. We are committed to leading the charge in accelerating the global energy transition, driving meaningful value for all stakeholders along the way.

## **Our Core Values**

Grounded in partnership, driven by commitment — these values define who we are, how we work, and how we grow.



## WHERE WE OPERATE + WHAT WE DO

With a strong presence in Malaysia, we have successfully expanded our footprint globally across 14 countries.

MALAYSIA
 Kuala Lumpur (HQ)
 Pahang | Selangor | Sabah
 UNITED KINGDOM
 Hartlepool
 NETHERLANDS
 Enschede
 ITALY
 Padova
 USA
 Louisiana

CANADA

Regina

• DUBAI Jafza

QATARDoha

TANZANIA
 Dar Es Salaam | Sojo

INDIA Gujerat

CHINA Hubei

AUSTRALIA
 Queensland

SINGAPORE

INDONESIABatam | Medan





Wasco is a recognised leader in pipeline coatings and offshore corrosion protection, supporting the oil & gas, Liquefied Natural Gas ("LNG"), and carbon capture and storage ("CCS") sectors. With over 22,000 km of pipelines coated across 25 countries, our proven track record underscores our commitment to quality and performance. Our capabilities also include the manufacturing of spiral-welded steel pipes, providing a complete solution for pipeline infrastructure needs.





Wasco delivers agile and integrated Engineering, Procurement and Construction ("EPC") and modular fabrication solutions tailored to the needs of the global energy sector. Operating from strategically located facilities in Southeast Asia and the Middle East, we support a wide range of projects across upstream, midstream, and downstream segments—including Floating Production, Storage, and Offloading ("FPSO") topside modules, power generation systems, and renewable energy infrastructure. Our solutions are designed for scalability, efficiency, and resilience, helping clients navigate the transition to cleaner energy systems.



Wasco is a regional leader in biomass energy solutions, supplying high-efficiency steam turbines, industrial boilers, and waste-to-energy systems. Serving 70% of the agro-industrial sector, our solutions are powered by renewable sources like biomass and natural gas. Through innovations such as Heat Recovery Steam Generator ("HRSG") technology with over 80% efficiency, we help clients reduce emissions and achieve cleaner, more sustainable operations.

## CORPORATE INFORMATION



#### **DIRECTORS**

#### **Dato' Seri Robert Tan Chung Meng** Non-Independent Non-Executive

Chairman

#### Gian Carlo Maccagno

Managing Director/
Group Chief Executive Officer

#### **Tan Sri Saw Choo Boon**

Senior Independent Non-Executive Director

#### Datin Wan Daneena Liza Binti Wan Abdul Rahman

Independent Non-Executive Director

#### Lily Rozita Binti Mohamad Khairi

Independent Non-Executive Director

#### Halim Bin Haji Din

Non-Independent Non-Executive Director

#### Tan Sri Professor Lin See Yan

Non-Independent Non-Executive Director

#### Tan Jian Hong, Aaron

Non-Independent Non-Executive Director

COMMITTEE	AUDIT COMMITTEE	NOMINATION & REMUNERATION COMMITTEE	BOARD SUSTAINABILITY COMMITTEE*
Chairman	Datin Wan Daneena Liza Binti Wan Abdul Rahman	Tan Sri Saw Choo Boon	Lily Rozita Binti Mohamad Khairi
Member	Halim Bin Haji Din	Tan Sri Professor Lin See Yan	Tan Sri Professor Lin See Yan
Member	Tan Sri Saw Choo Boon	Lily Rozita Binti Mohamad Khairi	Datin Wan Daneena Liza Binti Wan Abdul Rahman

<sup>\*</sup> The Governance, Compliance & Risk Committee changed its name to Board Sustainability Committee with effect from 29 August 2024.

#### **GROUP COMPANY SECRETARY**

Woo Ying Pun (MAICSA 7001280) SSM Practicing Certificate No. 201908002179

#### **AUDITORS**

PricewaterhouseCoopers PLT (LLP0014401 – LCA & AF 1146) Chartered Accountants Level 10, Menara TH 1 Sentral Jalan Rakyat Kuala Lumpur Sentral 50706 Kuala Lumpur, Malaysia

#### **SOLICITORS**

Rahmat Lim & Partners

#### **PRINCIPAL BANKERS**

HSBC Bank Group Malayan Banking Berhad OCBC Bank Group RHB Bank Berhad

#### **PRINCIPAL ADVISERS**

Maybank Investment Bank Berhad RHB Investment Bank Berhad CIMB Investment Bank Berhad

#### **SHARE REGISTRAR**

Tricor Investor & Issuing House Services Sdn. Bhd. Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia

Tel : 603-2783 9299 Fax : 603-2783 9222

Email: is.enquiry@my.tricorglobal.com

#### **REGISTERED OFFICE ADDRESS**

Suite 19.01, Level 19 The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia

Tel : 603-2685 6800 Fax : 603-2685 6999

Email : enquiry@wascoenergy.com Website : www.wascoenergy.com

#### **PRINCIPAL PLACE OF BUSINESS**

Suite 19.01, Level 19, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia

Tel: 603-2685 6800 Fax: 603-2685 6999

#### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

#### **DATE OF LISTING**

9 July 2002

#### **CATEGORY**

Sector : Energy

Sub-Sector: Energy Infrastructure,

**Equipment & Services** 

#### STOCK CODE

5142

#### **STOCK NAME**

WASCO

## 2024 KEY PERFORMANCE HIGHLIGHTS



A total of **RM777,578** was invested in community initiatives.



A total of 11,936 beneficiaries were reached through Wasco's social impact programmes.

A total of 11,779 volunteer man-hours were contributed in 2024.



Total rainwater harvested in 2024 amounted to 11,187 m<sup>3</sup>



Joined the

UN Global Compact Network Malaysia &

Brunel to advance human rights, promote fair labour practices, protect the environment, and combat corruption.



Successfully maintained the MS ISO 37001:2016
Anti-Bribery
Management System
("ABMS") certification.



Secured a double win at The Edge Malaysia ESG Awards 2024, taking home Silver for Best Performer in the Energy Sector and Silver for Most Improved ESG Performance Over the Past Three Years (RM800 Million - RM5 Billion Market Capitalisation Category)



Zero workplace fatalities



Engineering and Fabrication Services awarded the prestigious

#### **SMK3 Gold Certification**

by Indonesia's Ministry of Manpower, recognising its stringent safety protocols and strong commitment to workplace safety.

## Thermal Insulation System Plant in Tanzania commenced

24-hour, six-day-a-week operations, boosting efficiency, productivity, and project execution to meet rising industry demand.

#### Successful expansion

of coating facilities in Hartlepool, United Kingdom with the recent installation and commissioning of a new concrete coating facility.



# CHAIRMAN AND MANAGING DIRECTOR/ GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

#### DEAR VALUED SHAREHOLDERS,

**Navigating a Challenging Energy Landscape** 

The year 2024 was one of significant momentum for Wasco. Despite a global economy expanding by just  $3.2\%^1$  — slightly below historical trends and the energy industry in a transition mode, our performance stood out, driven by focused strategy and a deep commitment to long-term value creation. While trade tensions and geopolitical uncertainties persisted, they catalysed structural shifts, opening new corridors of opportunity in new markets.

The energy sector remained a core pillar of global infrastructure development. More than 233,000 km² of new trunk oil and gas pipelines are forecast to come online by 2030, ensuring continued demand for one of our core services: pipeline coatings. Concurrently, the clean energy transition is moving ahead, with annual investments expected to reach USD4 trillion³ by decade's end. These parallel forces—conventional energy expansion and the shift toward low-carbon alternatives—form the foundation of Wasco's strategic direction.

In Asia-Pacific, the Middle East, and Europe, pipeline projects are surging. Southeast Asia's GDP growth of 5.2%<sup>4</sup> bolstered demand for sustainable solutions, including waste-to-energy systems and biomass boilers. We were well-positioned to capture these tailwinds, owing to deliberate investments in capacity, innovation, and market presence.

#### Revenue

## RM3.2 Billion

11.9% based on adjusted revenue of RM2.9 billion

#### **PATMI**

## RM153.0 million

🚹 41.2% year-on-year

RAISING THE BAR:
STRENGTHENING
PERFORMANCE,
EXPANDING GLOBAL
IMPACT



#### Raising the Bar: A Year of Transformation

Against this backdrop, 2024 was a breakthrough year for Wasco. We delivered our strongest financial performance to date, with total revenue of RM3.2 billion. Adjusted revenue excluding trading business grew by 11.9% to RM2.9 billion, and PATMI increasing 41.2% to RM153.0 million. These outcomes reflect our focus on disciplined execution, operational excellence, and a firm commitment to advancing our strategic priorities while delivering sustained value for shareholders.

In 2024, we coated over 1,000 km of pipelines, supporting strategic global energy projects such as Qatar's critical North Field Expansion—one of the world's largest gas

developments, Rosmari Marjoram—one of the largest offshore pipeline and Petronas' flagship Kasawari CCS Project, marking a significant milestone toward Malaysia's decarbonisation goals. Our Engineering & Fabrication Services team achieved important milestones this year, successfully completing our 300th module delivery, which included early completion of the Angola FPSO project and securing our largest-ever engineering and fabrication contract, valued at USD150.0 million, reaffirming the industry confidence in our capability to deliver complex, high-value projects.

In the United Kingdom, in addition to our existing anti-corrosion facilities, our new concrete coating plant is now fully operational and strategically positions us for future pipeline coating projects in the region, including those related to carbon capture.

Expanding our global impact, we also made substantial progress at our key fabrication hubs in Southeast Asia and the Middle East.

In Batam, we continued to expand fabrication facilities to complement our EPC capabilities with the expansion of our quayside infrastructure — effectively doubling our loadout capacity to 10,000 metric tonnes to support the delivery of larger, more complex modules for both offshore and onshore energy developments. Spanning 36.7 hectares, the facility is equipped with over 19,000 m² of fabrication shops, a 2,160 m² exotic alloy pipe workshop, and 4,100 m² of covered blasting and painting space, reinforcing its role as a key execution hub within our global operations.

To increase the value proposition to our clients, we are investing in a 100-metre jetty extension (targeted for completion by Q2 2025), robotic cutting technology (Q4 2025), and a utility upgrade to increase power supply from 4MW to 8MW (Q3 2025). Strategically located within a Zone ("FTZ") Free Trade and 40 kilometres from the nearest international airport, the Batam yard offers operational agility and cost efficiency, positioning us to capture emerging opportunities across regional and global energy markets.



## CHAIRMAN AND MANAGING DIRECTOR/ GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Our facility in Dubai, located in the Jebel Ali Free Zone North—one of the region's most strategic logistics hubs-complements our Southeast Asian operations. Spanning 25,000 m<sup>2</sup>, with 8,177 m<sup>2</sup> of covered area, the facility is equipped with multiple fabrication bays, a multipurpose covered workshop, blasting and painting sheds, and ample open space for assembly. The yard is capable of delivering up to 10,000 metric tonnes of modular fabrication and pressure vessel manufacturing annually. Its proximity to the Jebel Ali Seaport, combined with its FTZ status, offers logistical and cost advantages, particularly for heavy loadouts destined for regional and international projects. The facility reflects our continued investment in operational excellence and our readiness to serve the growing demand for modular solutions across the Middle East and beyond.

Our Bioenergy Services division ended 2024 with a strong backlog of RM259.2 million—one of the highest order book levels to date. This significant pipeline reflects robust market demand and enhanced revenue visibility, driven by global momentum toward decarbonisation and sustainable energy solutions. With increasing demand for biomass boilers and waste-to-energy systems that support Scope 1 emissions reduction, the division is well-positioned to scale and capture emerging opportunities across the region.

Backed by a proven track record and growing market relevance, our Bioenergy business has reached a level of maturity that supports strategic optionality, including potential capital market access. This aligns with our broader ambition to unlock long-term value and position the division as a leading player in the renewable energy sector.

#### Strengthening Market Visibility and Industry Engagement

Our visibility in the broader energy market significantly grew through active participation at major industry events, including the Abu Dhabi International Petroleum Exhibition & Conference ("ADIPEC") 2024 and Offshore Technology Conference ("OTC") Asia 2024. Such platforms have reinforced Wasco's global brand presence, facilitated valuable industry dialogue, and opened new opportunities for partnerships and project engagements worldwide.



MD/GCEO engagement session with investors and analysts during Wasco Investor Day 2024.

## Rewarding Shareholders and Strengthening Investor Relations

To reward shareholders for their continued confidence, on 28 February 2025, we declared a 2 sen dividend per share—the first since 2020. This dividend reflects prudent financial management during uncertain times, enabling strategic reinvestments to secure sustainable growth in future. We plan to retain adequate resources for the future growth of the Group while at the same time, reward our shareholders for their support through dividend payments. We will aim at achieving a good balance between efficient capital management and appropriate shareholders' participation in the success of the Group through dividends.

Our active Investor Relations strategy further underscores our commitment to transparency and stakeholder engagement. In June, we successfully hosted our inaugural Investor Day, themed "Navigating the Future of Energy," attracting over 100 investors and analysts. This event, which we intend to hold biennially, complements our ongoing participation in dedicated investor conferences, ensuring consistent communication, market visibility, and sustained investor confidence.



44

Our Bioenergy Services division ended 2024 with a strong backlog of RM259.2 million—one of the highest order book levels to date.

This significant pipeline reflects robust market demand and enhanced revenue visibility, driven by global momentum toward decarbonisation and sustainable energy solutions.

77

#### **Strategic Clarity for the Future**

The past year cemented Wasco's transformation from a diversified group into a dedicated energy infrastructure specialist. Recognising our historical reliance on the oil and gas sector as a key challenge, we intensified efforts to diversify within the broader energy industry, proactively expanding our presence in energy transition and renewable solutions. This strategic direction, anchored in pipeline coatings, modular fabrication, and bioenergy, ensures resilience amid industry shifts.

Our order book stood at RM2.5 billion at year-end, supported by robust demand and improved visibility across our business units. Our regional presence in Southeast Asia, the Middle East, Europe, and Africa further reinforces this resilience.

Significant progress was achieved in digital transformation, with enhancements to our Health, Safety and Environment ("HSE") and ESG dashboards, Industry 4.0 adoption, and embedding analytics into core systems. Long-term investments in Enterprise Resource Planning ("ERP") systems, automation, and advanced business applications laid a robust foundation for integrating sustainability, governance, and social responsibility throughout our organisation.

While we remain consciously optimistic about the energy sector we are serving, the geopolitical and geoeconomic implications of ongoing tariffs and counter-tariffs remain uncertain. At the time of writing, the global business environment is becoming increasingly unpredictable. In light of this, we are committed to staying vigilant and ready to adapt swiftly to any changes that may arise.

We believe that one of the key goals of our transformation strategy—to strengthen our balance sheet and reinforce financial discipline—has positioned Wasco more robustly to withstand adverse market conditions and unexpected business shifts.



Staff engagement session with the senior leadership during Wasco Townhall 2024.



Volunteers including MD/GCEO joining Wasco Forest's tree-planting programme.

#### Sustainability as a Strategic Driver

Our position in the energy transition strengthened significantly through the launch of ASEAN's first Sustainable & Transition Finance Framework ("STFF") and securing a USD25.0 million sustainability-linked loan. These achievements align with our commitment to responsible financing and sustainable business growth.

Our approach remains grounded in globally recognised principles—underscoring our alignment with all 17 United Nations Sustainable Development Goals ("UNSDGs") and our commitment to ethical governance. In December, we voluntarily joined the United Nations Global Compact Network Malaysia & Brunei ("UNGCMYB"), and have since begun

embedding the Ten Principles into our operations. This strategic step reinforces our governance framework and reflects our focus on long-term, sustainable value creation for our shareholders.

Our ESG performance continued to gain recognition. We maintained our inclusion in the FTSE4Good Bursa Malaysia and FTSE4Good Bursa Malaysia Syariah indices, affirming our progress in transparency and sustainability standards. At The Edge ESG Awards 2024, we were honoured with two silver accolades—for Best Performer in the Energy Sector and Most Improved ESG Performance Over the Past Three Years (RM800 Million - RM5 Billion Market Capitalisation Category). Our inclusion in the 2024 Fortune 500 Southeast Asia list further validated our strategic focus and growing investor confidence globally.

#### Employee Engagement: Driving a High-Performance and Inclusive Workplace

At Wasco, we recognise that our people are the driving force behind our success. In 2024, we exhibited our commitment to employee engagement through enhanced global mobility programmes, talent development initiatives, and inclusion efforts as we laboured to foster a dynamic and high-performance workplace culture.

To promote career growth and crossborder collaboration, we expanded our global mobility framework, enabling employees to gain international exposure and develop critical skills in key markets. Our other talent development initiatives include structured leadership training, upskilling programmes, and mentorship opportunities, all of which equip our workforce with the expertise required to navigate the dynamic energy landscape.

In line with our commitment to diversity, equity, and inclusion, we introduced targeted initiatives to promote a more inclusive work environment, ensuring equal opportunities for all employees regardless of their background, gender, or experience.

#### In Closing

Reflecting on this journey, we are personally inspired by the dedication, resilience, and passion our teams have demonstrated across the globe. Behind every achievement is the talent, collaboration, and unwavering commitment of our people, who continually inspire us.

With clarity of direction, operational excellence, and a deep sense of responsibility toward our stakeholders, we build toward a stronger, more sustainable Wasco. Shareholders can look forward to improved dividend distributions and unlocking greater value from our businesses, facilitating expansion and capturing exciting growth opportunities ahead.

To our employees, clients, investors, and partners—thank you for your steadfast support. As we turn to 2025, we carry forward valuable lessons, sustained momentum, and the belief that Wasco's greatest chapters are yet to be written.

#### **Dato' Seri Robert Tan Chung Meng** Chairman

Wasco Berhad

#### Gian Carlo Maccagno

Managing Director/ Group Chief Executive Officer Wasco Berhad



Wasco bagging double win at The Edge ESG Awards 2024.

- At the point of writing, global economic growth is expected to stay below pre-pandemic trends, despite showing remarkable resilience, with growth projected at 2.8% in 2025, the same as in 2024.
- <sup>2</sup> Source: GlobalData, Pipelines Database, August 2024. Proprietary report.
- <sup>3</sup> Source: International Energy Agency, Net Zero by 2050: A Roadmap for the Global Energy Sector, 2021. Available at: https://www.iea.org/reports/ net-zero-by-2050
- Source: Reccessary, ASEAN Renewable Energy Growth Faces Hurdles Despite Climate Urgency, 6 February 2025. Available at: https://www. reccessary.com/en/research/asean-renewableenergy-growth

## CHIEF FINANCIAL OFFICER'S REVIEW

#### Dear Respected Stakeholders,

It is an honour to connect with you as we reflect on Wasco's continued financial resilience and robustness in the evolving energy sector. Over the past few years, we have focused on strengthening our balance sheet, ensuring financial stability, and enhancing our ability to navigate industry shifts. Through prudent capital management, cost optimisation, disciplined investment decisions and strategic divestments, we have built a solid foundation that positions us well for sustainable growth.

## **Embracing Change: Innovation and Sustainable Growth**

The energy industry is undergoing a profound transformation, driven by technological advancements, regulatory shifts, and an increasing commitment to sustainability. As the sector adapts to these changes, Wasco remains proactive in seizing new opportunities, refining our strategies, and leveraging innovation to enhance resilience.

Our focus on financial strength, operational efficiency, and strategic investments enables us to capitalise on emerging trends while ensuring long-term profitability. We continue to embrace digitalisation and energy transition initiatives to drive efficiency and expand our market presence. Through these efforts, we are committed to delivering sustainable value for our stakeholders, reinforcing our role as a trusted leader in the energy sector.

#### **Robust Profitability**

We are thrilled to have delivered a stellar performance in FY2024, with the Group comfortably surpassing our FY2023 results and exceeding analysts' consensus.

Our Profit After Tax and Minority Interest ("PATMI") surged by 41.2% in 2024 to RM153.0 million, despite recognising net one-off charges amounting to RM29.1 million, a record high for the Group. This outstanding achievement was primarily driven by higher revenue contributions with improved margins, alongside profit contributions from joint ventures. The successful execution of high-value projects across the energy and renewable energy sectors further solidified our position as a leader in sustainable and value-driven solutions.

Net Borrowings
RM173.0
million
2023: RM292.6 million

Net Gearing Ratio

1.21 X
2023: 0.48x

PATMI
RM153.0
million
2023: RM108.4 million

Return on Capital Employed 20.6%

RM348.2 million
2023: RM350.0 million





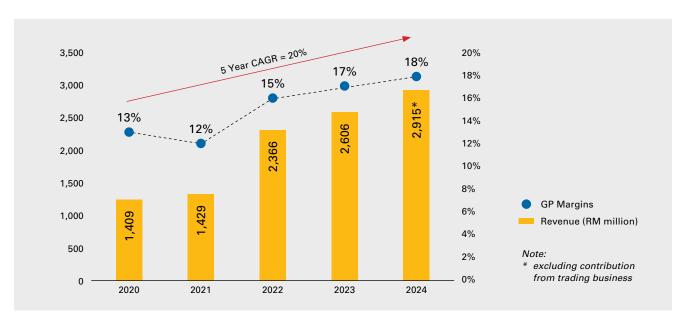
Our core profits stood at RM182.1 million, markedly exceeding the full-year consensus of RM144.0 million, and we improved both our Return on Equity and Return on Capital Employed, reinforcing our dedication to sustainable growth and shareholder value creation.

In light of the achievements above, for the fiscal year 2024, the Group announced and distributed dividends of 2 sen per share, amounting to a total of approximately RM15.5 million. It is noteworthy that the previous dividend payment occurred in fiscal year 2020, subsequently, we concentrated on strengthening our financial foundations.

## Strategic Revenue Growth & Business Restructuring

In FY2024, our revenue recorded a high of RM3.2 billion, including approximately RM269.9 million from our trading business (previously categorised as "Asset Held for Sale"). After eliminating the contribution from our trading business, our adjusted revenue of RM2.9 billion was a respectable 11.9% higher compared to FY2023. This increase was primarily driven by a surge in project execution activities during the year, despite both domestic and global economic uncertainties and industry challenges.

Gross Profit ("GP") maintained upward momentum, rising to RM552.2 million in FY2024—a robust 23.9% increase from RM445.8 million in FY2023. Excluding the revenue contribution from our trading business, our GP margin of 18.9% is slightly higher than in FY2023.



#### Exit of Trading Business

In line with the Group's business rationalisation strategy, the Group had decided to exit the trading business. This involved the divestment of WDG Resources Sdn. Bhd. ("WDG") and Syn Tai Hung Trading Sdn. Bhd. ("STHT"), with active efforts to secure buyers for both entities.

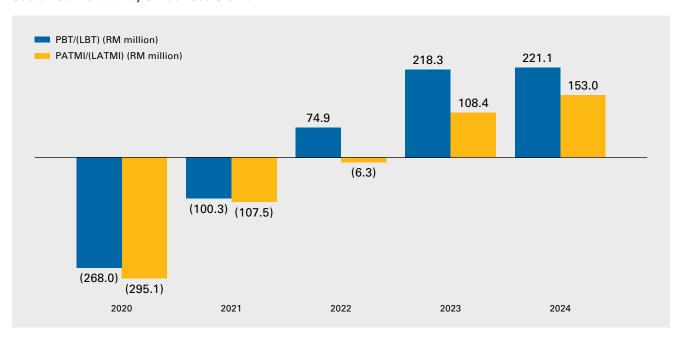
By 30 June 2024, the Group entered into an agreement for the disposal of WDG through the sale of 1,200,000 ordinary shares and 4,800,000 redeemable preference shares, representing 60% and 80% ownership, respectively, for a total consideration of approximately RM731,000. This disposal resulted in WDG and its subsidiaries ceasing to be part of the Group's operations.

WDG remained classified under discontinued operations in the Condensed Consolidated Statement of Profit or Loss of the Group for part of the year.

For STHT, despite efforts to identify a suitable buyer, no viable offers were received. Consequently, in November 2024, the Group opted to proceed with the liquidation of STHT instead of disposal. Therefore, for the financial year ended 31 December 2024, STHT was reclassified under continuing operations.



#### **Sustained Profitability & Business Growth**





Our Engineering & Fabrication Services unit reached a significant milestone with the 300th module loadout from Batam, successfully delivering ahead of schedule for the Angola FPSO project. Additionally, some notable projects secured by our Engineering & Fabrication Services unit include a substation project in the Middle East, Engineering, Procurement, Construction and Commissioning ("EPCC") for power generation assets in Australia, and EPCC and maintenance of gas compression units in Indonesia. All of this further bolster the Group's market expansion strategy and strengthens its position as a trusted industry leader.

#### Bioenergy Services

Our Bioenergy Services division recorded revenue of RM276.7 million, a slight decline from the previous year due to softer demand. This is in line with the natural plantation cycle, which had followed an exceptional year in 2023. Despite this, the division remains resilient, with contributions from after-sales services growing from 28% to 34% in 2024. To date, it has successfully sold a total of 1,764 turbine units, unlocking significant opportunities for growth through its expanding after-sales services.

Additionally, it is worth noting that the division is also looking to strategically invest in the growing industrial boiler segment to support corporate decarbonisation efforts and capitalise on the industrial sector's gradual transition toward cleaner energy solutions.

#### **Cost Management & Financial Efficiency**

As mentioned, the Group had recorded, excluding the trading business, an adjusted revenue of RM2.9 billion in FY2024, an increase of 11.9% from the prior year. Nonetheless, the increase in revenue did not directly align with the percentage increase in PBT, largely due to the net one-off charges totalling approximately RM29.1 million for the fiscal year. Excluding these, the Group would have reported a PBT of RM250.2 million for FY2024, reflecting robust growth of 14.6%, which was higher compared to the Group's adjusted revenue.

Finance costs saw a more modest decline of only 10.4%, despite total debt reduction by 25.2%. This disparity is primarily attributed to two key factors. Firstly, a significant portion of the Group's loans are denominated in USD, which carries a higher interest rate. Secondly, loan repayments were made progressively throughout the year. Consequently, the reduction in the Group's total debt did not translate into a proportional decrease in finance costs.

Over the five-year period, the Group's profitability also underwent a significant turnaround. In FY2024, the Group recorded a Profit Before Taxation ("PBT") and PATMI of RM221.1 million and RM153.0 million, respectively, a testament to our resilience and effective business strategies, as we increased our exposure into other areas within the energy sector.

#### Energy Services

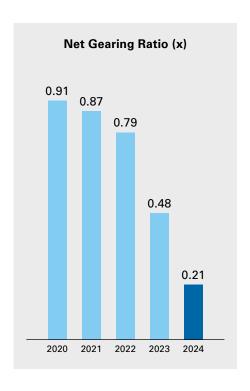
Our Energy Services division achieved strong growth, with revenue increasing 12.6% to RM2.6 billion from RM2.3 billion in FY2023, driven by a surge in project activities. Key milestones for our Pipeline Services unit include the completion of 570 kilometres of pipeline coating for Qatar's North Field Expansion Project and 139 kilometres of coated pipelines for Malaysia's Kasawari CCS Project, supporting national decarbonisation efforts. Additionally, 220 kilometres of pipelines were coated for the Rosmari-Marjoram Project, enhancing regional gas production.

#### **Balance Sheet and Capital Allocation**

The Group achieved a notable reduction in total debt attributed to our strong operating cash flow. The Group repaid net debt of approximately RM221.9 million over the year. This reduced the Group's net gearing to RM173.0 million as of December 2024, improving our net gearing ratio significantly from 0.48x in 2023 to 0.21x. Naturally, our cash and bank balances decreased to RM352.5 million as of FY2024, from RM410.3 million in the prior year.

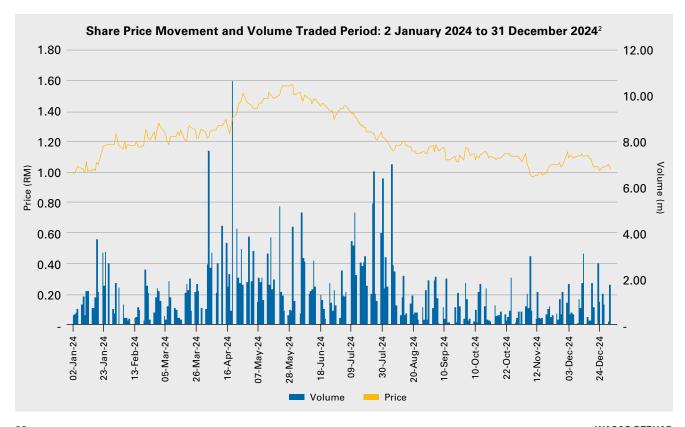
This proactive capital management approach aims to lower interest expenses and provide greater financial flexibility for our future needs. Additionally, it mitigates the risk of financial strain under adverse economic conditions, enhancing our financial resilience. As a result, the Group now enjoys stronger financial control, strength, and flexibility.

Capital Expenditure ("CAPEX") for FY2024 saw the Group maintain a similar level of spending compared to the previous year. CAPEX was incurred primarily for the upgrading of our Engineering and Fabrication yard in Batam, Indonesia, and the acquisition of additional plant and machinery assets for our Qatar and UK plants. Looking ahead, the Group does not expect CAPEX for 2025 to deviate significantly vis-à-vis 2024.



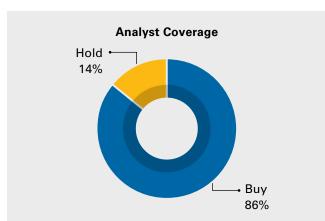
#### **Equity Market**

In 2024, despite global headwinds such as potential US trade tariffs and policies that raised fears of supply chain disruptions negatively impacting emerging market equities, the Malaysian capital market remained resilient and orderly without any observed systemic stability concerns. The Securities Commission reported that the Malaysian capital market hit an all-time high of RM4.2 trillion in 2024 (2023: RM3.8 trillion), driven by the growth in stock market capitalisation and bonds and sukuk outstanding.<sup>1</sup>





Wasco's share price was actively traded and rallied during the second quarter to a high of RM1.57 from RM1.00 at the beginning of the year. We believe that this has coincided with the series of commendable result announcements for Q4 FY2023 and Q1 FY2024. However, the second half of the year had seen our share price shedding the gains, suffering a similar fate with other energy counters on Bursa Malaysia, closing the year at RM1.02.



Wasco's stock is covered by 6 research houses, and as at 3 March 2025, we have 5 BUY calls and 1 HOLD call, with an average 12-month consensus target price of RM1.77.3

#### **Economic Outlook**

At the point of writing, global economic growth is expected to stay below pre-pandemic trends, despite showing remarkable resilience, with growth projected at 2.8% in 2025, the same as in 2024. According to Bank Negara Malaysia, Malaysia capped off a positive year with the economy recording 5.1% growth in 2024, well ahead of 3.7% growth attained in 2023. This growth momentum is expected to be sustained in the near term, with growth projected at 4.7% in 2025.<sup>4</sup>

In conclusion, as the global economy continues its recovery, 2025 is expected to bring moderate growth, supported by easing inflationary pressures. However, the business landscape will require careful navigation amid ongoing recalibrations across geopolitical, economic, and technological fronts. In this dynamic environment, the Group remains committed to executing its strategic initiatives that drive long-term value creation.

#### Ramanathan Singaram

Chief Financial Officer Wasco Berhad

<sup>&</sup>lt;sup>1</sup> Source: Securities Commission Malaysia, Annual Report 2024 – Capital Market Review, published March 2025. Available at: https://www.sc.com.my/resources/publications-and-research/sc-annual-report-2024

<sup>&</sup>lt;sup>2</sup> Source: Investing.com, Wah Seong Corporation Bhd Historical Data, accessed April 2025. Available at: https://www.investing.com/equities/wah-seong-corporation-bhd-historical-data

Source: Wasco Berhad Investor Relations, based on respective research analyst coverage.

<sup>4</sup> Source: Bank Negara Malaysia, Economic and Monetary Review 2024, published March 2025. Available at: https://www.bnm.gov.my/publications/

## FINANCIAL HIGHLIGHTS

		0000	0004	2022	0000	0004
		2020	2021	(Represented)	2023	2024
OPERATING RESULTS						
Revenue	RM'000	1,409,107	1,429,311	2,366,081	2,605,688	3,184,522
EBITDA/(LBITDA)	RM'000	(118,078)	72,356	205,720	350,037	348,241
Profit/(Loss) before tax	RM'000	(268,024)	(100,341)	74,883	218,256	221,059
Net profit/(loss)	RM'000	(306,702)	(111,949)	43,130	154,828	166,320
Net profit/(loss) attributable to owners of the Company	RM′000	(295,149)	(107,484)	(6,300)	108,402	153,045
Basic earnings/(loss) per share	sen	(38.17)	(13.88)	(0.81)	14.00	19.77
Gross dividend per share	sen	1.00	-	-	-	2.00
KEY BALANCE SHEET DATA						
Total assets	RM'000	2,267,822	2,231,441	2,713,450	2,946,650	2,889,641
Capital and reserves attributable to owners of the Company	RM′000	703,725	588,503	579,994	704,806	842,830
Net assets per share	RM	0.91	0.76	0.75	0.91	1.09
PROFITABILITY RATIOS						
Return on total assets	%	(10)	(3)	4	9	9
Return on capital employed	%	(26)	(9)	11	24	21
GEARING RATIO						
Net debt to capital and reserves attributable to owners of the Company	Times	0.91	0.87	0.79	0.48	0.21

## VALUE CREATION MODEL

#### **INPUTS**

#### Financial Capital

Securing funding from capital providers is instrumental in supporting our business operations, augmenting the cash flow derived from both operational and investment sources.

 Market Capitalisation as at December 2024: RM790 million

#### H Human Capital

Wasco's unwavering commitment to nurturing a highly skilled regional workforce underscores our dedication to harnessing human capital as a key driver in achieving our corporate objectives.

- 5,854 employees across global operations
- Workforce comprises more than
   46 nationalities

#### M Manufactured Capital

Our state-of-the-art facilities, strategically located around the world, highlight our global capabilities and operational excellence.

- Advanced pipe coating and manufacturing facilities
- Strategically located fabrication yards in Southeast Asia and the Middle East
- Ongoing expansion of existing yards and development of additional facilities

#### Intellectual Capital

Our competitive edge in the energy industry is driven by our strong technical expertise and innovation in niche markets, allowing us to adapt swiftly and lead with confidence.

- Proven capabilities in pipe coating, spiral welded steel pipes, and offshore corrosion control
- EPC and fabrication solutions for energy infrastructure
- Market leadership in biomass energy generation technologies

#### S Social & Relationship Capital

We prioritise meaningful engagement with stakeholders and local communities, fostering collaboration, inclusivity, and long-term shared success.

- Ongoing community investment projects
- Focus on enhancing the social well-being of stakeholders

#### N Natural Capital

Our sustainability journey is grounded in the responsible management of natural resources and the commitment to reducing our environmental footprint.

- · Clear pathway to carbon neutrality
- Active participation in environmental stewardship initiatives
- Initiatives in renewable energy integration and large-scale reforestation projects

#### **OUTPUTS AND MEASURABLE IMPACT**

#### **GUIDING STAR**



- Deliver sustainable Return on Capital Employed exceeding 20%
- Maintain a prudent capital structure with a Debt/EBITDA ratio of less than 3
  - Reward our shareholders with dividend payouts



- Continuously develop and strengthen our human capital to drive sustainable growth and innovation
- Foster an inclusive and engaging workplace where employees are valued, fairly compensated, and empowered to thrive



- Foster a workplace culture where every employee is actively engaged in ensuring a safe and injury-free environment, reinforcing our commitment to their well-being and our collective success
- Cultivate a data-driven culture powered by digital technologies, data, and streamlined processes — enabling us to derive meaningful insights that drive informed and actionable business decisions



Set the standard for environmental responsibility, social impact, and ethical governance, positioning ourselves as an industry leader and a model of responsible corporate citizenship

#### **OUR MATERIALITY MATTERS**

- 1 Health, Safety and Environment
- 2 Product Quality
- 3 Labour Practices
- 4 Human Rights
- Waste Management
- Training & Development
- Diversity, Equity and Inclusion
- 8 Business Ethics
- Risk Management
- 10 Product Design
- 111 Business Model Resilience
- 12 Energy Management

## BUSINESS ACTIVITIES AND VALUE DELIVERED

#### **ENERGY**



#### PIPELINE

One of only two companies worldwide trusted to deliver large-scale international pipeline coating projects.



## ENGINEERING & FABRICATION

An established global EPC company, delivering innovative solutions to meet the growing demands of energy infrastructure.

#### **BIOENERGY**



The largest supplier of steam turbines to the agriculture sector, holding a 70% market share, and a leading EPC provider of high-efficiency boilers that enable optimised biomass steam and power generation.

- Greenhouse Gas
- Water
- 15 Economic
- 16 Material Sourcing
- 17 Supply Chain
- 18 Physical Impact of Climate Change

#### **OUTPUT**

#### **UN SDG**

#### RM153.0 million PATMI

- Strong order book valued at RM2.5 billion
- Maintaining a Debt/EBITDA ratio of less than 3 to support ongoing business expansion





- 4,092 employees trained in safety protocols
- 19.68 hours spent per employee on development training to enhance knowledge and skills





- RM233.3 million in cash generated from operating activities
- Expanded fabrication yards in Batam with a total area of 36.7 hectares
- Introduced new pipeline coating offerings in Hartlepool, including concrete coating and anticorrosion coating services in the form of Fusion Bonded Epoxy ("FBE") in Qatar
- Scaled up bioenergy after-services with new offerings, establishing new services hub



- Proven track record in delivering large-scale international energy infrastructure projects
- Industry leader in bioenergy with a 70% market share in steam turbines for the agriculture sector
- Artificial Intelligence ("AI")-driven CARE Card system improving HSE performance



- 11,936 beneficiaries from social programmes
  - 11,779 volunteer man-hours contributed
  - RM777,578 invested in social impact initiatives to enhance community engagement
  - Achieved notable recognitions, including two prestigious silver awards at The Edge Malaysia ESG Awards 2024: Best Performer in the Energy Sector and Most Improved ESG Performance Over the Past Three Years (RM800 Million - RM5 Billion Market Capitalisation Category)



- 27% of our energy mix sourced from renewable energy in operations
- 5% of water consumption derived from harvested rainwater, reducing reliance on freshwater sources



#### STAKEHOLDER VALUE & STRATEGIC GROWTH

#### Investors & Shareholders

Sustainable performance, low gearing and balanced dividend payouts.

#### Clients & Business Partners

Reliable energy solutions and opportunity to supply products and services at fair prices.

#### Employees

Career development, leadership training and technical upskilling.

## Communities & NGO

Support in education, healthcare, and environmental sustainability.

### F

#### **FINANCIAL CAPITAL**

#### **Our Approach**

Wasco's financial strategy focuses on maintaining stability while actively pursuing long-term growth opportunities. Our RM2.5 billion order book reflects strong market demand, and we adopt a disciplined approach to capital allocation, investment prioritisation, and cost efficiency.

We manage financial risk by ensuring our Debt/ EBITDA ratio remains less than 3, providing the needed flexibility for business expansion.

#### **Trade-Offs**

Balancing profitability with strategic investments: While we continue investing in yard expansion and building additional capacity and services, these require significant upfront capital, which may temporarily impact net margins.

**Debt management vs. growth strategy**: Maintaining a Debt/EBITDA ratio of less than 3 provides the necessary capital for expansion but requires effective risk mitigation and interest cost management.

#### 2024 Focus

- Optimise capital allocation to prioritise high-growth areas.
- Strengthen working capital management to support the successful execution of large-scale EPC projects.
- Sustain shareholder value creation through disciplined capital management, including dividend declarations, while maintaining financial resilience.

#### Achievements

- Revenue Growth: Achieved a 11.9% year-on-year increase in adjusted revenue, reaching RM2.9 billion in FY2024, up from RM2.6 billion in FY2023.
- Profitability: Recorded a PATMI of RM153.0 million, marking a 41.2% increase from RM108.4 million in the previous year.
- Earnings Per Share ("EPS"): Improved EPS to 19.77 sen, compared to 14.00 sen in FY2023.
- Dividend Declaration: Announced an interim dividend of 2 sen per share for the financial year ended 31 December 2024, paid on 3 April 2025, reflecting our commitment to delivering shareholder value.
- STFF: Launched the first-ever framework in ASEAN, underscoring our commitment to sustainable financing and supporting projects aligned with environmental and ESG principles.
- Debt/EBITDA ratio: Maintain a healthy ratio of less than 3, ensuring financial stability while supporting growth initiatives.

## M

#### **MANUFACTURED CAPITAL**

#### **Our Approach**

Wasco's infrastructure investments are strategically focused on scaling up capacity, enhancing operational efficiency, and expanding high-demand business segments to drive sustainable growth.

#### Trade-Offs

**Expanding capacity vs. capital intensity**: Increasing production and fabrication capacity supports long-term business growth but requires high initial investment and ongoing operational expenses.

Efficiency improvements vs. environmental impact: New facilities may raise carbon emissions and energy consumption, necessitating a parallel commitment to energy efficiency initiatives.

#### 2024 Focus

- Expand fabrication yards to facilitate the execution of large-scale projects.
- Enhance pipe coating capabilities to support growing demand in particular markets.

#### Achievements

- Angola FPSO Project: Our Engineering and Fabrication arm, we made significant progress on the flagship FPSO project, reinforcing our capabilities in delivering complex, large-scale energy infrastructure.
- Pipeline Coating Projects: Completed 570 kilometers of pipeline coating for Qatar's North Field Expansion Project and 139 kilometers for Malaysia's Kasawari CCS Project, showcasing our leadership in pipeline services.
- Strategic Infrastructure Development: Constructed a new jetty on Batam Island, Indonesia, engineered to facilitate large-scale load-outs directly from our fabrication yard, significantly enhancing our project execution capabilities.

### Н

#### **HUMAN CAPITAL**

#### **Our Approach**

Wasco's workforce is the cornerstone of our success. Across our operations, we prioritise technical excellence, leadership development, and a strong culture of safety, innovation, and continuous improvement.

#### **Trade-Offs**

Expanding workforce vs. maintaining productivity: As we grow our talent pool to support business expansion, it is essential to balance cost efficiency considerations with productivity by investing in targeted upskilling and capability development programmes.

Retaining experienced talent vs. attracting new skills: Retaining seasoned talent while attracting next-generation expertise requires a competitive and sustainable compensation strategy that aligns with both market dynamics and long-term financial resilience.

#### 2024 Focus

- Broaden training programmes in pipeline coating, EPC and bioenergy solutions to strengthen technical capabilities and support business growth.
- Advance leadership succession planning to build a resilient talent pipeline and future-proof our workforce for long-term success.

#### Achievements

- Employee Turnover Rate: In 2024, Wasco recorded an overall voluntary turnover rate of 9.3% during the year, an improvement from 11.0% in 2023.
- Employee Development: Provided an average of 19.68 training hours per employee, reinforcing our commitment to continuous learning and skills enhancement.
- Health and Safety: Strengthened health and safety protocols across our operations, achieving zero
  fatalities and a LTIR of 0.05, significantly outperforming the industry average of 0.24 a testament to our
  prioritisation of employee well-being.
- Succession Planning: Proactively identified key leadership positions and potential successors, ensuring business continuity and building a robust leadership pipeline.

#### **INTELLECTUAL CAPITAL**

#### **Our Approach**

Wasco's decades-long expertise in pipeline coating, EPC, and bioenergy solutions forms the foundation of our competitive edge. As a global leader in pipeline coating and the holder of a 70% market share in steam turbines for the agriculture sector, we continue to set industry benchmarks across our core offerings.

Complementing our technical capabilities, we embrace Al-driven innovations such as the CARE Card system to enhance HSE performance, ensure compliance, and drive operational efficiency.

#### **Trade-Offs**

Investing in Research & Development ("R&D") vs. immediate financial returns: Pursuing innovation in advanced coating technologies and energy-efficient solutions demands sustained investment and a long-term outlook. While not yielding returns in the immediate term, it is essential for maintaining technological leadership and future-proofing our offerings.

**Digitalisation vs. integration challenges**: While AI, data analytics and automation significantly enhance operational efficiency and decision-making, their successful integration requires upskilling employees and investing in robust Information Technology ("IT") infrastructure.

#### 2024 Focus

• Enhance Al-driven safety programmes through advanced CARE Card features.

#### **Achievements**

• Digital Initiatives: Rolled out the Al-enabled CARE Card system, enhancing workplace safety, compliance tracking, and real-time incident reporting.

### N NATURAL CAPITAL

#### **Our Approach**

Sustainability is central to Wasco's growth strategy. While our total emissions have risen in line with business expansion, we are committed to mitigating our environmental impact through growing our renewable energy mix, reducing freshwater consumption, and continuously enhancing energy efficiency across our operations.

#### Trade-Offs

**Business growth vs. environmental impact**: As our business expands, higher energy consumption and increased carbon emissions are inevitable, requiring the implementation of effective offset measures.

Transitioning to cleaner energy vs. immediate cost savings: Shifting to renewable energy sources reduces long-term costs but demands short-term capital investment.

#### 2024 Focus

- Expand the use of renewable energy across all Wasco operations.
- Strengthen partnerships with like-minded, sustainability driven organisations to enhance emissions reduction efforts.

#### Achievements

- Wasco Forest Initiative: Launched in 2021, the Wasco Forest initiative represents a key milestone in our sustainability journey. To date, we have successfully planted 160,000 trees, focusing on conserving endangered rainforest species and restoring forests in Pahang, Malaysia. Ongoing tree monitoring and a comprehensive Soil Carbon Stock study in 2024 were conducted to assess the environmental impact of our reforestation efforts.
- Renewable Energy Integration: Increased our renewable energy mix to 27% across our operations, demonstrating our commitment to sustainable practices and reducing our carbon footprint.
- Water Management: Our rainwater harvesting system now accounts for 5% of our water consumption, reflecting our continuous effort to minimise reliance on freshwater sources and enhance water stewardship.

### S

#### **SOCIAL & RELATIONSHIP CAPITAL**

#### **Our Approach**

Wasco prioritises stakeholder engagement, regulatory compliance, and social impact initiatives to ensure a strong, sustainable, and ethical business foundation.

We foster trust with investors, clients, regulators, and communities through transparent ESG disclosures, ethical business practices, and long-term community investments.

#### **Trade-Offs**

Regulatory compliance vs. business agility: Adapting to evolving ESG standards strengthens our corporate reputation and ensures regulatory compliance, but it also introduces increased compliance costs and more rigorous reporting obligations.

Community investments vs. shareholder expectations: Supporting social impact initiatives aligns with long-term value creation and strengthens community relationships, but it requires careful financial planning to balance the needs of both social impact and shareholder returns.

#### 2024 Focus

- · Strengthen regulatory engagement to maintain alignment with evolving energy transition policies.
- Expand ESG and social impact initiatives, particularly in areas related to education, healthcare and the environment.

#### Achievements

- ESG Recognition: Achieved two prestigious silver awards at The Edge Malaysia ESG Awards 2024: Best Performer in the Energy Sector and Most Improved ESG Performance Over the Past Three Years (RM800 Million - RM5 Billion Market Capitalisation Category) highlighting our dedication to environmental, social, and governance excellence.
- Global Compact Membership: Joined the UNGCMYB, reinforcing our dedication to sustainable and ethical business practices, and aligning with global sustainability standards.
- Community Engagement Programme: Actively engaged with local communities, creating mutually beneficial partnerships underpinned by sustainability and contributing to inclusive growth in various locations. With an investment of RM777,578 and 11,779 volunteer man-hours, 11,936 people benefited from our social impact initiatives.
- Supplier Partnerships: Initiated a pilot Scope 3 Greenhouse Gas ("GHG") Emissions Engagement with key suppliers to understand their GHG emissions and develop joint initiatives to reduce emissions.

#### KEY MARKET TRENDS, IMPACTS, AND OUR RESPONSE

#### Positioning Wasco for Long-Term Growth in an Evolving Energy Landscape

As global energy systems transition toward cleaner and more resilient infrastructure, the demand for industrial solutions that support decarbonisation, resource efficiency, and equitable energy access continues to rise. Wasco operates at the core of this transformation, offering integrated solutions across our businesses — each well-aligned with current and future market needs.

Below are the key trends shaping our markets and how Wasco is responding with focus, agility, and foresight.



## ACCELERATION OF THE ENERGY TRANSITION AND INDUSTRIAL DECARBONISATION

#### Market Impact:

Governments and corporations are accelerating efforts to achieve net-zero targets, driving demand for infrastructure to support gas, carbon capture, hydrogen, and low-carbon energy. This has led to a sharp rise in midstream and utility-scale projects.

#### Wasco's Responses:

- Securing new coating projects tied to carbon capture and hydrogen pipeline infrastructure, both domestically and internationally.
- Scaling our EPC capabilities to support decarbonisation assets such as compressor stations and carbon handling systems.
- Expanding our bioenergy offerings to serve industries seeking to reduce thermal emissions, including solutions that use agricultural waste as fuel.

## 2

## RISE OF BIOMASS AND WASTE-TO-ENERGY IN AGRICULTURE-DRIVEN MARKETS

#### Market Impact:

Agriculture-based economies are increasingly turning to biomass energy as a reliable, renewable alternative to fossil fuels, driven by its potential to not just reduce emissions, but also enhance energy independence. In plantation-rich countries like Malaysia and Indonesia, policymakers are promoting waste-to-energy solutions that leverage abundant agricultural byproducts.

#### Wasco's Responses:

- Maintaining our 70% market share in steam turbines for the agri-sector, backed by over 30 years of proven performance.
- Expanding into new markets with integrated bioenergy packages that include boilers, turbines, Empty Fruit Bunch ("EFB") presses, and EPC services.
- Strengthening our after-sales service hubs in key markets like Indonesia to support long-term system reliability.
- Collaborating with regional stakeholders to support rural electrification and sustainable industrial growth.

Wasco Berhad



## INFRASTRUCTURE MODERNISATION AND ENERGY ACCESS IN EMERGING MARKETS

#### Market Impact:

Emerging economies are ramping up infrastructure investments to meet growing energy demand, enhance reliability, and reduce reliance on outdated, high-emission systems, with efforts spanning both conventional and renewable energy sources.

#### Wasco's Responses:

- Expanding our engineering and fabrication capacity, particularly at our facility and jetty in Batam, Indonesia, to support growing EPC project delivery.
- Participating in renewable projects such as wind farm components in Scotland and solar substations in Taiwan.
- Strengthening local content and site delivery models to meet regional procurement requirements and reduce logistics-related emissions.



## ESG-LINKED PROCUREMENT, CAPITAL ACCESS AND CARBON POLICY PRESSURES

#### Market Impact:

Customers and financiers are increasingly requiring ESG compliance from suppliers, while regulators and trading schemes are tightening rules on emissions disclosures and carbon pricing. Access to capital is also increasingly tied to sustainability performance.

#### Wasco's Responses:

- Launched STFF the first in ASEAN to align our funding strategy with green principles.
- Expanding the Wasco Forest reforestation programme, with a new phase covering up to 670 hectares to support biodiversity and long-term offset targets.
- Continuing to enhance our ESG disclosures to strengthen our appeal to long-term, sustainabilityfocused investors.

# DEMAND FOR DIGITALISATION IN PROJECT EXECUTION AND ESG MONITORING

#### Market Impact:

Clients increasingly expect greater project traceability, safety transparency, and ESG accountability. In response, organisations are adopting digital tools to mitigate risks, enhance cost efficiency, and strengthen stakeholder reporting.

#### Wasco's Responses:

- Scaling our Al-enabled CARE Card system to improve site safety, training compliance, and incident prevention across our fabrication yards and coating plants.
- Deploying our Governance and Environmental Dashboards to track real-time ESG performance across geographies.
- Integrating digital tools in project and supply chain management to meet client sustainability expectations and improve delivery transparency.
- Piloting predictive maintenance and asset health analytics to reduce downtime and improve service quality.

#### **OUR OUTLOOK AND STRATEGIC POSITIONING**

The structural trends reshaping our markets, from decarbonisation and rural electrification to ESG compliance and digitalisation, are long-term in nature. Wasco is not only aligned with these forces, but also well-positioned to lead within them.

We see strong prospects in:

- Bioenergy system growth in plantation-rich markets.
- Pipeline services supporting CCS, hydrogen, and cleaner fuels.
- Infrastructure fabrication and EPC for renewable or grid support projects.
- ESG-linked capital strategies including sustainability-linked loans.
- Digital performance and ESG traceability, increasingly valued in procurement.

#### **OUR RESPONSES ARE STRATEGIC, ACTIONABLE, AND IMPACT-DRIVEN**

Wasco is not merely responding to change – we are actively shaping it. Through sustained investment in our core strengths, deeper integration of sustainability and digitalisation with our operations, and stronger stakeholder engagement, we are charting a clear path forward to achieve resilient, responsible growth.

This is a roadmap to ensure not just our relevance, but also our disciplined execution and long-term value creation.

# STRATEGIC ROADMAP & PROGRESS



At Wasco Berhad, we recognise the urgent need for sustainable, efficient, and technologically advanced energy solutions. Our strategic roadmap is designed to position us at the forefront of the global energy transition, digital transformation, and industrial decarbonisation while ensuring long-term resilience, operational excellence, and value creation for stakeholders.

Our roadmap focuses on five strategic priorities:

#### STRENGTHENING CORE COMPETENCIES AND MARKET LEADERSHIP

Wasco has established a strong reputation as a leading global provider of energy infrastructure solutions, with core expertise in pipeline services, engineering & fabrication, and bioenergy solutions. Our immediate priorities are to drive operational efficiencies, broaden our suite of services, and reinforce our financial resilience to sustain and strengthen our market leadership.

#### Linked to:

Capitals

Material Matters



#### **Key Initiatives**

- Optimising Pipeline Services We continue to expand our pipeline protection solutions, having successfully delivered the North Field Expansion in Qatar (570 km of pipeline coating) and the Kasawari CCS Project in Malaysia (139 km of pipeline coating). Moving forward, we are focused on enhancing coating efficiency and integrating advanced technologies to support nextgeneration energy infrastructure projects.
- Scaling Up Engineering & Fabrication We are expanding our fabrication yards in Batam, Indonesia, to support larger and more complex projects. The recent addition of a dedicated jetty significantly strengthens our logistics capabilities, enabling us to execute large-scale EPC projects with greater efficiency.
- Strengthening Bioenergy Solutions With a 70% market share in steam turbines for the agriculture sector, Wasco is a leader in biomass-to-energy solutions. We are focused on broadening our biomass boiler and steam turbine solutions to support the growing demand for renewable energy in industrial applications.
- Robust Order Book & Tender Pipeline With a solid order book of RM2.5 billion and a growing tender portfolio, Wasco is well-positioned to achieve sustained revenue growth and capitalise on emerging market opportunities.

# ADVANCING SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

Sustainabilities is at the heart of Wasco's operations. We have set bold decarbonisation targets and are actively embedding ESG principles across all aspects of our business to accelerate a cleaner, more sustainable energy transition.

#### Key Initiatives

- Achieving Net-Zero Scope 1 and 2 Emissions by 2026 – Wasco is making steady progress on its Net Zero Emissions Plan, targeting Scope 1 and 2 carbon neutrality by 2026 through energy efficiency measures, renewable energy adoption, and carbon offset programmes.
- Sustainable & Transition Finance Framework We launched our STFF, to align our financial strategies with global sustainability goals. This framework enables ESG-linked financing and supports the development of green and transitional energy projects.
- Renewable Energy Integration Our renewable energy mix has increased to 27% of our total energy use. In addition, rainwater harvesting systems now contribute 5% of our total water consumption, enhancing our water conservation efforts.
- Wasco Forest Initiative Expansion Building on our commitment to carbon sequestration and biodiversity conservation, Wasco is expanding its reforestation efforts with new phases potentially covering up to 670 hectares. This initiative will support long-term carbon sequestration and offsetting, ecological restoration, and local community engagement in conservation efforts.
- Expanding Energy Transitioning Capabilities Leveraging our expertise in carbon capture pipeline coating and renewable energy infrastructure fabrication, we are actively exploring new areas to strengthen our position as a comprehensive industrial decarbonisation solutions provider.

#### Linked to:

Capitals

Material Matters



## DRIVING DIGITAL TRANSFORMATION AND TECHNOLOGICAL INNOVATION

Digitalisation is a key enabler of Wasco's long-term competitiveness, driving operational efficiency and supporting our sustainability objectives. We are actively integrating Industry 4.0 technologies, Aldriven solutions, and advanced data analytics to enhance productivity, improve decision-making, and unlock new growth opportunities across our operations.

#### Key Initiatives

- Pipe Production and Operations Analytics Achieving real-time visibility into plant production is a critical first step towards operational excellence. By leveraging data-driven insights, we can quickly diagnose anomalies and address daily operational challenges with precision - ensuring we target the right issue, with the right mitigation, at the right time.
- Digital Finance and Robotic Process
   Automation ("RPA") We are transforming
   our approach to business performance by
   adopting data analytics and RPA technologies.
   These efforts automate repetitive tasks, freeing up
   our employees to focus on higher-value activities
   and strategic decision-making.
- Al-Driven Safety Programmes Our CARE Card system leverages AI, Generative AI ("GenAI") and advanced data analytics to improve workplace safety monitoring, compliance, and risk mitigation strategies.

#### ESG Performance Monitoring

- Since 2022, our Environmental Dashboard has consolidated emissions data from our global operations, allowing us to pinpoint emissions hotspots and implement targeted carbon reduction measures.
- In 2023, we introduced our Governance Dashboard to centralise the monitoring of compliance risks and social performance indicators.
- In 2024, we expanded this framework to include key social metrics like Social Impact, Circular Economy initiatives, workforce diversity, and employee engagement, with more enhancements on the horizon.
- Cybersecurity & Compliance We continue to strengthen data protection and risk management through advanced cybersecurity technologies. These measures ensure regulatory compliance, safeguard our digital assets, and reinforce stakeholder confidence.

#### Linked to:

Capitals

Material Matters



## EXPANDING OUR GLOBAL PRESENCE

Wasco's growth strategy is underpinned by geographical expansion and strategic collaborations, allowing us to diversify our revenue base and access high-growth energy markets.

#### **Key Initiatives**

- Strengthening Market Presence in Renewable Energy We are actively expanding our service offerings to support the development of renewable energy infrastructure. This year, we successfully delivered pipeline coating solutions for a CCUS project, marking a key milestone in our contribution to the energy transition.
- Expanding into the Middle East With a strong pipeline of tenders across the region, Wasco is poised to strengthen its presence in the Middle East, particularly in EPC and pipeline services.
- Optimising Capital Allocation Wasco remains committed to prudent financial management, maintaining a balance between growth investments and delivering value to our shareholders.

## ENHANCING SHAREHOLDER RETURNS AND ENGAGEMENT

Wasco is committed to delivering long-term value to shareholders through disciplined capital allocation, strong governance, and proactive investor engagement.

Our balanced approach that focuses on to growth investments, dividends, and capital optimisation ensures sustainable financial performance. By reinforcing financial discipline, maintaining transparent investor communication, and upholding strong governance standards, we prioritise shareholder returns while safeguarding our financial resilience.

#### Key Initiatives

- Sustainable Dividend We remain committed to delivering dividend payouts, balancing capital reinvestment with shareholder returns.
- Strategic Capital Allocation Wasco ensures disciplined and efficient deployment of capital to fund high-growth projects while maintaining a strong focus on profitability and long-term value creation.
- Investor Relations & Transparency We continue
  to enhance shareholder communication through
  quarterly briefings, investor meetings, and
  enhanced ESG disclosures. In 2024, Wasco hosted
  its inaugural Investor Day, attracting more than 100
  participants, including analysts, fund managers,
  institutional investors, and bankers.
- Share Buybacks & Capital Management We are actively evaluating capital return strategies such as share buybacks to enhance market confidence and optimise our stock valuation.
- Institutional Investor Engagement We are broadening our institutional shareholder base, attracting long-term value investors aligned with Wasco's sustainable growth strategy. During the year, Urusharta Jemaah and Employee Provident Fund ("EPF") became substantial shareholders.

Linked to:

Capitals

Material Matters



Linked to:

Capitals

Material Matters



#### **INTRODUCTION**

Here at Wasco, our goal is to balance value creation with effective risk mitigation. Wasco adopts a risk-based approach to safeguard value and achieve corporate objectives, guided by a robust Enterprise Risk Management ("ERM") process aligned with strategy formulation and execution.

Following ISO 31000:2018, our risk management process identifies potential events that could impact the Group, reflecting our commitment to international best practices. This structured approach ensures consistency and resilience.

Wasco has identified five Key Enterprise Risks ("KERs") that may affect our strategic goals. We monitor these risks within the Group's risk appetite and tolerance levels.

The heatmap illustrates the residual risk ratings of the KERs, mapped by likelihood and impact.

#### RISK DESCRIPTION:

- 1. Market
- 2. Regulatory
- 3. Health, Safety & Environment
- 4. Information
- 5. Talent

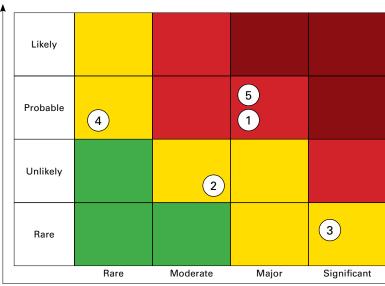
High Very High

Medium

Low

Likelihood

#### Wasco Q4 FY2024 Risk Heatmap



Level of Impact

High

#### **MARKET**

The risk arising from the Group's core operations in the oil and gas industry, which is associated with greenhouse gas emissions.

### Risk Trends and Impacts

**Risk Definition** 

#### Significant assets have been accumulated over the years to service the sector.

 Resources and expertise are focused on our core business.

#### Potential Impact to the Group

- · Potential long-term market decline, which will impact the Group's financial performance.
- · Challenges in securing financing for both capital expenditure and working capital from banks and other lenders.
- · Difficulty in raising capital through the capital market.
- Decline in the Group's market capitalisation.

#### **Mitigation Measures**

#### **Existing Controls**

- Businesses focus on securing projects related to gas, which is recognised as a cleaner energy source with a positive outlook.
- Diversification of earnings to include other industries, including green energy and energy transition sectors.

#### **Proposed Action Plan**

· Actively pursue bids for gas, energy transition, and other industry-related projects.

- **Results of Mitigation Measures**
- As of 31 December 2024, the order book consists of 56.1% gas development/clean energy projects, 15.8% energy transition/green projects, and 6.8% from other industries.

Overview of Wasco Berhad

Key Messages

Value Creation

Sustainability Journey

**INTEGRATED ANNUAL REPORT 2024** 



#### **REGULATORY**

Medium

**Risk Definition** 

The risk of legal, financial, and reputational consequences arising from failure to comply with industry-specific laws and regulations, including breaches of anti-competition, cybersecurity, ethics, and integrity laws (such as Malaysia Anti-Corruption Commission ("MACC") or equivalent). This also includes violations of trade restrictions, embargoes, governmental sanctions, data protection laws, and non-adherence to ethical business standards.

#### Risk Trends and Impacts

- Insufficient oversight, lack of segregation of duties, and inadequate checks and balances.
- Failure to stay updated with current and relevant laws and regulations.
- Inadequate communication of governance and compliance requirements, as well as roles and responsibilities, to employees, stakeholders, contractors, suppliers, and customers.

#### Potential Impact to the Group

- Costs of non-compliance, including penalties, fines, and/or imprisonment.
- Financial losses, operational disruptions, and/or reputational damage.
- Potential contract terminations or loss of future business opportunities.
- Erosion of stakeholder trust and/or legal action from affected parties.

#### Mitigation Measures

#### **Existing Controls**

- Adoption of ISO 37001:2016 certification for anti-bribery management.
- Implementation of guidelines on adequate procedures based on the MACC Act's TRUST Principles for corporate liability compliance.
- Annual training to educate employees, Directors, and Senior Management on bribery and corruption risks and implications to the Group, using Wasco's internal learning platform (i-Learn) and external experts such as those from MACC/Malaysia Anti-Corruption Academy ("MACA").
- Whistleblowing Policy and accessible reporting channels for stakeholders to raise concerns confidentially without fear of retaliation.
- Regular communication on business activities to reinforce compliance awareness.
- Audit and assurance processes to evaluate the adequacy, effectiveness, and compliance of existing controls.

#### **Proposed Action Plan**

 Continuously monitor and stay updated on amendments and changes to relevant laws, rules, and regulations. Results of Mitigation Measures

 Ongoing assessment and monitoring of the effectiveness of existing controls.

#### **HEALTH, SAFETY & ENVIRONMENT**

Medium

Risk Definition

The risk of workplace incidents, injuries, environmental harm, or regulatory non-compliance due to the inherently hazardous nature of the Group's operations.

#### Risk Trends and Impacts

#### > Potential Impact to the Group

- Failure to adhere to established safe work procedures.
- Non-compliance with regulatory safety and operational requirements.
- Physical harm to employees, contractors, and/or nearby communities.
- · Asset damage resulting in plant slowdown or shutdown.
- · Legal action, stop-work orders, and/or penalties imposed by regulatory authorities.
- Significant recovery costs associated with injuries, accidents, and operational disruptions.

#### Mitigation Measures

#### **Results of Mitigation Measures**

#### **Existing Controls**

- Established safety management system and behaviour-based safety programmes to promote a strong safety culture.
- Code of Conduct implemented and effectively communicated to all employees to reinforce responsible behaviour.
- · Established whistleblower process and daily safety observations to identify and address potential risks proactively.
- Business Conduct Undertaking signed by vendors to ensure compliance with safety standards.
- · Rigorous selection and recruitment process to identify and appoint competent leaders responsible for business operations.
- Use of CARE Cards, an internal HSE platform, to document safety observations and incidents for continuous improvement.
- · Regular management walkabouts to engage with employees, reinforce safety practices, and ensure compliance with HSE standards.

· Ongoing assessment and monitoring of the effectiveness of existing controls.



#### **INFORMATION**

Medium

Risk Definition

The risk of a breach in the management information system due to cyberattacks, data misuse, hardware failures, or other malicious actions targeting IT systems.

#### Risk Trends and Impacts

#### > Potential Impact to the Group

- Increasing cyber threats in a rapidly evolving IT landscape.
- Accelerated digital transformation at Wasco, leading to greater reliance on digital data and technologies.
- Business disruptions caused by cyberattacks.
- Leakage or breach of confidential data and business intelligence.
- Reputational damage and loss of stakeholder trust.
- IT system failures and integration breakdowns requiring extensive restoration and repair.
- Non-compliance with regulations (e.g., Personal Data Protection Act ("PDPA") and General Data Protection Regulation ("GDPR"), potentially leading to penalties or sanctions.

#### Mitigation Measures

#### > Results of Mitigation Measures

- Regular enhancements to cybersecurity protection measures.
- Ongoing efforts to comply with ISO/IEC 27001:2022 Information Security Management System ("ISMS").
- Annual Vulnerability Assessment and Penetration Testing ("VAPT") to identify and mitigate security risks.
- Annual Disaster Recovery Plan ("DRP") testing to ensure IT infrastructure and network resilience.
- Awareness campaigns and training programmes for employees to enhance understanding of cyber threats, foster a culture of cybersecurity, and ensure compliance with company policies.
- Enhanced cybersecurity protection through a range of measures, policies, and initiatives, leveraging technology such as the Security Operations Center ("SOC") and Multi-Factor Authentication ("MFA").

#### **TALENT**



Risk Definition

The risk of difficulties in attracting, developing, and retaining skilled talent.

#### **Risk Trends and Impacts**

#### Potential Impact to the Group

- Talent perception of the Group's business as having a negative environmental impact.
- Compensation and benefits that may not be competitive within the industry.
- Insufficient resources to effectively meet work requirements and deadlines.
- Difficulties in developing and implementing a robust succession plan.

#### **Mitigation Measures**

#### > Results of Mitigation Measures

#### **Existing Controls**

 Diversification of the Group's services into sectors contributing to a cleaner environment, particularly renewables, such as wind and solar.

#### **Proposed Action Plans**

- Implement a new group strategy focused on green energy and sustainability.
- Intensify efforts to secure more projects in the green energy sector.
- Establish talent management programmes for high-potential employees.
- Enhance learning and development programmes to upskill the workforce.
- Benchmark remuneration packages against industry standards to ensure competitiveness.

- A talent management development programme has been implemented in the Engineering and Fabrication Division, with the first cohort undergoing a structured modular programme designed to equip participants with essential skills, fostering both personal growth and business success.
- Learning and development initiatives have been significantly expanded across all Wasco sites, increasing the average training hours per employee from 14.00 in FY2023 to 19.68 in FY2024.
- Internship programmes serve as a strategic pathway to attract young graduates into the industry. Exceptional candidates who align with Wasco's culture and business needs are offered full-time roles.
- Remuneration benchmarking is conducted using market data to ensure competitiveness.

As a result of these initiatives, the Group's voluntary turnover rate has improved, reducing from 11.0% in FY2023 to 9.3% in FY2024.

INTEGRATED ANNUAL REPORT 2024

### SUSTAINABILITY REPORT

# CHIEF STRATEGY OFFICER'S STATEMENT

ADVANCING SUSTAINABILITY WITH PURPOSE AND ACCOUNTABILITY

#### Dear Valued Stakeholders,

At Wasco, sustainability is more than an operational imperative—it guides our strategic decisions, operational priorities, and how we deliver lasting value. As we reflect on 2024, I am pleased to present our Sustainability Report ("SR"), which captures the commitment, transparency, progress, and tangible impact delivered by our dedicated teams across Wasco.

## PROGRESSING TOWARD NET ZERO AMID INCREASED ACTIVITIES

Throughout 2024, we continued to advance steadily toward our goal of achieving net-zero Scope 1 and 2 emissions by 2026. While heightened operational activities—particularly at our Qatar facility—led to an increase in total emissions this year, amounting to 44,780 tCO<sub>2</sub>e of Scope 1 and 2 emissions, we responded proactively by strengthening our emissions management strategies and preparing for renewable energy expansion.

In 2025, we plan to install new solar infrastructure at key sites, including Kuantan, Shah Alam, Kota Kinabalu, and Batam.

Our renewable energy reliance remained steady at 27%, supported by ongoing solar power generation exceeding 1,120 MWh and our continued subscription to Tenaga Nasional's Green Electricity Tariff.

#### **RAISING THE BAR IN ESG**

In 2024, we significantly raised the bar in our ESG commitments, reinforcing our accountability and credibility across key sustainability areas. With the launch of the National Sustainability Reporting Framework ("NSRF"), we conducted a gap analysis of our SR against the NSRF requirements. Where possible, we have begun incorporating these requirements in our current SR.

#### **GOVERNANCE**

Through rigorous internal reviews, audits and independent third-party assurances, we strengthened the accuracy and transparency of our critical ESG metrics, including renewable energy usage, greenhouse gas emissions (Scope 1 and 2), water management, energy consumption, and occupational safety.

Our Board Sustainability Committee provided diligent oversight throughout the year, reviewing our ESG strategies and ensuring their alignment with IFRS S2 climate-related disclosure standards, further enhancing our overall sustainability accountability.

### SUSTAINABLE TRANSITION FINANCE FRAMEWORK

In a pioneering move, Wasco introduced ASEAN's first Sustainable Transition Finance Framework, strategically integrating our financial and sustainability objectives. Under this innovative framework, we secured a USD25.0 million sustainability-linked loan, with an initial drawdown of USD10.0 million specifically supporting sustainability-driven infrastructure improvements at our Batam yard. This groundbreaking initiative reinforces our accountability, positioning Wasco as a regional frontrunner in sustainable finance.

#### **CIRCULARITY MOVEMENT**

We accelerated our circular economy efforts in 2024, achieving significant waste reduction through impactful recycling initiatives. Notably, we transformed polyethylene and polypropylene waste from our coating processes into reusable resin, slashing purging material costs by 81.0%. Additionally, our active participation in community recycling programmes saw us transforming plastic bottle waste into textiles and collecting over 205 kg of electronic waste, underscoring our commitment to responsible resource use and waste reduction.

#### **COMMUNITY ENGAGEMENT AND SAFETY EXCELLENCE**

We continued fostering strong community engagement, investing approximately RM0.8 million in impactful initiatives that benefited nearly to 12,000 individuals across Southeast Asia and East Africa. These activities received the active support of our employees, who collectively contributed approximately 11,800 volunteer man-hours.

Safety remained paramount as we achieved an exceptional Lost Time Incident Rate of 0.05, significantly outperforming industry benchmarks for the year.



#### **DIVERSITY AND INCLUSION**

Female representation in our senior leadership remained steady at 14%, with an aspirational target of 30%. To support this goal, we have ongoing initiatives to further advance diversity and inclusion across our organisation, including key events planned in 2025.

#### **REFORESTATION PROJECT**

In 2024, we closely monitored the growth and health of Wasco Forest – our first reforestation project – and conducted an extensive soil carbon stock study to accurately quantify carbon sequestration. We are pleased to report that the 160,000 trees planted in 2022 are thriving. Building on these insights, we are preparing the next phase of our reforestation programme on newly designated land awarded to us by the Pahang Forestry Department for this initiative. Our target is to plant 110,000 trees in 2025, advancing toward our ultimate goal of replanting 1 million trees.

These focused actions contribute meaningfully towards global sustainability goals, especially SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 15 (Life on Land).

#### **INDUSTRY RECOGNITION AND ESG ACHIEVEMENTS**

Our continuous ESG advancements received external validation through two prestigious silver awards at The Edge Malaysia ESG Awards 2024: Best in Energy Sector and Most Improved ESG Performance Over the Past Three Years (RM800 Million - RM5 Billion Market Capitalisation Category). Additionally, our FTSE ESG rating improved from 4.0 to 4.1, reaffirming our commitment to globally recognised sustainability standards while strengthening stakeholder confidence, investor trust, and our corporate reputation.

#### LOOKING AHEAD: FROM STRATEGY TO STEWARDSHIP

As we look ahead to 2025 and beyond, we are determined to continue deepening our sustainability efforts. We will further enhance our transparency through expanding our Scope 3 emissions disclosures, providing greater insight into our overall environmental footprint. We will also embed more circular economy practices into our operations to promote resource efficiency and responsible consumption. In addition, we will continue to strengthen our sustainable procurement engagements, fostering ethical sourcing and responsible partnerships across our value chain. We will concurrently undertake our first comprehensive double materiality assessment to strategically align our sustainability priorities with long-term business resilience. This initiative will ensure that our approach effectively addresses both stakeholder expectations and core business imperatives.

We also intend to expand our decarbonisation partnerships beyond our core infrastructure services. With the successful pilot initiative with Hydra Energy in 2024, we will continue to evaluate the potential to scale this model, a key step in expanding our role in the low-carbon mobility ecosystem.

Diversity and inclusion remain integral to our mission. We are strengthening our focus on gender equality and inclusive leadership with the formalisation of the Wasco Women Action Network, which will serve to drive visibility, advancement, and advocacy for women across Wasco. Related to this is our commitment to human rights, which we will continue to reinforce through enhanced risk mapping, supplier due diligence, and targeted awareness programmes, ensuring our global footprint upholds the highest ethical standards at all times.

Last but not least, to elevate transparency and investor confidence, we will incorporate climate-change scenario analyses into our climate-related disclosures, thereby aligning ourselves with emerging global expectations under IFRS S2. As we embed these commitments into our strategic roadmap, we reaffirm our dedication to leading with purpose, accountability and long-term vision.

At Wasco, sustainability is not a one-time ambition, but a continuous journey of listening, learning, and leading with purpose. Through strategic clarity and collective resolve, we will continue to create a meaningful impact within our business and beyond.

Thank you for your continued trust and partnership.

#### **ARIESZA NOOR**

Chief Strategy Officer Wasco Berhad

#### **ABOUT THIS REPORT**

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

This 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 2024. It provides an insight into how Wasco manages its material sustainability risks, issues and opportunities to create economic, environmental and social value.

The SR is published annually as part of the Integrated Annual Report, with this Report published in April 2025. Our last SR was published in April 2024.

Policy documents mentioned in this report are available on our website at www.wascoenergy.com.

#### SUSTAINABILITY FRAMEWORK AND STANDARDS

This SR has been prepared in accordance with the Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirements, as well as the Sustainability Reporting Guide and Toolkits (3<sup>rd</sup> Edition).

Other frameworks, standards and guidelines referenced in the preparation of this report include:



#### Notes:

- 1. National Sustainability Reporting Framework
  - The National Sustainability Reporting Framework ("NSRF") serves as a crucial guide to align the nation's sustainability efforts—particularly in reporting—with globally recognised standards established by the International Sustainability Standards Board ("ISSB"), namely IFRS S1 General Requirements for Sustainability-Related Disclosures, and IFRS S2 Climate-Related Disclosures.
- 2. International Sustainability Standard Board's IFRS S2 Standard
  - In October 2023, the Financial Stability Board announced the disbandment of the Task Force on Climate-Related Financial Disclosures ("TCFD"), following the release of the ISSB's inaugural disclosure standards in June 2023. The ISSB's climate disclosure standard, IFRS S2 Climate-Related Disclosures, fully incorporates the TCFD's four core pillars and 11 recommended disclosures, with effect from 1 January 2024.

#### REPORTING SCOPE AND BOUNDARIES

The scope of the SR for FY2024 covers all of Wasco's operations.

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. While we recognise that the operating environments of our Business Units ("BUs") differ across markets, we have sought to harmonise core reporting areas where possible, while also highlighting notable achievements specific to individual BUs.

This SR excludes our Joint Venture ("JV") companies.

#### **REPORTING PRINCIPLES**

This report presents the sustainability performance of Wasco's strategic businesses. In determining its content, the following GRI Standards Reporting Principles have been applied to ensure clarity, relevance, and 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 to provide a fair representation of the organisation's negative and positive impacts
- Clarity: Presenting information in a way that is accessible and easy to understand
- Comparability: Selecting, compiling, and reporting information consistently to enable analysis of the organisation's impacts over time and in comparison to other organisations
- Completeness: Providing sufficient information to support a comprehensive 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: Disclosing information on a regular schedule and ensuring its availability in time for decision-making
- Verifiability: Gathering, recording, compiling, and analysing information in such a manner that allows for the information to be examined and its quality verified

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 expectations also shaped the materiality assessment. This assessment helped the Board realign Wasco'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 expressed or implied due to various events, risks, uncertainties, and other factors.

#### SUSTAINABILITY DATA AND DISCLOSURE

Wasco's management and dedicated internal teams reviewed the completeness and accuracy of the data and information presented. The senior leadership team provided oversight throughout the preparation, compilation, and drafting of this statement, complementing the efforts of internal resources and data collection processes to ensure accuracy and reliability.

#### STATEMENT OF ASSURANCE

External independent limited assurance was conducted for the following indicators:

- Renewable Energy Reliance
- Lost Time Incident ("LTI")
- Total Man-hours

For more information on the subject matter and scope of assurance, please refer to the Statement of Assurance on pages 106 to 110.

To strengthen the credibility of this SR, selected sections have undergone internal review by Wasco's internal auditors and received approval from Wasco's Audit Committee.

Group Internal Audit provided independent limited assurance for the following indicators:

- Energy Management
- Emissions
- Water Management

For more information on the subject matter and scope of assurance, please refer to the Statement of Assurance on pages 106 to 110.

#### SUSTAINABILITY REPORT FEEDBACK

Feedback from our stakeholders is vital for us to continually improve our reporting and sustainability practices. We welcome any comments or suggestions regarding this Report or our overall sustainability performance.

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

#### SUSTAINABILITY ACROSS OUR OPERATIONS

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

- Minimising environmental footprint across the full lifecycle of developments; and
- Creating social and economic benefits for communities connected to our operations, in alignment with Wasco's shared values.

Wasco integrates sustainability across the business at three levels:

#### **Our Operations**

Operating safely, efficiently, and profitably with a focus on long-term value creation.

# 01

#### **Our Customers**

Fulfilling commitments and meeting expectations through reliable, responsible service delivery.



#### **Our Communities**

Creating shared value and making positive contributions wherever we operate.





Our Sustainability Framework acts as a roadmap for incorporating sustainability principles and practices across Wasco. It establishes the foundation and provides the organisational structure needed to embed sustainability into our strategies and day-to-day operations.

To maintain a uniform approach in applying sustainability best practices, we have embedded key sustainability considerations into our mission, vision, and core values, as detailed in the framework below:

## SUSTAINABILITY GOVERNANCE Mission, Vision and Core Values

#### Strategy Setting









Materiality Assessment Management Approach Metrics and Targets

Operational Integration

Reporting and Disclosure Assurance Education and Awareness

#### **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.

Sustainability considerations are embedded in our corporate strategy to ensure long-term value creation and sustainable business growth. We regularly review our sustainability approach and priorities to meet evolving stakeholder expectations and enhance our value creation efforts.

Our Sustainability Framework reflects our commitment to integrating sustainability into the core of our business. This aligns with the growing call for corporate organisations to take a more active role in advancing sustainability and to look beyond short-term profitability.

Guided by our purpose, the Sustainability Framework was developed by taking into consideration the varying maturity levels across Wasco. The process involved assessing existing sustainability programmes, aligning with changing in regulatory requirements, and setting measurable targets and goals to track our impact.

The following factors were taken into consideration:

- Material matters identified through a robust materiality assessment involving our Board of Directors, Senior Leadership Team, and key stakeholders.
- 2. Ongoing engagement with BUs on pertinent sustainability issues.
- 3. Internal assessments and benchmarking against industry peers.
- Monitoring and evaluation of key performance indicators.

Additionally, our Framework aligns with the global sustainable development agenda, particularly the UN SDGs, supporting a shared vision for a better and more inclusive future that leaves no one behind.





Good Health and Well-Being

Gender Equality

Decent Work and Economic Growth

Climate Action

INTEGRATED ANNUAL REPORT 2024

#### **Our United Nations Sustainable Development Alignment**

The United Nations Sustainable Development Goals ("SDGs") are a set of 17 global goals adopted by the UN General Assembly in 2015, aimed at ending poverty, protecting the planet, and ensuring prosperity for all by 2030. Wasco is aligned with the SDGs and remains committed to supporting their framework to enhance Wasco's sustainable initiatives.

We actively encourage our business partners and stakeholders to collaborate with us in advancing these goals. While our operations align with nine of the 17 goals, we have identified four priority SDGs where our sustainability strategy is best positioned to create the most significant impact.

#### Goals

#### **Our Commitment**

#### **Progress and Achievements**



- Provide a safe and healthy workplace for all employees and contractors by adhering to internationally recognised HSE Management Systems, namely ISO 45001:2018 (Occupational Health & Safety) and ISO 14001:2015 (Environmental Management).
- Achieve Zero LTI.

- All sites across the organisation have either achieved or are in the process of obtaining ISO 45001:2018 (Occupational Health & Safety) and ISO 14001:2015 (Environmental Management) certifications.
- Ongoing implementation of the i-Start programme

   an internal safety culture transformation initiative
   launched in May 2021, facilitated by DuPont
   Sustainable Solutions.
- Monitoring both leading and lagging safety KPIs to drive continuous improvement.
- Performing periodic inspections, audits, and safety observations to identify gaps and prevent incidents.
- Introduced the CARE Card initiative to digitalise safety observation analysis and generate actionable insights on emerging safety risks.



- Establish policies that promote gender equality across recruitment, compensation, training, promotion, and work-life balance.
- Prevent and eliminate all forms of sexual harassment, violence, discrimination, and other harmful practices against women in the workplace.
- 14% of Senior Leadership Team are women.
- Our commitment to equal opportunity and nondiscrimination is clearly articulated in the Principles of Business Conduct and Human Rights Policy.



- Cultivate a high-performing entrepreneurial culture that encourages curiosity and drives every employee to deliver their best.
- Develop leaders at all levels and foster a learning and coaching mindset across the organisation.
- Conduct quarterly performance reviews to support continuous improvement and coaching.
- Strengthen talent development through regular training programmes and a digital learning platform.
- Maintain high Senior Management retention as a marker of leadership stability.
- Annual performance appraisals for compensation and promotion.

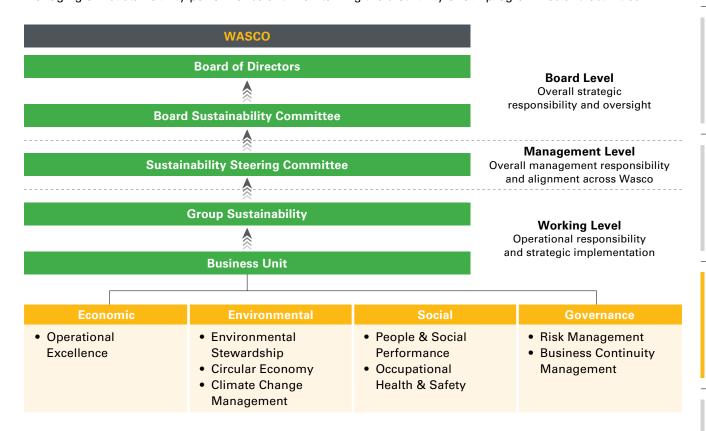


- Reduce emissions by improving energy efficiency, transitioning to renewable sources such as solar power, and offsetting residual emissions through in-house programmes such as tree planting.
- Tracking, analysing, and reporting greenhouse gas emissions ("GHG") using an internally developed digital dashboard.
- Completed the planting of 160,000 trees, with ongoing maintenance under our reforestation programme to support climate mitigation efforts.
- Subscribed to Tenaga Nasional's Green Electricity Tariff, which provides 500,000 kWh/month of renewable energy.
- Consumed 1,120 MWh of solar-generated renewable energy across various operational sites.

#### **Sustainability Governance & Accountability**

#### **Sustainability Governance**

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



#### **Roles & Responsibilities**



#### **Board Level**

Wasco's Board holds ultimate responsibility for Wasco's sustainability agenda, overseeing the integration of sustainability matters into the corporate strategy with the aim of balancing stakeholder interests while ensuring that we grow responsibly and create long-term value.

#### Board Sustainability Committee ("BSC")

The BSC (formerly known as Governance, Compliance and Risk Committee) was established in 2023 to strengthen Board oversight on sustainability issues across Wasco. This initiative underscores our top-down approach and reinforces our commitment to making sustainability a Wasco-wide priority. The BSC also oversees climate-related matters, including risks and opportunities.

The BSC comprises a Non-Independent Non-Executive Director and two Independent Non-Executive Directors, with the Committee being chaired by an Independent Non-Executive Director.

The BSC met four times in the year under review to discuss various matters, including:

- Reviewing Wasco's sustainability performance and activities.
- Recommending enhancements to the SR.
- Discussing the Transition Finance Framework.
- Evaluating the requirements and adoption of IFRS S1 and S2.

#### **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 GS, along with other Senior Management members responsible for their respective areas.

To ensure accountability, sustainability-related KPIs are integrated into the annual remuneration-linked KPIs of our Managing Director/Group CEO as well as BUs' Senior Leadership Teams. The CEOs of all BUs are also authorised to sign off on sustainability-related governance matters as part of our internal control assurance process.

#### Sustainability Steering Committee ("SSC")

Chaired by the Managing Director/Group Chief Executive Officer, the SSC consists of representatives from GS and selected Heads or nominees from key corporate functions. The SSC is responsible for supporting the management of sustainability matters and ensuring collaboration to streamline Wasco's approach, and promoting the sharing of best practices across the organisation.

#### **Working Level**

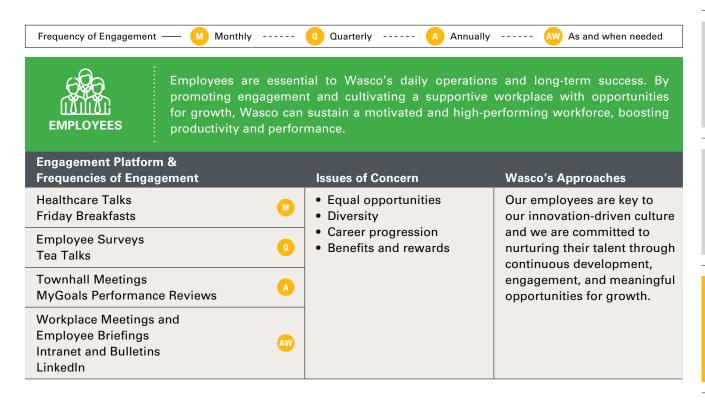
The Working Level, under the Head of Sustainability's direction and with support from Business Unit Heads, operationalises sustainability strategies by setting timelines, managing implementation, and tracking target achievement. These Business Unit Heads act as conduits for cross-functional collaboration, ensuring initiatives are adopted at the operational level

#### **Group Sustainability**

GS leads the development of the overarching strategy and framework to drive sustainability initiatives and programmes across Wasco in a structured and cohesive manner. Their responsibilities include monitoring and managing business sustainability practices and targets, keeping abreast of the evolving sustainability landscape, and ensuring the assessment and measurement of Wasco's sustainability risks and opportunities. The team also provides advisory support and capacity building for the sustainability teams across all BUs and regularly receives sustainability progress updates.

#### STAKEHOLDER ENGAGEMENT

Long-term business success depends 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 actively seek opportunities to engage with these groups, listen to their perspectives, and communicate transparently about our business. The table below outlines Wasco's approach to stakeholder engagement.







As an innovative solutions provider in the energy industry, Wasco mainly collaborates with other industry players. These stakeholders play a crucial role in shaping Wasco's revenue and market presence. Strengthening these relationships allows Wasco to better understand and meet evolving expectations.

Engagement Platform & Frequencies of Engagement	Issues of Concern	Wasco's Approaches
Quality Certification Audits	Business growth     Risks and challenges	We reinvent technology, pioneer new approaches,
Regulatory Site Visits and Audits	Customer privacy	and develop end-to-end
Social Media	Targets, quality and delivery	solutions for greater efficiency and capabilities.
Official Website	w	
Marketing Events	w	
Customer Satisfaction Surveys	w	



The government and regulatory bodies establish the legal frameworks that shape the industry and guide Wasco's operations. Actively engaging with these stakeholders is crucial for ensuring compliance, obtaining necessary approvals, and fostering a supportive business environment.

REGULATORS : supportive business environment.			
Engagement Platform & Frequencies of Engagement	Issues of Concern	Wasco's Approaches	
Emails/Letters	Compliance     Reducing the impact of	We have established strong sustainability governance	
Dialogues with the Authorities	,	to effectively manage risks,	
Workshops and Training Organised by the Relevant Regulatory Authorities		ensure compliance, and uphold integrity across all aspects of our operations.	



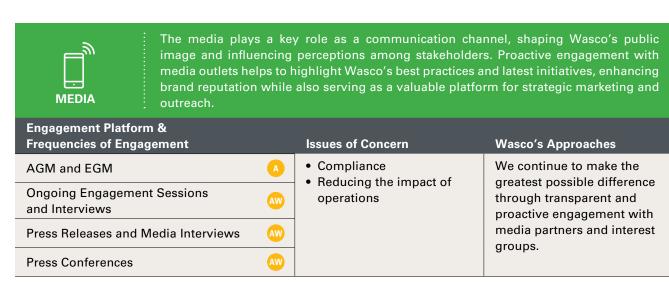
Suppliers and contractors play a vital role in Wasco's supply chain. Strong collaboration with these partners ensures operational continuity, reinforces Wasco's reliability, and supports our ability to meet market demands efficiently.

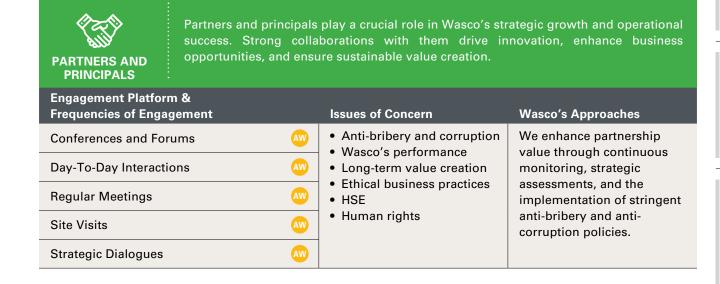
CONTRACTORS :			
Engagement Platform & Frequencies of Engagement		Issues of Concern	Wasco's Approaches
Negotiations with Vendors/Suppliers	AW	Fair procurement     Sustainable supply chain	We maintain two-way relationships with suppliers
Scope 3 Emissions - Capacity Building & Awareness	AW	management  • Long-term relationship	who adhere to our Supplier Code of Conduct.
Supplier Periodical Performance Evaluation	AW		
New Vendor Evaluation and Registration	AW		

LOCAL COMMUNITIES

Local communities form the social foundation that supports Wasco's operations. Building strong, respectful relationships with these communities fosters trust and reinforces Wasco's social license to operate, ensuring long-term sustainability and mutual benefit.

Engagement Platform & Frequencies of Engagement		Issues of Concern	Wasco's Approaches
Corporate Websites & Social Media	M	Local communities	We continue to create a
Community Outreach & Development Programmes	0		positive impact by actively engaging local communities on social issues, offering
Strategic Partnerships	AW		employment opportunities
Charitable contributions	AW		for young graduates through internships, and supporting social impact initiatives with volunteer programmes.







#### **MANAGING OUR MATERIAL MATTERS**

Materiality assessments are integral to our sustainability journey, as they enable us to evaluate the sustainability issues that affect our business and our stakeholders. We conduct a materiality assessment once every two years to ensure that our focus remains relevant and aligned with evolving sustainability trends, industry developments and regulatory shifts. It also allows us to identify opportunities and mitigate risks associated with each material matter.

In 2023, we re-evaluated our material sustainability issues following the consolidation of BUs under Wasco. This reassessment ensures that our material matters reflect current priorities and continue to inform our business strategy and long-term value creation for stakeholders. Importantly, we undertake this review even in the absence of significant internal or external changes, reaffirming our commitment to industry best practices.

The following infographic outlines the key steps in our materiality assessment process.

PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
Review Material Matters	Stakeholder Engagement	Sustainability Impact Assessment	Calibration of Stakeholder Engagement and Impact Assessment	Review and Approvals
Existing material matters were reviewed against the SASB Standards' Common Material Matters relevant to our industry, as well as Wasco's business strategies and operations, to ensure their continued relevance to our business and stakeholders.	Stakeholder inputs, gathered through engagements conducted in FY2023, were reviewed and assessed to incorporate their perspectives into the materiality assessment.	A sustainability impact assessment was conducted to assess and prioritise the identified material matters based on their significance to our business and broader sustainability goals.	The results of both the stakeholder engagement and the sustainability impact assessment were then consolidated into a materiality matrix. This matrix enabled us to clearly identify and rank the top material matters most critical to our business and stakeholders.	After completing the materiality assessment exercise, the final materiality matrix was presented to Wasco's Management Team and the Board for review and approval, ensuring alignment at the highest level of decision-making.

#### Stakeholder Groups Participating in the Survey



Shareholders & Investors



Media



Vendors & Suppliers



Regulators & Authorities

**Employees** 

Customers

The survey invited stakeholder representatives to rate the importance of 18 sustainability topics.

Respondents evaluated each area using a 5-point Likert scale ranging from 'very unimportant' (1) to 'very important' (5), with (3) representing the neutral midpoint. The survey yielded 298 responses from both internal and external stakeholders.

As expected, there was a natural skew in representation, with the highest number of responses from employees, and fewer from Regulators & Authorities and the Media.

To address this imbalance, we calculated the average score for each topic within individual stakeholder groups, and subsequently derived an overall average rating across all eight stakeholder groups.

Members of our Senior Leadership Team and Board also participated in the survey, with their responses representing Wasco's perspective.

#### **Materiality Matrix**

To interpret the results, we considered scores above 3 as indicating medium to high importance. Stakeholder scores ranged from 4.06 to 4.74, while Wasco's scores ranged from 3.69 to 4.77, indicating that all identified issues were considered material to some degree. Based on this, we adopted a "material to very material" scale for our matrix, which is presented in the following diagram.



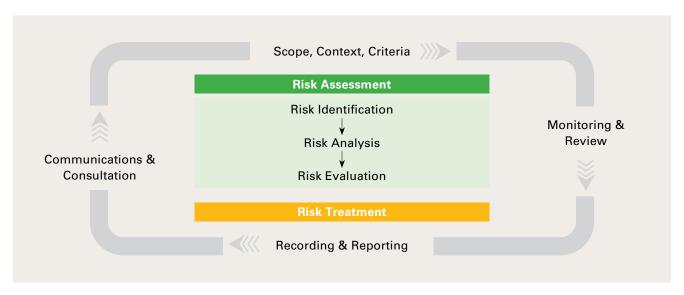
Health, Safety and Environment remained the top material matter for both Wasco and our stakeholders. In addition, stakeholders highlighted other key priorities, including Product Quality, Labour Practices, Human Rights, Waste Management, Training & Development, and Diversity, Equity, and Inclusion—all of which will require Wasco's focused attention.

Building on our current progress, we will evolve our materiality assessment in 2025 by fully integrating double materiality principles, strengthening our proactive and adaptive sustainability approach. Our next steps include deepening stakeholder engagement, refining our sustainability priorities in response to emerging trends, and strengthening our reporting frameworks to enhance transparency and accountability. By doing so, we aim to drive long-term resilience and sustainable growth across our operations.

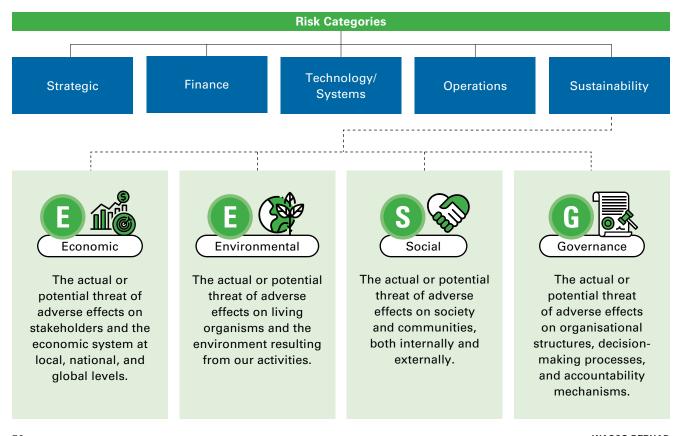
#### SUSTAINABILITY RISKS MANAGEMENT

At Wasco, we acknowledge the growing impact of sustainability-related risks on our operations, supply chains, and stakeholders. Our Risk Management Strategy is crafted to proactively identify, assess, and mitigate these risks, safeguarding business resilience and fostering long-term sustainability.

The strategy follows a structured five-step risk management process, aligned with ISO 31000:2018 as depicted below:



At present, sustainability represents one of five risk categories at Wasco. Within this category, there are four areas of focus: Economic, Environmental, Social, and Governance.



Sustainability-related risks and opportunities are identified, assessed, and managed using Wasco's Risk Management Framework, in alignment with how all other risks are addressed. The Board and Senior Management actively consider, review, and monitor these risks and opportunities as part of our strategic planning, investment decisions, and regular financial and operational performance reviews throughout the year.

**Key Risks Key Opportunities** Environmental: Climate change, resource scarcity, Environmental: Investing in renewable energy, and stricter regulations can disrupt operations and sustainable sourcing, and circular economy practices increase costs. can reduce costs, mitigate risks, and strengthen brand value. Social: Workplace safety concerns changing Social: Strong labour practices, ethical sourcing, and consumer expectations, and lack of diversity can inclusive branding can improve employee retention harm reputation and employee engagement. and customer loyalty. Governance: Evolving regulations require adaptive Governance: Transparent reporting, ethical business conduct, and data-driven decision-making can attract approaches. ESG non-compliance, unethical conduct, and cybersecurity threats can lead to legal investors, enhance governance credibility, and and financial consequences. ensure regulatory compliance. Financial: Rising compliance costs, Financial: Access to green financing, efficiency

Market: Changing consumer demand for low-carbon products can lead to stranded assets and increased business risks.

divestment, and supply chain disruptions can impact

profitability.

**Technology**: High upfront costs of low-carbon technologies pose transition challenges for carbonintensive operations.

Market: Sustainability-driven innovation and transition initiatives open new market and job opportunities in the green economy.

improvements, and long-term value creation

through sustainability initiatives can boost financial

Stakeholder: Collaborating with business partners and leveraging Wasco's sustainability leadership enhances project execution and emission reduction

By proactively addressing sustainability risks and capitalisng on emerging opportunities, we can enhance our resilience, drive innovation, and strengthen stakeholder trust, ultimately securing long-term success. Hence, by integrating sustainability into our business strategies, we can navigate uncertainties, enhance our competitiveness, and contribute to a more sustainable future.

efforts.

performance.

#### TARGETS AND PERFORMANCE/PERFORMANCE SCORECARD

At Wasco, sustainability performance is actively monitored across all projects and contracts, with regular reporting to the Sustainability Committee. This ensures the consistent integration of socio-economic considerations and the creation of sustainable value within our business operations. The potential negative impacts of key material matters are mitigated at both the business level and throughout the supply chain, value chain, and broader business ecosystem. The table below highlights our sustainability targets and corresponding performance outcomes:

Material Matters Environment	Targets	Performance 2024
GHG Emissions/ Energy Management	Transitioning away from diesel-powered stationary combustion is expected to result in a 5% reduction in emission intensity.	Emission intensity from stationary combustion increased by 122% due to business expansion in Qatar.  Challenge in Qatar is due to a takeor-pay energy requirement to access energy from the grid.
	<ul><li>a) Achieve 30% reliance on renewable energy by 2024 from 2023 baseline.</li><li>b) Achieve 40% reliance on renewable energy by 2035 from 2023 baseline.</li></ul>	27% reliance on renewable energy.
Water & Waste Water Management	Reduce overall Group water consumption by increasing the proportion of water sourced from recycled and harvested sources, targeting 5% usage from these sustainable sources.	Total water consumption was 231,729 m³, with 5% sourced from recycled and harvested sources in 2024, up from 3% in 2023.
Waste & Hazardous Material Management	Zero instances of non-compliance with local regulations across all countries where we operate.	No incident reported.
Social		
Lost Time Incident Rate ("LTIR")	Maintain zero LTIR and rate and zero fatalities annually.	LTIR rate recorded at 0.05; no fatalities reported.
Diversity, Equity, and Inclusion	At least 15% of leadership positions held by women.	14% female representation in leadership roles.
Training & Development	10 hours of training per employee per year.	19.68 hours of training per employee.
Community Relations	One impact project per site (total of 8 sites).	Total impact projects: 55 Number of beneficiaries: 11,936 people Total man-hours invested: 11,779 hours Total investment: RM777,578
Governance		
Business Ethics	Compliance with governance areas, including Risk Management, Internal Audit, Finance, Legal, and Corporate Governance.	No significant fines or breaches.

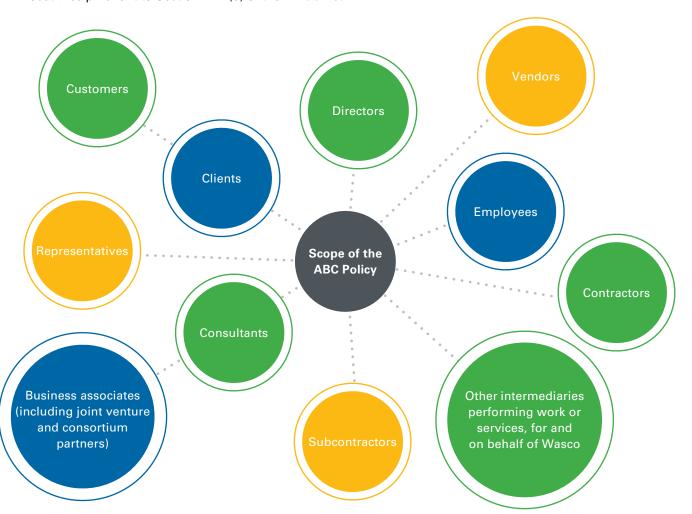


## GOVERNANCE (INTEGRITY, COMPLIANCE, ASSURANCE AND REPORTING CONCERNS)

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.



The ABC Policy applies to the Board of Directors and employees within Wasco. Majority of the employee completed the necessary initial training on anti-bribery and corruption as well as yearly awareness or 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 BUs 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.

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.

Communicating our Company's position on anti-bribery and corruption to all stakeholders:

- Employees are given an introduction to our antibribery 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.

Wasco 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 2024 (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.

#### **Anti-Money Laundering**

The Anti-Money Laundering Policy was established on 28 November 2024. This indicates another milestone of Wasco's commitment in adhering to high ethical standards of business conduct in order to combat money laundering and terrorism financing within Wasco.

This policy complements and to be read in conjunction with the ABC Policy and the Whistleblowing Policy amongst other relevant policies.

#### 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 Managing Director/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.



#### **ECONOMIC**

As a globally leading integrated energy group, Wasco recognises its critical role in powering both global and local economies. We take this responsibility seriously, knowing that the economic performance of businesses like ours significantly influences the well-being of communities and the broader economy.

As a key player in the global energy infrastructure, we are committed to breaking down barriers to clean, affordable energy, making it accessible to everyone, everywhere. Through our diverse business activities, we not only fuel industries and economies, but also generate meaningful, long-term positive impact.

Through our business activities, we drive economic growth and generate positive impacts. This influence is seen in various ways:

- creating job opportunities that enhance livelihoods
- contributing taxes that support infrastructure and public services
- providing products and services that benefit communities.

We fully recognise the wide-ranging economic benefits of our actions and their significant impact on stakeholders and sectors within our community. By highlighting these outcomes, we aim to showcase the diverse value created by our initiatives:

- 1. Value Delivered to Shareholders: Delivering strong financial returns and growth opportunities for investors.
- Value through Products and Services to the Nation: Contributing to national economic development through essential goods and services.
- 3. Competitive Compensation for Employees: Offering attractive salaries and benefits that support employee well-being and retention.
- Fulfillment of Obligations to Suppliers and Financiers: Cultivating reliable partnerships and fulfilling financial commitments to key stakeholders.
- 5. **Investment Benefits for Local Communities**: Driving community growth and development through strategic investments.
- 6. **Meeting Customer Needs**: Exceeding customer expectations to foster long-term satisfaction and loyalty.

In 2024, we generated a direct economic value of RM3.2 billion in revenue (with RM2.9 billion in adjusted revenue). Our economic impact also extends to our role as a global employer. At the end of 2024, we employed approximately 5,854 employees and offered fair and competitive wages and benefits. Wasco recorded a Profit after Tax, Minority Interest ("PATMI") of RM153.0 million for the financial year ended 31 December 2024 (FY2024), an 41.2% increase from the RM108.4 million reported in the previous financial year ended 31 December 2023 (FY2023). The growth in PATMI is attributed to higher operating revenue by 11.9% to RM2.9 billion from RM2.6 billion in FY2023.

At Wasco, we comply with tax regulations in the countries where we operate. We believe that this is our responsibility to our stakeholders in upholding good tax practices.

At Wasco, we provide our stakeholders with a comprehensive outlook on our business, fostering confidence in our long-term investment potential. This transparency encourages stakeholders to grow with us. For a detailed overview of our business outlook, please refer to the Chairman and Managing Director/ Group Chief Executive Officer's Joint Statement and CFO Statement sections of our Integrated Annual Report 2024.

#### **Economic Value Generated**

Operating Revenue
RM2.9 billion
(Total Revenue RM3.2 billion)

Other Income RM105.5 million

Economic Value Distributed		
Minority Shareholders RM20.4 million	Shareholders RM15.5 million	
Community Investment RM0.8 million	Employees RM555.4 million	
PATMI RM153.0 million	Taxes RM54.7 million	
Business and Operations RM2.5 billion		

INTEGRATED ANNUAL REPORT 2024

#### Supporting Sustainable Economic Growth and Development through Our Operations

Wasco is a prominent provider of energy solutions with a global footprint spanning 14 countries. Wasco's core strengths are anchored in two distinct divisions:

- The Energy Services Division, which specialises in advanced pipe coating, corrosion protection, engineering, and EPC project delivery; and
- The Bioenergy Services Division, which focuses on biomass energy generation, serving a wide range of sectors including plantations, petrochemicals, oleochemicals, and large industrial players.

Wasco recognises the crucial importance of investing in the protection and restoration of natural ecosystems, particularly forests, which play a vital role in sequestering carbon. In line with our environmental responsibilities, Wasco remains firmly committed to supporting the energy transition within the oil and gas sector.

As a leading integrated energy group, Wasco provides comprehensive technical services to the oil and gas industry worldwide. Increasingly, we leverage on our expertise to contribute to the advancement of emerging sectors such as carbon capture and storage pipelines, offshore wind, data centres, and renewable energy.



#### **Pipeline Services**

Wasco is the world's largest independent pipe coating company, delivering comprehensive onshore and offshore services to the energy industry. Our global operations are strategically located to efficiently meet industry demands. As a testament to our capabilities, we have coated over 22,000 km of pipelines across 25 countries.



#### **Engineering and Fabrication Services**

Wascoprovides comprehensive solutions in engineering, procurement, and construction ("EPC"), including modular fabrication services tailored for the global energy industry. Our fabrication facilities are strategically located in Southeast Asia and the Middle East & Africa to meet regional and international demand.

We have invested in world-class infrastructure, including a fully concreted waterfront fabrication base within the Southeast Asia Free Trade Zone. Spanning over 36.7 hectares, this facility is equipped with a dedicated jetty capable of handling modules of up to 10,000 metric tonnes.



#### **Bioenergy Services**

Wasco operates in the renewable energy sector, specialising in the engineering, procurement, construction, and commissioning ("EPCC") of steam energy systems and auxiliary facilities, as well as the supply of power-generating turbines.

Leveraging our in-house engineering capabilities, we design and deliver customised energy systems tailored to specific operational needs. Our solutions cover a wide range of steam energy systems, adaptable to various fuel types, capacities, pressures, and temperatures to ensure optimal energy efficiency and performance.

#### Sustainability-Linked Loan

Wasco has established a Sustainable & Transition Finance Framework, the first of its kind in ASEAN, and successfully executed its inaugural Sustainability-Linked Loan ("SLL"), of USD25.0 million under this Framework. Wasco has drawn down USD10.0 million as at 31 December 2024 to finance capital expenditures for our yard expansion in Batam, Indonesia.

#### **Participating in Industry Organisations**

Wasco actively collaborates with leading industry players and organisations to advance standards, share best practices, and engage stakeholders, in building a more sustainable economy. Wasco maintains active participation with esteemed bodies such as the Malaysian Oil & Gas Services Council ("MOGSC"), Malaysia Gas Association ("MGA") and Malaysia Petroleum Resources Corporation ("MPRC"). In addition, we are an active member of the Energy Industries Council ("EIC"), one of the world's largest energy trade associations for companies that supply goods and services to the global energy sector.

#### **Responsible Procurement**

Our commitment to responsible sourcing extends throughout our supply chain, which encompasses the procurement of both goods and services. We aim to continually enhance the social and ethical performance of our supply network by partnering with suppliers who share our values. We expect all suppliers to comply with applicable laws and adhere to the standards outlined in our Supplier Code of Conduct.

We recognise the opportunity to positively impact communities through responsible sourcing decisions. Our procurement strategy is guided by a balanced approach that ensures the sustainability of our supply chain while supporting broader social and environmental objectives. Our responsible procurement plan is structured around four key focus areas:

- Upholding the ethical treatment of workers
- Supporting local businesses
- · Encouraging inclusive participation
- Enhancing supply chain risk management

To uphold these principles, we conduct both quantitative and qualitative annual assessments of all suppliers listed on our Approved Vendor List ("AVL"). Suppliers are categorised into Major and Minor Vendors, and their performance is systematically reviewed to identify risks and drive improvements.

Suppliers that do not meet our standards are formally notified and required to implement corrective actions. Failure to comply or improve may result in suspension or removal from the AVL. We also update our Supplier Audit Matrix annually to reflect the outcomes of these assessments and ensure ongoing alignment with our procurement goals.

#### **Expanding Scope 3 Emissions Tracking**

In line with our environmental commitments and efforts to track Scope 3 GHG emissions, Wasco launched a pilot programme with selected vendors. The initiative aimed to raise awareness and build capacity on emissions management within our supply chain.

During the programme, vendors received briefings on Scope 1 and 2 emissions tracking methodologies and were guided on managing their own direct and indirect GHG emissions. Together, we developed emission factors specific to the products and services supplied to Wasco, establishing a foundation for more accurate Scope 3 assessments.

Looking ahead, we aim to:

- Enhance the accuracy and consistency of our vendors' emissions data;
- Encourage our vendors' emissions reduction initiatives;
- Expand the engagement programme to include more vendors.



Wasco's partnership with Emirates Environmental Group's "Clean UAE" campaign.

INTEGRATED ANNUAL REPORT 2024



#### **ENVIRONMENTAL**

Given the urgent global imperative to address climate change, it is crucial to take proactive measures to mitigate its effects and prevent irreversible damage to both the environment and humanity. The widespread consequences of climate change—such as extreme weather, resource shortages, and shifting regulations—pose significant risks to supply chains and can drive up operational costs. These challenges threaten Wasco's ability to create long-term value for our business and stakeholders, impacting our performance, reputation, supply chain resilience, and overall sustainability. As such, integrating climate considerations into our decision-making processes is not just a necessity, but a fundamental priority.

Failing to address climate change exposes us to a host of potential risks, including stranded assets, short-sighted business strategies, operational disruptions, and reputational harm. Additionally, the growing trend of financial institutions incorporating climate-related criteria into their lending and investment decisions may limit our access to capital, leading to higher financing costs. The rise of carbon pricing mechanisms, with calls for a global carbon price, further highlights the importance of adapting our business models to avoid significant financial repercussions. Proactively addressing climate change is therefore essential—not only for mitigating environmental risks, but also for safeguarding our financial resilience, strengthening our competitive edge, and ensuring long-term success.

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.

60%

of our Environmental Management System is ISO14001 certified as of 2024.

#### **Our Approach**

Environmental Assessment 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.

Data-Driven Tracking and Monitoring 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 timely and informed decisions and measure our progress effectively.

Strategic Planning for Impact Reduction

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.

Transparent Reporting to Leadership Regularly report our progress to Senior Management and the Board. These reports highlight 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 employees 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 surrounding communities to improve environmental awareness and obtain feedback on our environmental performance.

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

Promote waste minimisation, energy efficiency and GHG emissions within our day-to-day operations.

The climate-related financial disclosures aim to describe how climate change scenarios may impact our operations, outlining our strategy to mitigate potential impacts and strengthen long-term resilience.

The report outlines our climate-related financial disclosures in line with recommended practices, covering governance structures, strategy and risk management, resilience assessment, as well as metrics and targets.



#### Governance

There is a strong commitment from Wasco's leadership towards advancing sustainability and climate resilience. To ensure effective oversight and response, climate-related roles and responsibilities have been clearly defined.

Further to that, we are in the midst of establishing structured processes and controls, and have begun reporting on the progress of climate matters on a regular basis to ensure effective climate oversight across the organisation.

#### Climate-related roles and responsibilities

We leveraged our current sustainability governance framework outlined in the Sustainability Governance & Accountability section of this Report to provide effective oversight of climate matters and ensure a consistent response across Wasco. While the ultimate responsibility for climate issues rests with the Board of Directors, there are climate-specific roles cascaded to Board, Management and Working Levels, as well as the BUs, as shown in the table.

#### **Board Level Board** Holds overall strategic responsibility and oversight. · Provides oversight on the integration of sustainability into corporate strategy to balance stakeholder interests and create long-term value. Reviews the progress of Wasco's Net-Zero Carbon Roadmap rollout. Approves budgets for climate-related costs in a strategic and responsible manner, ensuring alignment with sustainability goals, stakeholder expectations, and longterm value creation. Reviews key initiatives and action plans under the hyphenated Carbon Roadmap, evaluating their potential to generate business opportunities. Provides strategic direction and reviews decisions pertaining to sustainability. Board Sustainability Reviews climate-related risks and opportunities as part of the quarterly meeting Committee (BSC) agenda. Assesses general awareness of climate changeas well as the implications of International Financial Reporting Standards ("IFRS") S1 & S2 standards. Oversees the formulation of climate-related strategies in alignment with relevant regulations and standards.

#### **Management Level**

#### Wasco Sustainability Steering Committee (SSC)

- Chaired by the MD/GCEO.
- Formulates Wasco's sustainability strategy and monitors the achievement of objectives and action plans.
- Serves as a collaborative platform to align sustainability approaches across Wasco and facilitate knowledge sharing between BUs.
- Oversees the management of sustainability matters—including climate action and environmental management—on a monthly basis across Wasco.
- Monitors progress of climate-related financial disclosure.
- Tracks sustainability-related risks and opportunities, sets performance goals, and reports progress to stakeholders.
- Responsible for proposing key sustainability and climate-related initiatives such as GHG emissions reduction measures or Net Zero strategy implementation, for Board consideration and approval before implementation.

Oversee major capital expenditures, acquisitions, and divestments through the lens

#### **Working Level** Group Consolidates, reports, and manages Wasco GHG emission inventory. Sustainability Coordinates cross-departmental climate-related enhancements and initiatives. (GS) Leads the rollout of the Net Zero Carbon Roadmap. Implements the climate-related financial disclosure framework and performs gap analysis to ensure alignment with relevant standards. • Establishes the GHG emissions baseline and supports target-setting efforts. **Business Units** Provide regular reports to Wasco on climate-related initiatives as well as their (BUs) progress against targets. · Support the implementation and monitoring of the Net-Zero Carbon Roadmap and carbon emissions reduction efforts. · Monitor environmental policies, regulatory landscapes, and sustainability systems in their respective jurisdiction to support sustainable operations. Integrate climate considerations into annual budget planning and performance objective setting.

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of climate-related risks and opportunities.

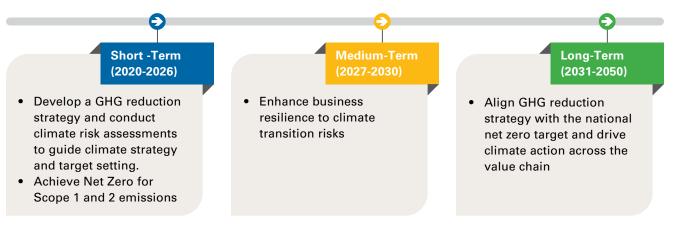
Progressively, we will regularly review, and where necessary, update roles and responsibilities to support the ongoing integration of climate risks and opportunities into our business strategies and financial planning. To further strengthen Wasco's climate governance, we are committed to continuously enhancing the monitoring and reporting mechanisms aligned with the implementation of the climate-related financial disclosures framework. These efforts will be systematically embedded within our broader sustainability governance structure. Moving forward, the BUs will play a key role in monitoring and overseeing the risk assessment of climate change-related matters, ensuring alignment across the organisation.

#### **Strategy**

Wasco is committed to producing in a manner that safeguards people, the environment, and the communities in which we operate - an approach that includes mitigating the risks associated with climate change. We recognise the severe short- and long-term business risks that climate change presents and are dedicated to addressing them by enhancing the efficiency of our operations. Our climate change strategy involves close collaboration with employees and supply chain partners to implement energy-saving processes and conduct comprehensive climate change risk assessments.

Wasco's GHG inventory is tracked monthly through an internally developed dashboard. This tool provides insights into key metrics such as emission intensity, primary GHG emission sources, and other indicators that guide our GHG reduction strategies. Through the SSC, our management team formulates approaches to reduce our environmental footprint. Senior Management, together with the respective Heads of BUs, reviews GHG data monthly to ensure the effective implementation of reduction initiatives. The Board also receives quarterly updates on Wasco's climate performance and progress.

To support our business planning, we categorise climate-related risks across distinct time horizons, which help in identifying and addressing risks more effectively.



#### **Short-Term (2020-2026)**

In the short-term (2020-2026), our primary focus will be on continuing efforts to reduce GHG emissions, ensuring high-quality climate reporting, and conducting a comprehensive climate risk assessment. These efforts will serve as the foundation for informed decision-making, strategy development, and setting clear climate-related targets.

Wasco is also committed to gradually adopting the IFRS S1 & S2 standards by initially incorporating the four content pillars and 11 recommendations of the TCFD reporting framework into our climate disclosures. This phased approach will enable us to build robust strategic plans and more effectively assess the potential business implications of climate-related risks and opportunities.

We remain sure and steadfast in our ambition to achieve Net Zero emissions for Scope 1 and 2 by 2026. In line with this, management will prioritise establishing clear climate strategies, roles, and responsibilities to support our medium- and long-term goals.

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#### Medium-Term (2027-2030)

In the medium-term, from 2027 to 2030, Wasco aims to continue advancing our climate strategy in alignment with national targets and in line with a 1.5°C pathway. Our focus will be on enhancing business resilience to climate risks while mitigating transition risks. A key part of this strategy will involve fully adopting the IFRS S1 & S2 standards, ensuring that climate-related risks, operations, and considerations are seamlessly integrated into our business strategy and financial reporting. These efforts will direct our ongoing investments in low-carbon solutions throughout our operations and supply chain.

We are also committed to strengthening leadership and management accountability in climate governance, with a clear focus on addressing climate risks, opportunities, strategies, and targets. In tandem with this, we plan to implement an internal carbon pricing mechanism in preparation for the introduction of carbon taxes by the government. Where feasible, we aim to begin implementing some of these initiatives ahead of schedule.

Furthermore, we will carefully consider capital expenditures and operational planning, including the development of new technologies that have the potential to reduce our customers' GHG emissions.

#### Long-Term (2031-2050)

In the long-term (2031-2050), we will continue enhancing our existing GHG emissions reduction strategies as we anticipate the development of more commercially available green technologies and systemic solutions in line with Malaysia's Net Zero commitment. Our strategy will include partnering with suppliers and collaborating on cross-industry efforts to jointly address our shared GHG emissions across the value chain.

We aspire to remain a climate leader, to be a first mover in the industry with adoption of climate resilience strategies in business and being a preferred brand offering climate-friendly products and services to our customers.

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

While climate change poses physical and transition risks, it also presents opportunities. Physical risks are driven by climate change and can either be acute (event-driven) or chronic (long-term shifts in climate patterns). These risks could have financial implications, such as direct damage to assets and indirect impacts from supply chain disruptions. On the other hand transition risks arise during an organisation's transition to a low-carbon economy. They consist of policy and legal risks, technology risks, market risks, and reputational risks.

The risks and opportunities, along with examples of their potential impacts, are outlined below:

Risk Category Transition Risks	Risks Relevant to Wasco	Potential Impacts to Wasco (Non-Exhaustive)
Policy & Legal: Implementation of governmental policies designed to tackle climate change	<ul> <li>Increased pricing of GHG emissions (due to carbon pricing mechanisms)</li> <li>Mandates and regulations impacting existing products and services</li> </ul>	<ul> <li>Loss of customers due to increased prices of products and services impacted by carbon tax liabilities</li> <li>Higher compliance requirements and associated costs</li> </ul>

Risk Category Transition Risks	Risks Relevant to Wasco	Potential Impacts to Wasco (Non-Exhaustive)
Technology: Write-offs for investments in obsolete technologies or the need for investments in new, more sustainable technologies	<ul> <li>Transition to lower-emission technologies</li> </ul>	<ul> <li>Increased investments in climate-resilient and low-carbon infrastructure</li> <li>Higher spending on workforce upskilling</li> <li>Higher spending on research and development and innovation</li> </ul>
Market & Economic: Market shifts in supply and demand for certain commodities, products, and services	Changing customer behaviour and/or investor expectations	<ul> <li>Untapped opportunities arising from new stakeholder demands</li> <li>Higher risk of losing access to capital markets due to lower market valuation and failure to meet finance providers' climate-focused expectations</li> </ul>
Reputational Risks: Damage to brand value or reputation	<ul> <li>Increased stakeholder concern or negative stakeholder feedback</li> </ul>	<ul> <li>Negative impact on overall reputation (e.g. due to failure to meet climate-related goals, or lack of climate action), resulting in loss of customers as well as lower employee attraction and retention</li> </ul>

Risk Category Physical Risks	Risks Relevant to Wasco	Potential Impacts to Wasco (Non-Exhaustive)
Acute Physical Risks: Exposure to increasingly frequent and severe extreme weather events	Increased severity of extreme weather events	<ul> <li>Higher spending on repairs and maintenance of infrastructure/offices damaged from weather events</li> <li>Increased frequency and severity</li> </ul>
Chronic Physical Risks: Exposure to longer-term, incremental shifts in climate patterns	<ul> <li>Changes in precipitation patterns and extreme variability in weather patterns</li> <li>Rising mean temperatures</li> <li>Rising sea levels</li> </ul>	of network and customer service disruptions  Devaluation and/or early retirement of assets in high-risk locations (e.g. flood-prone or water-scarce areas)  Reduced quality of services due to lower productivity  Higher insurance premiums and/or reduced availability of insurance for assets in high-risk locations

Opportunity Category	Opportunity Relevant to Wasco	Potential Impacts to Wasco (Non-Exhaustive)
Resource Efficiency: Use of more resource- efficient processes and equipment to optimise consumption of energy, water, waste, and materials	Use of more efficient production and distribution processes	<ul> <li>Lower utility bills, potential carbon prices, and costs from purchased goods and services due to reduced consumption of resources</li> <li>Increased value of fixed assets (e.g. highly rated energy-efficient plants)</li> </ul>

Opportunity Category	Opportunity Relevant to Wasco	Potential Impacts to Wasco (Non-Exhaustive)
Energy Source: Use of green or renewable sources of energy, and exploration of carbon trading platforms	<ul> <li>Use of lower-emission sources of energy</li> <li>Participation in carbon markets</li> </ul>	<ul> <li>Avoided penalties, legal action, and reputational risks due to non- compliance with climate regulations</li> <li>Increased reputation from proactive response to shifts in consumer and investor demands</li> </ul>
Products & Services:  Development of low-emission goods and services, as well as climate adaptation and mitigation solutions	<ul> <li>Transition to low-emission products and services</li> <li>Increased collaboration with external organisations to provide low-emission and climate-resilient solutions</li> </ul>	<ul> <li>Additional source of revenue from new low-carbon products and services</li> <li>Increased quality of products and services due to upskilled employees in enhancing low emission-related offerings</li> <li>More resilient supply chains due to the shift from linear supply chains towards circular business models</li> </ul>
Market: Exploration of new markets and avenues for lower financing costs with low-carbon products and services	<ul> <li>Access to new markets across more climate-conscious consumers</li> <li>Improved reputation from proactive response to align with shifting consumer and investor demands</li> <li>Use of public and private sector incentives to fund emission reduction projects</li> </ul>	<ul> <li>Engagement with a wider customer base across new markets</li> <li>Increased access to sustainable, green, and/or climate financing to fund research, development, and innovation of low-carbon products and services</li> <li>Better competitive position, resulting in a larger number of customers as well as higher employee attraction and retention</li> <li>Increased access to capital markets due to higher market valuation with improved sustainability and climate performance</li> </ul>
Resilience: Increase in adaptive capacity to respond to climate change	<ul> <li>Participation in renewable energy ("RE") programmes and adoption of energy efficiency measures</li> <li>Achievement of sustainability certifications and energy labels for energy-efficient products and services</li> <li>Improved community and consumer resilience</li> </ul>	<ul> <li>Additional source of revenue from certain RE programmes</li> <li>Increased value of fixed assets due to better energy performance (e.g. high-risk energy-efficient buildings)</li> <li>Lower risk of service downtime due to reduced health and safety impacts on the workforce and enhanced reliability of supply chains, particularly for data centre operations</li> </ul>

These strategies encompass initiatives to reduce our carbon footprint, increase energy efficiency, transition towards renewable energy sources and enhance resilience to climate-related risks. We actively engage with stakeholders to collaborate on fulfilling our commitment to achieving net-zero carbon emissions, fostering partnerships that drive collective action towards a sustainable future.

#### Low-Carbon Strategies

- Implement low-carbon strategies, energysaving programmes and utilisation of green energy
- Invest in renewables and embrace the circular economy
- Improve energy efficiency and further reduce operational GHG emissions
- Remove carbon using nature-based solutions like reforestation initiatives

#### **Performance-Oriented Results**

- Set long-term stretched targets to drive swift and agile climate change adaptation and mitigation
- Achieve company-wide strategic alignment of goals
- Use quantitative metrics and performanceoriented results to measure progress and promote data-driven decision-making.

# **Comprehensive Management Framework**

- Adopt ISSB's climate disclosure standard (IFRS S1 & S2)
- Integrate climate-related risk management into Wasco's overall risk management framework
- Identify climate-related risks and opportunities and perform scenario analyses to mitigate risks

# Climate Change Strategy

Our strategies to adapt to climate change and build resilience for a sustainable future.

#### **Climate Advocacy and Education**

- Participate in global and national sustainability initiatives, and engage in sustainability assessments conducted rating agencies like FTSE Russell
- Facilitate climate education and awareness through seminars and company-wide awareness programmes

Wasco is an active member of the Malaysian Oil & Gas Services Council ("MOGSC"), Malaysia Gas Association ("MGA"), Malaysia Petroleum Resources Corporation, and the Federation of Malaysian Manufacturers. Through these memberships, we remain committed to addressing climate-related challenges, particularly their impact on the energy sector.

#### Our role and involvement include:

- Identifying key environmental issues related to climate change, water, waste; and
- Collaborating on solutions that drive sustainable improvements within Wasco and its supply chain.

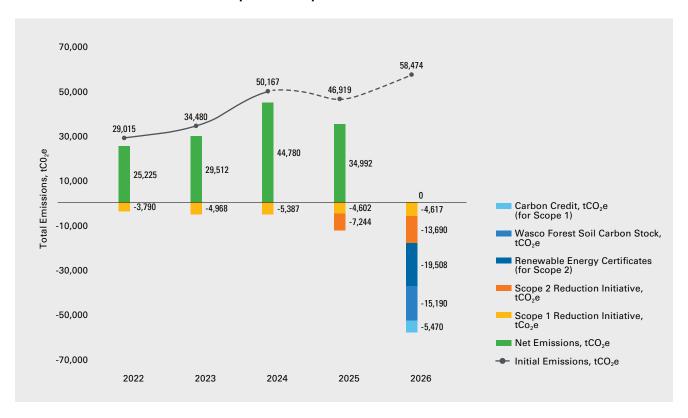
Wasco plays an integral role in driving change management by facilitating knowledge-sharing, policy discussions, and regulatory advancements. Through our participation, we:

- Support the development of public policy and regulations that promote sustainability within the energy sector; and
- Explore emerging opportunities, such as Carbon Capture, Utilisation, and Storage ("CCUS"), hydrogen technology, and renewable energy solutions, to contribute to a cleaner, more sustainable future.

By leveraging our industry presence and expertise, we continue to advocate for environmental responsibility, innovation, and sustainable growth in the energy sector.

#### **Wasco Net-Zero Carbon Emissions Pathways**

#### Wasco's Commitment to Net Zero Scope 1 and 2 by 2026



This Net Zero Scope 1 and 2 commitment graph illustrates our emission reduction pathway from 2022 to 2026. The chart highlights initial emissions, net emissions, and the impact of key decarbonisation initiatives, including Scope 1 and 2 reduction strategies, renewable energy adoption, and the use of carbon credits. By 2026, we aim to achieve net zero emissions through a combination of clean energy transitions, and verified offset mechanisms.

At Wasco, we fully recognise the urgency of the climate crisis and are committed to contributing meaningfully toward global climate goals. That's why we have set an ambitious target to achieve net zero carbon emissions for Scope 1 and 2 by 2026. For us, waiting until 2050 is not an option—immediate and decisive action is essential.

As an organisation that operates in the energy and bioenergy sector, we understand our role in driving sustainability. Our commitment to net zero is not just a corporate target, but a pledge to future generations, a commitment to climate leadership, and a step toward a cleaner, low-carbon future.

#### **Our Path to Net Zero**

We are committed to achieving net zero emissions for Scope 1 and 2 by 2026 by integrating sustainability into our operations. As a leading provider of pipeline solutions, we are focused on reducing our direct and energy-related emissions through energy-efficiency optimisation, transitioning to renewable energy, and implementing low-carbon technologies. Achieving this target requires strategic collaboration, innovation, and decisive action across our facilities and operations.

#### **Key Actions to Achieve Net Zero**

#### • Assessing Grid Connectivity Feasibility:

- Conducting a technical and infrastructure assessment to determine the feasibility of connecting WCME Qatar to the national grid.
- Engaging with local energy providers and regulatory bodies to understand grid availability, connection requirements, and potential renewable energy options.

#### Transitioning to Renewable Energy:

- We are actively shifting from fossil fuelbased power sources to grid electricity, with a strong emphasis on integrating renewable energy into our operations.
- This includes expanding solar energy adoption across key facilities, such as:
  - WCM Kuantan
  - PTWEI Batam
  - WPS Kota Kinabalu
  - Wasco Thermal Shah Alam
  - WPE Teluk Panglima Garang (with plans for further solar capacity expansion)

#### • Optimising Energy Efficiency:

 We plan to actively implement diesel-toelectric equipment conversions where feasible, replacing diesel-powered machinery with electrified or energy-efficient alternatives to minimise fuel consumption and emissions. This initiative has already been implemented during Quarter 4 2024 at PTWEI Batam, and we are considering adopting a similar approach at WCME Qatar while transitioning to grid power.

- Additionally, we are enhancing fuel management and consumption tracking to optimise diesel usage during the transition phase.
- We are also integrating energy-saving technologies and best practices across our operations.

#### Enhancing Carbon Sequestration Through Wasco Forest Soil Carbon Stock:

- Reforestation through Wasco Forest plays a crucial role in Carbon Sequestration: Protecting and expanding forested areas within Wasco-managed sites to increase soil carbon storage capacity.
- Soil Carbon Assessment & Monitoring: Conducting regular soil carbon stock assessments to quantify and track our carbon sequestration progress.

#### Taking Collective Climate Action

Sustainability is a shared responsibility. By working together with industry partners, clients, and stakeholders, we can drive meaningful change and contribute to a net zero future. We encourage other businesses to take action and join the journey toward sustainability.

Wasco remains committed to leading by example, ensuring that our business growth aligns with environmental responsibility.

We will continue enhancing our climate strategy as part of our climate resilience development. Among the measures we plan to take include:

- Assessing climate risks based on factors such as useful life of assets and infrastructure, expected time
  of occurrence of climate impacts, internal strategies, as well as alignment with external commitments
  and regulatory frameworks.
- Conduct climate scenario analyses to evaluate potential impacts under two projected climate conditions and across different time horizons. These analyses help us assess the resilience of Wasco's climate strategies against diverse climate scenarios and underlying assumptions.
- Conducting IFRS S1 & S2 quantitative analyses and using the relevant outcomes to formulate action plans. The action plans will be used to address climate matters that are aligned with Wasco's Net Zero Carbon Roadmap and will be integrated into our corporate strategy and financial planning.

#### **Risk Management**

Within Wasco, climate risk evaluation is seamlessly woven into its strategic planning and business processes, aligning with the risk management process. For more details on the risk management process, please refer to our Sustainability Risk Management section from pages 58 to 59. Wasco is committed to incorporating climate risk considerations into our decision-making processes, strengthening adaptability, and ensuring the long-term sustainability of our business and the communities we serve. These considerations include:

Time Horizon and Effects	Climate-related risks and their associated impacts may emerge as a result of evolving drivers behind both physical and transition risks. These shifts can manifest over the short, medium, and long term, influencing business operations, market dynamics, and Wasco's overall sustainability.
Geography and Activity Differences	The effects of climate change and associated risks will vary across regions, depending on geographical and operational factors. These variations can significantly influence business operations, market dynamics, and strategic priorities.
Complex Relationships and Systemic Effects	Climate change risks are intricately linked with socioeconomic structures, financial systems, and global supply chains. These complex interdependencies can amplify the overall impact, creating cascading effects that reverberate across industries and economies.

As part of our climate risk assessment, we undertook the following steps to assess the materiality of Wasco's climate risks and opportunities for the shortlisted BUs which represent Wasco's key business segments.

#### Macro Factors: Country-and Industry-Level View

In assessing climate-related risks and opportunities, we take into account country- and industry-specific perspectives relevant to the shortlisted BUs. Key factors for consideration include:

- The likelihood of natural disasters occurring or recurring in the region;
- Existing or upcoming climate-related regulations and policies; and
- Market dynamics and shifts in customer behaviour.

#### Micro Factors: Operation-Level View

We evaluated how each shortlisted BUs responds to climate risks and its exposure to climate-related opportunities. The assessment of vulnerability to climate risks was based on:

- The availability of control measures to manage and mitigate the impact of climate risks;
- Access to alternative resources or infrastructure to reduce dependency; and
- The level of preparedness, response, and recovery capabilities in managing natural disasters.

On the other hand, our exposure to climate opportunities was assessed based on:

- · The potential for new revenue streams or cost savings;
- Opportunities for job creation, as well as upskilling and reskilling of the workforce; and
- The capital investment required to capitalise on these opportunities.

Moving forward, we will implement strategic measures to enhance the integration of climate-related risks into Wasco's risk management framework. This includes refining policy, procedures, risk appetite, risk tolerance, and overall risk management strategies. As part of this effort, we will adjust our risk appetite and tolerance levels to incorporate climate considerations and embed climate-related factors into Wasco's existing risk assessment processes, such as the materiality assessment of climate risks and impact pathways.

We may enhance our current risk taxonomy and risk profile by incorporating relevant physical and transition climate risks. When necessary, we will evaluate emerging climate risks and opportunities based on business segments and geography. Additionally, we are dedicated to standardising our global climate risk assessment process to maintain consistency and transparency.

We will actively communicate the process to all BUs, equipping them with a standardised approach to assess climate risks and opportunities. This will allow us to proactively manage climate risks and capitalise on potential opportunities. Future enhancements will include developing monitoring mechanisms to integrate climate risk into overall risk management practices, ensuring regular review by the Board.

#### **Metrics and Targets**

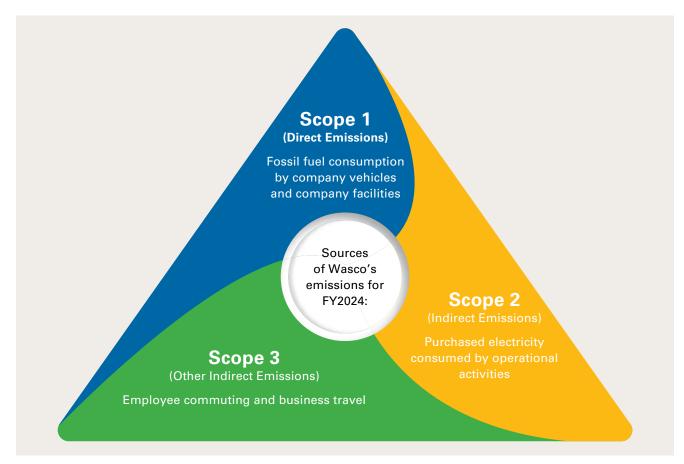
Metrics and targets are how an organisation measures and monitors its climate-related risks and opportunities. Organisations disclose metrics and targets to enable stakeholders to better assess an organisation's potential risk-adjusted returns, ability to meet financial obligations, general exposure to climate-related issues, and progress in managing or adapting to those issues.

These metrics, along with regular reporting, enable Wasco to effectively assess and manage climate-related risks and opportunities, ensuring alignment with its sustainability goals and long-term strategic objectives.

Wasco is committed to progressively minimising our operational emissions to align with the global goal of limiting temperature rise to 1.5°C. To support this commitment, we have established climate-related metrics to effectively measure and monitor key parameters, guiding our collective action plan in addressing climate-related challenges.

#### Scope 1, 2, and 3 Greenhouse Gas Emissions

Wasco is dedicated to maintaining transparency and accountability in its climate performance. As part of this commitment, Wasco regularly discloses its Scope 1, 2, and 3 emissions to ensure clear and comprehensive reporting on its environmental impact.



All emissions have been calculated using the methodologies outlined in the Greenhouse Gas ("GHG") Protocol. The emission factors are derived from the Intergovernmental Panel on Climate Change's ("IPCC") Sixth Assessment Report ("AR6") and with consultation with Malaysian Green Technology and Climate Change Centre ("MGTC") for Scope 1 and 2 emissions. For Scope 3 emissions, calculations are based on data from the United Kingdom's Department for Environment, Food & Rural Affairs ("DEFRA") 2023. This updated methodology allows for a more detailed and comprehensive breakdown of GHG emissions.

# Organisational Targets for Managing Climate-Related Risks and Opportunities, and Performance Evaluation Against these Targets

Within Wasco, sustainability considerations are integrated across our business and guided by clearly defined targets. In relation to climate, we have set a target for our emissions. To track our near-to long-term sustainability performance, we have included an overall climate goal of achieving net-zero emissions by 2050. This long-term target is also supplemented by our interim targets, as outlined below:

Wasco's Environmental Performance Targets			
Greenhouse G	as Emission I	Reduction	
Scope 1	Emission intensity from stationary combustion by 5%. Coverage: entire Group (100%)  • Stationary combustion  • Company-owned vehicles  • Refrigerant leakage  • Fire suppression  • Welding		
Scope 1 & 2		net-zero carbon emissions for Scope 1 and 2 by 2026. o emissions by 2050.	
	Strategy	Wasco is undertaking a series of proactive initiatives and developed plans for the achievement of this environmental performance target.	
		Ongoing initiatives include:  Subscribed to TNB's Green Electricity Tariff (GET) Programme;  Launched a pilot tree-planting programme at Wasco Forest;  Phasing out diesel-fueled air compressors and power generators across all operations;  Deployed mobile tower lighting powered by solar and battery instead of diesel;  Utilising natural gas for all industrial burners;  Reducing reliance on liquefied petroleum gas;  Introduced the "Benefit of Walking" Campaign to encourage walking over vehicle use;  Periodic maintenance of plant equipment to optimise fuel efficiency;  Adopted Euro 6 standard vehicles, to enhance energy efficiency and reduce emissions;  Transitioned to arc welding for improved energy use;  Rolled out an Energy-Saving Awareness Campaign;  Enabled hibernation features on all computers;  Installed timers/and sensors for lighting, air conditioners, hydraulic power packs, and blowers;  Replaced malfunctioning bulbs with energy-efficient LED lights; and  Installed solar power systems at production facilities.  Upcoming initiatives include:  Installation of solar panels at our Kuantan facility;  Transitioning of Qatar operations to grid energy;  Complete phasing out of combustion-based energy sources; and  Launch of Phase 2 of Wasco's tree-planting programme, to cultivate a diverse range of CO <sub>2</sub> -sequestering plants across 670 hectares, totalling an estimated 1 million trees.	

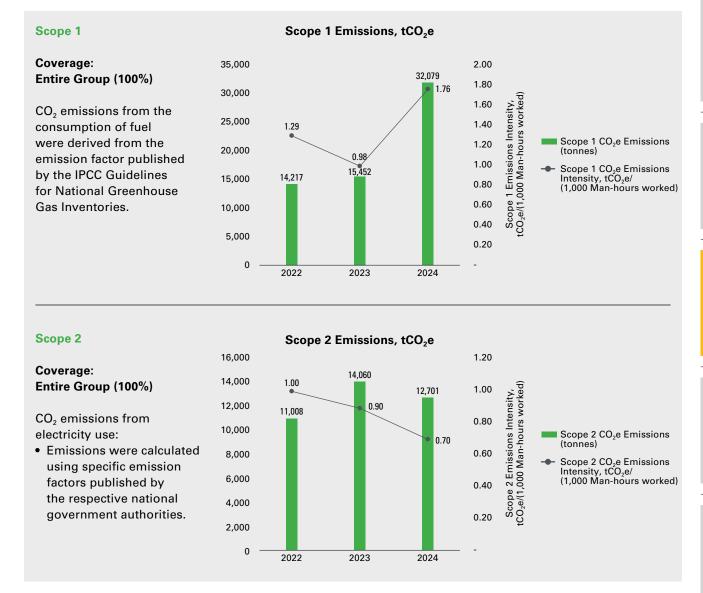
Consolidation method in carbon footprint calculation

Organisational boundary in carbon footprint calculation

Accounts for 100% of GHG emissions from operations over which it has authority to implement operational policies and practices.

Independent verification of operational GHG data

Our process of calculating and measuring GHG is guided and independently verified by the MGTC.



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.

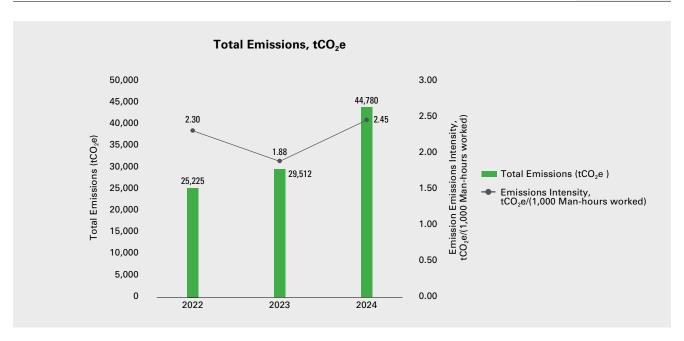
We actively monitor the latest global climate change science published by leading international organisations to help assess potential risks and opportunities for our portfolio. We aim to manage our portfolio with resilience, ensuring it adapts to the rapid energy transition and increasing expectations 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	2022	2023	2024
Total Emissions (tCO <sub>2</sub> e)	25,225	29,512	44,780
Total Man-hours	10,985,154	15,704,670	18,274,778
Emissions Intensity, tCO <sub>2</sub> e/Man-hours (1,000)	2.30	1.88	2.45



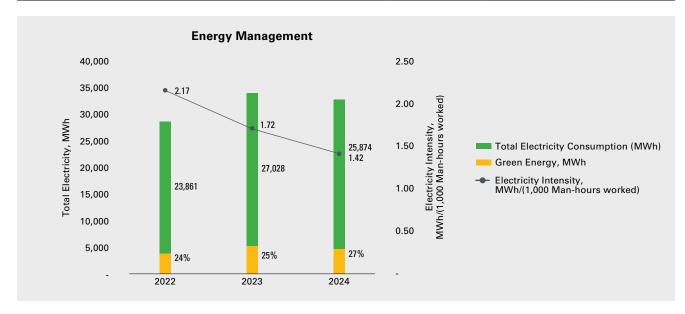
# **Wasco's Environmental Performance Targets Achieve Increased Reliance on Renewable Energy** Scope 2 Coverage: entire Group (100%): Purchased electricity a) Achieve 30% reliance on renewable energy by 2024 from 2023 baseline. b) Achieve 40% reliance on renewable energy by 2035 from 2023 baseline. Strategy 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 into business activities.

#### **Energy Management**

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

Year	2022	2023	2024
Green Energy, MWh	5,640	6,664	6,935
Total Electricity Consumption (MWh)	23,861	27,028	25,874
Electricity Intensity, MWh/(1,000 Man-hours worked)	2.17	1.72	1.42
% of Energy Mix	24	25	27



In 2024, we invested RM1,162,858 in our subscription to Tenaga Nasional'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 adopting new and green technology in developments and implementing fuel efficiency measures.

For 2025, we have several solar installations planned for various locations within Wasco.



Solar panels installed at Wasco Process Engineering's building in Telok Panglima Garang.

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

During the 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 also engaged the Forest Research Institute Malaysia to conduct a soil organic carbon assessment to determine the soil carbon pool at the site. We are pleased to share that our forest is healthy and growing well. This sentiment is shared by the Pahang Forestry Department, which has granted an additional 670 hectares of land in Maran for us to continue our reforestation efforts. In Phase Two of Wasco's tree-planting programme, we will continue cultivating a diverse range of carbon-sequestering plants across 670 hectares, with the goal of eventually planting approximately 1 million trees.

FACTS: Nature has garnered 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, agricultural practices. Fortunately, strategic changes in land practices



Wasco's volunteers joined forces with local communities at the Pulau Buluh Clean-Up in Batam, Indonesia.

#### **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 through material substitution, conservation, recycling, and reuse wherever applicable.

#### **Preserving Biodiversity**

We strive to operate responsibly and protect biodiversity where we work worldwide. As part of our commitment to the SDGs, 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 risk assessments 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 us to formulate risk mitigation approaches. For 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 Wasco Waste Management Procedure sets out the following expectations:

- Promote efficient use of resources to reduce pollution impacts.
- Minimise waste generation at the source wherever feasible.
- Explore alternative disposal methods by adopting cleaner and more sustainable technologies.
- Ensure full compliance with all legal requirements related to waste handling and disposal.

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

#### Sewage and · Sewage and greywater are collected in designated tanks that are properly plumbed Greywater and connected to ablution and lunchroom facilities. Tanks are emptied regularly by an authorised contractor. Scrap Metal • Scrap metal, including copper, is collected in a scrap metal skip. Scrap metal is collected or replaced by a contractor as appropriate. **General Waste** 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 required. Recyclable Aluminium cans and plastic bottles are deposited in a designated recycling bin for **Containers** donation. **Waste Paint** · Waste paint is allowed to fully harden in its original container and is then disposed of according to the Safety Data Sheet requirements, either as general waste or through an authorised contractor.

Oily Rags	<ul> <li>Oily rags are stored in a designated oily rag receptacle.</li> <li>Clients' maintenance operations must implement a process for the proper disposal of oily rags.</li> </ul>
Hydrotest Water	<ul> <li>Hydrotest water is collected for proper disposal.</li> <li>The greywater system can handle untreated test water volumes of up to 100 litres. Operations ensure that the greywater system can manage the volume at the time of disposal. If the site cannot accommodate the additional volume, third parties may be engaged for disposal.</li> </ul>
Waste Condensate	<ul> <li>An authorised contractor collects condensate waste using suitable containers for safe transport and disposal.</li> <li>The client is responsible for providing a designated, bundled storage area for waste containers pending collection.</li> </ul>
Waste Amine	<ul> <li>An authorised contractor collects amine waste using suitable containers for safe transport and disposal.</li> <li>The client is responsible for providing a designated, bunded storage area for waste containers pending collection.</li> </ul>
Soil/Spoil	A civil contractor removes soil and spoils from the site, transporting them for disposal at an authorised facility.
Waste Concrete	A civil contractor removes waste concrete from the site, transporting them for disposal at an authorised facility.
Contaminate Soil	<ul> <li>Contaminated soil, when identified, is removed and stockpiled for disposal at a suitably licensed facility.</li> </ul>

#### **Noise Boundary Monitoring**

Noise generated during the construction, operation, and decommissioning phases of large infrastructure projects can potentially affect nearby noise-sensitive receptors. In adherence to the Environmental Quality Act 1974, the Group conducts boundary noise monitoring at multiple points along the perimeter of its operations, in line with the approval conditions outlined in EIAs. In 2024, the average noise level remained within the permissible limit of 65 decibels (dBA), as stipulated by the Department of Environment.

# **Conserving Water Resources**

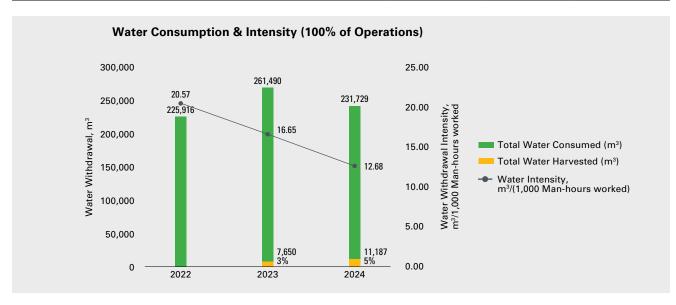
We actively manage our freshwater usage and the potential impacts of our operations on surrounding water resources. To reduce consumption and improve efficiency, we prioritise the use of alternatives such as recycled water. A range of internal processes help us assess and manage water-related risks, focusing on conservation, reuse, and recycling. Each site follows our HSE Management Plan, which includes a Water Management Procedure. This procedure sets out appropriate control and monitoring measures in line with 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 were no 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	2022	2023	2024
Total Water Consumed (m³)	225,916	261,490	231,729
Total Water Harvested (m³)	-	7,650	11,187
Total Man-hours	10,985,154	15,704,670	18,274,778
Water Intensity, m³/ Man-hours (1,000)	20.57	16.65	12.68



#### **Circular Economy**

Wasco is capitalising on its commitment to sustainability with a new initiative that recycles discarded polyethylene ("PE") and polypropylene ("PP") from its three layer anti-corrosion coating process. As part of its drive toward net zero carbon emissions by 2026, this effort reflects Wasco's focus on reducing waste and boosting resource efficiency across its operations.

The initiative reprocesses used PE and PP into resin, which is then employed for purging die heads during material changeovers—a crucial maintenance step that keeps machinery clean and ready for production. By using recycled resin, Wasco conserves virgin material for coating applications, yielding both environmental and financial benefits.

The programme has already delivered significant savings, with recycled PE/PP now constituting 7% of the total material purchased. The switch from virgin to recycled materials has resulted in an 81% reduction in purging costs, reflecting the initiative's impact on both sustainability and operational efficiency.

Aligned with Wasco's broader sustainability strategy, this initiative supports Wasco vision to deliver reliable, competitive energy solutions while advancing its net zero goals. By closing the loop on these materials, Wasco not only cuts its environmental footprint but also strengthens its competitive edge in a sustainability-driven market.









# 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 our business objectives with community investment, Wasco can achieve more favourable outcomes for both itself and the communities it serves. Our community investment efforts are guided by a clear purpose—to drive meaningful and lasting positive transformation.

#### **Social Impact Projects**

Wasco is dedicated to delivering long-term benefits to the communities in which we operate. Our commitment is driven by three core pillars: environment, healthcare, and humanity. Through ongoing collaboration with reputable local non-governmental organisations such as E-waste Recycling Through Heroes (ERTH), Tzu Chi, and Free the Sea, we aim to foster meaningful change and make a lasting impact. These partnerships reflect our deep commitment to contributing to the well-being of those in need. In FY2024, we successfully executed a series of Social Impact Projects across our global operations, reinforcing our dedication to community outreach and positive social transformation.

Wasco made a total investment of RM777,578 in community initiatives, directly benefiting 11,936 individuals. Our employees contributed a combined total of 11,779 volunteer man-hours, underscoring our unwavering commitment to creating a meaningful and lasting impact in the communities we serve.



We are proud to highlight the following impactful projects:















Environment

Humanity Healthcare

# **JANUARY**

Maendeleo Programme,

Paper Recycling Programme,

# **FEBRUARY**

Beach Cleanup at Pantai Sungai Karang, Kuantan

Recycling Campaign of Clothes and Toys, Kuala Lumpur

Recycling with Tzu-Chi Malaysia, Kuala Lumpur

# MARCH

School Infrastructure Upgrades,

Wasco Prihatin-Bubur Lambuk Distribution - Kuantan

# **JUNE**

Tree Planting at Rezab Sg. Telipok, Kota Kinabalu

Donation in kind for Flood Victims at Penampang Villages, Kota Kinabalu

Health Checkup at Bukit Gong, Chini, Kuantan

Blood Donation Drive, Kuantan

## MAY

School Infrastructure Upgrades, Batam

Donation in kind for Pusat Pengurusan Jagaan OKU Leshan, Kota Kinabalu

Maendeleo Programme, Tanzania

Plastic Bottle Collection Drive, Dubai

Beach Cleanup at Pantai Remis, Jeram

# APRIL

Social Responsibility/Outreach -Driver Campaign, Tanzania

Wasco Corporate Raya Open House, Kuala Lumpur

Social Responsibility/Outreach -Sports Clothing Donation, Tanzania

Let's Run and Walk Together for Health Programme, Tanzania

Blood Donation Drive at Tengku Ampuan Rahimah Hospital, Shah Alam

#### JULY

Medical assistance

Plastic Bottle Collection Drive, Dubai

Project Nutrisi Sihat Wasco -Food Distribution, Kuantan

School Infrastructure Upgrades, Batam

Blood Donation Drive, Qatar

Blood Donation Drive, Singapore

# **AUGUST**

Project Nutrisi Sihat Wasco -Food Distribution, TPG

Project Nutrisi Sihat Wasco -Food Distribution, Shah Alam

Plastic Bottle Collection Drive, Dubai

Circular Economy 'Recycling Item turn into treasure' Program, Kota Kinabalu

Blood Donation Drive. Kota Kinabalu

# SEPTEMBER

Donation in kind - Rumah Anak Yatim & Asnaf Al-Kauthar and Rumah Anak Yatim & Miskin Permata Camar, Kuantan

Project Nutrisi Sihat Wasco -Food Distribution, Shah Alam

School Infrastructure Upgrades, Batam

Medical assistance

Project Nutrisi Sihat Wasco - Influenza Vaccination Campaign, Shah Alam

Project Nutrisi Sihat Wasco - Influenza Vaccination Campaign, TPG

Project Nutrisi Sihat Wasco - Influenza Vaccination Campaign, Shah Alam

## DECEMBER

Clean UAE Campaign, Dubai

E-Waste Collection, Kuala Lumpur

Donation in kind - Wasco Christmas Wish Project with Rumah Charis, Kuala Lumpur

Donation in kind - Christmas Project, Shah Alam

#### NOVEMBER

Free The Sea - Recycling PET plastic bottles, Batam

**Blood Donation Drive at** Palang Merah Indonesia, Batam

# OCTOBER

Plastic Bottle Collection Drive, Dubai

Recycling Campaign, Shah Alam

Project Nutrisi Sihat Wasco - HPV Vaccination at Jireh Home Tuaran, Kota Kinabalu

#### **Healthcare**

#### **Project Nutrisi Sihat Wasco – Vaccination programme**

Wasco, through its subsidiary in Kuantan, Shah Alam, Telok Panglima Garang, and Kota Kinabalu, launched the "Projek Nutrisi Sihat Wasco" programme to promote public health. In collaboration with Poliklinik Shaik and Medisinar, they provided flu and HPV vaccinations to 266 individuals.





This initiative aligned with Wasco's sustainability goals and helped prevent flu-related complications. The flu vaccine reduced the risk of severe illness, while the HPV vaccine protected against infections that could cause cancers, including cervical, genital, throat, and anus cancers, as well as genital warts.

Wasco's volunteers dedicated over 180 hours to the event, underscoring our commitment to Social Impact Projects. The event concluded with a tea, offering volunteers and children a chance to connect.



#### Health Checkup at Bukit Gong, Chini





In collaboration with the dedicated medical team of Ivorymedic Clinic, Kuantan, Wasco embarked on a mission to bring healthcare directly to the vibrant Orang Asli community in Bukit Gong, Chini, Pahang, who often faced challenges in accessing medical services due to their rural location. We provided comprehensive health check-ups, including blood pressure, diabetes, and BMI assessments. The response was truly inspiring, with participants ranging from young children to seniors over 60 years old.

In addition to the check-ups, our team also conducted health awareness sessions, emphasising the importance of regular health check-ups and healthy living practices with the aim of educating the community on managing their health proactively. Understanding the essential needs of the community, we also distributed groceries and medicines to ensure they had adequate resources to maintain their health and well-being.

#### **Blood Donation Campaigns**









In collaboration with Palang Merah Indonesia, Queen Elizabeth Hospital, and Tengku Ampuan Rahimah Hospital and local clinics, Wasco organised several blood donation campaigns in Batam, Kota Kinabalu, Kuantan, Qatar, Singapore, Shah Alam, and Teluk Panglima Garang, embodying the spirit of giving and compassion.

Each drop of blood donated was a testament to our collective effort, not only saving lives but also fostering a deep sense of communal solidarity. The resounding success of the campaign, with 930 volunteers and 466 pints of blood collected, exemplified the profound impact of collective action in fostering wellbeing and resilience within our communities.

# Humanity

#### Maendeleo Programme



Through our operations in Tanzania, Wasco collaborated with the East African Crude Oil Pipeline Project team, construction contractor Basenet, and local carpenters Andrew and Zabron to complete three impactful community projects in Ilalo, Selemi, and Wella II villages.

These projects were part of the Maendeleo Programme, which aims to improve the socio-economic development of Igusule ward. The projects included revitalising the Ilalo village office, building two new classrooms in Selemi, and providing school supplies such as 108 desks, office cabinets, and chairs. All three projects were officially handed over to the village councils, accompanied by vibrant celebrations featuring traditional dances, songs, and feasts.

#### **Project Nutrisi Sihat Wasco – Food Distribution**







Wasco spread joy and compassion throughout the community with our "Project Nutrisi Sihat 2024" programme. More than just an initiative, this project embodied our commitment to creating a positive impact through kindness and generosity, extending warmth and goodwill to the communities within our network of operations.

Our team worked together to prepare, package and distribute food to the communities in Kuantan, Kota Kinabalu, Shah Alam, and Teluk Panglima Garang. These efforts, benefiting nearly 2,085 individuals, not only brought our team together but also provided an opportunity for us to connect with and support those in need.

At Wasco, philanthropy is at the core of our mission. Through these initiatives, we strive to exemplify our dedication to social responsibility and to make a meaningful difference in the lives of those around us.

#### **School Infrastructure Upgrades**



Wasco has become a catalyst for positive change in Batam's local communities. A flagship programme was recently kickstarted, focused on the upgrading of school infrastructure, to create safe and enriching learning environments for the children in the area.

This comprehensive initiative includes key improvements such as constructing an art studio stage, concreting schoolyards, building new restrooms, renovating existing facilities, repairing classroom ceilings, and providing essential furniture for schools.







Four schools — SDN007, SDN006, SMPN38, and SDN011 — situated within a 5KM radius of Wasco's base in Batam, with a combined student population of 4,000, will benefit from this transformative initiative.

go wasco Berhad

#### **Environment**

#### **Recycling PET Plastic Bottles, Batam**





Wasco joined forces with local communities during the Pulau Buluh Clean-Up in Batam, Indonesia. Organised by Free the Sea, a non-profit focused on transforming ocean-bound plastic waste into valuable resources, the event was part of a broader effort to promote sustainability in the Riau Islands.

Eleven Wasco volunteers joined 260 participants from schools, businesses, and community groups, collecting 1,472.7 kg of waste—including 683.6 kg of clothing, 657.1 kg of general plastic, and 132 kg of PET plastic. Beyond improving living conditions for nearly 3,000 residents, this initiative demonstrated the power of collective action in driving meaningful and lasting environmental change.



#### **Clean UAE**





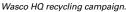
Wasco proudly partnered with the Emirates Environmental Group in their impactful annual campaign, "Clean UAE," held on 7 December 2024.

This nationwide initiative served as a powerful platform for WEIL employees to actively support environmental stewardship by helping preserve natural habitats, advocating for recycling, and promoting the use of recyclable materials across local industries.



#### **Circular Economy**







Collaboration with Tzu-Chi Kepong.



Plastic bottle collection drive in Dubai.



Recycling in Shah Alam.

For 2024, the central theme of our social impact project is the Circular Economy. In addition to various projects supporting our three core impact pillars of environment, healthcare, and humanity, all sites conducted projects supporting circularity. These projects focused on repurposing everyday waste materials such as plastic bottles, paper, and cardboard. For example, plastic materials collected were transformed into threads and textiles, which were then used to create products like clothing and blankets. By giving new life to these materials, the project not only reduced waste but also helped lower environmental impact and carbon footprint, contributing to a more sustainable and resource-efficient future.

Additionally, Wasco made incredible progress in e-waste recycling. We collected 205 kg of e-waste, including laptops, monitors, printers, phones, office phones, home appliances, small consumer electronic devices, and small electronic peripherals and components. Beyond the numbers, this drive embodied Wasco's collective commitment to sustainability and responsible recycling.



E-waste Campaign in Kuala Lumpur.

#### A Place for People

Employees are the driving force behind our company's success. We are committed to providing comprehensive compensation, benefits, tools, and development opportunities that support employee success and long-term career growth. Our labour standards are aligned with the International Labour Organization's goal of promoting decent and fair work for all.

Clear and robust employment standards are outlined in our Principles of Business Conduct, which are communicated to all employees in English—the primary business language—and translated into other languages, such as Bahasa Malaysia, where necessary to ensure full understanding.

As part of our risk assessment and due diligence procedures, we regularly review the labour practices of both existing and potential business and supply chain partners. All relevant parties are periodically briefed on our Principles of Business Conduct to ensure alignment with our values and expectations.

Importantly, no instances of non-compliance with labour standards were identified during this reporting period, reflecting our ongoing commitment to fair and ethical labour practices.

#### **Competitive Benefits**

At Wasco, we value our employees' well-being and job satisfaction by providing a comprehensive range of benefits designed to support their personal and professional development.

Our competitive benefits packages include comprehensive health and wellness resources, aligned with applicable local labour laws and regulations, along with additional benefits provided at our discretion to further enhance employee support. Wasco also offers leaves of absence, including personal, maternity, and paternity leave, in full compliance with the relevant legal requirements of each jurisdiction in which we operate.

Through these initiatives, we reaffirm our commitment to our employees' success while nurturing a culture of care, support, and excellence across our organisation.



#### Flexi-Work Arrangement

Staggered working hours



#### Leave

- Annual leave
- Medical leave
- · Marriage leave
- · Paternity leave
- Maternity leave
- Examination leave
- Special leave
- Replacement leave
- Compassionate leave



#### Medical

- Insurance coverage
- Medical coverage
- Dental care
- Optical care
- · Health screening



#### Other Benefits

- Employer and employee statutory contributions (e.g. EPF, SOCSO, EIS, etc.)
- Professional membership fee reimbursement
- Parking subsidy
- Public transport subsidy

# Learning and Development: Empowering Growth and Innovation

In the past year, Wasco has reaffirmed its commitment to fostering a culture of continuous learning and professional growth. Recognising that our employees are the cornerstone of our success, we have prioritised learning and development ("L&D") initiatives to drive engagement, adaptability, and long-term competitiveness in an ever-evolving landscape.

Our L&D strategy is closely aligned with Wasco's innovation, operational excellence, and customercentricity objectives. By equipping our teams with future-ready skills and leadership capabilities, we are directly supporting Wasco's strategic priorities. Hence, we offer a vast range of learning programmes and interventions to fulfil the diverse learning needs identified by our employees and their supervisors.

We firmly believe that investing in our people is investing in our future. By nurturing a resilient, skilled, and motivated workforce, we are poised to navigate challenges and seize opportunities in the years ahead. Our L&D initiatives will continue to evolve, ensuring alignment with both employee aspirations and the dynamic needs of our industry.

#### **Fostering Young Talent**

At Wasco, we understand that investing in young talent is essential to shaping a sustainable and innovative future. Our dedication to fostering the next generation of professionals is demonstrated through our comprehensive talent development programmes, valuable internship opportunities, and mentorship initiatives. These offerings are designed to equip young individuals with the skills, knowledge, and hands-on experiences they need to succeed and excel in the industry.

#### **Employee Engagement**

Employee engagement plays a vital role in boosting our employees' motivation and morale. Wasco prioritises open communication through regular dialogues physically and virtually to update employees on group developments. Close-knit engagement activities at the departmental level help strengthen team cohesion and address human resource matters in a more focused and supportive environment.

Wasco also leverages a variety of engagement platforms, including workplace meetings, employee briefings, intranet updates, bulletins, and LinkedIn, to promote open and transparent communication across the organisation. Key topics such as equal opportunities, diversity, career progression and rewards are regularly addressed through these channel.

Furthermore, Wasco enhances employee engagement through a range of initiatives, including:

- Townhall meetings
- Employee surveys
- Tea talks
- · Initiative for mental health awareness
- Friday breakfast
- Wasco Fun Day & Wasco Family Day
- · Festival celebration and activities
- Sporting and recreational events



Puma Night Run 2024.

By actively investing in its people and their development, Wasco continues to nurture a culture of innovation and excellence, where employees are not only valued but also empowered to thrive.

## **Occupational Health and Safety**

In a world where health, safety and environmental (HSE) stewardship has become more critical than ever, Wasco stands as a beacon of excellence, setting new standards in HSE performance. Our journey towards achieving Target Zero (Nobody gets hurt, No damage to property, and No harm to the environment) is not just about compliance, but a testament to our commitment to fostering a culture of safety, sustainability, and continuous improvement.

With more than 30 years of experience in coating pipes, Wasco's commitment to safety excellence is ingrained in its culture, setting it apart as an industry leader with an engaged and proactive workforce having a renewed sense of vulnerability to risk. In 2024, Wasco achieved notable HSE success, including the accomplishment of 39 million LTI-free man-hours, underpinned by strong management commitment and support, as well as the organisation's robust capabilities in safety management. These key elements provided the foundation for driving a culture of safety excellence.

Wasco's HSE Policy applies to all contractors, employees, and stakeholders operating within its premises. We are dedicated to fostering a culture of continuous improvement, risk mitigation, and regulatory compliance. Wasco remains fully committed to adhering to the Occupational Health and Safety Act (OHSA) 2024, the Environmental Quality Act (EQA) 1974, and all other relevant laws, regulations, orders, industry standards, and best practices to which it subscribes wherever we operate.

We are pleased to report zero fatalities in 2024—a testament to the strength of our health and safety practices. However, we did record one LTI, resulting in a Lost Time Incident Frequency of 0.05, significantly below the industry average of 0.24. Our Total Recordable Incident Frequency stood at 1.15, compared to the industry benchmark of 0.94, as published in the IOGP Safety Performance 2023 report by the International Association of Oil & Gas Producers.

All incidents—including near misses—are reported promptly. Comprehensive investigations are conducted to determine root causes, and corrective as well as preventive actions are implemented to prevent recurrence. Lessons learnt from each incident are shared across the organisation to foster continuous improvement.

The success achieved in 2024 has had a significant impact on Wasco's HSE management practices and performance. Employees have embraced safety as a core value instead of just being regarded as a priority. We remain committed to continuous improvement, proactive risk management and fostering a strong safety culture to protect the health and well-being of our workforce earning the respect of clients. This shift in mind-set towards safety has elevated Wasco's reputation as a trusted industry leader committed to maintaining a safe and secure working environment.

Our journey toward safety excellence is anchored in a culture that prioritises care, accountability, and continuous improvement. Key focus areas in 2024 included:





To ensure continuous improvement and proactive HSE risk management, Wasco utilises two key initiatives:

#### Wasco CARE Plus Programme

This programme tracks 15 leading indicators, which are monitored monthly to identify early warning signs of potential issues. The data collected allows Wasco to detect trends in performance, empowering management to allocate the necessary resources and implement timely interventions to address concerns.

#### Wasco CARE Card System

Embracing digital technology, Wasco introduced the Wasco CARE Card system, an online platform designed for reporting Unsafe Conditions or Unsafe Acts (UCUAs). This system streamlines the process of reporting safety concerns and provides an efficient mechanism for follow-up and corrective actions. The transition from manual to digital reporting has made it easier for workers, subcontractors, visitors, and clients to share safety feedback, further strengthening Wasco's commitment to safety across its operations.

Looking ahead to FY2025, we will reinforce our safety initiatives, strengthen preventive measures, and enhance employee engagement to achieve our ultimate goal: ZERO injuries across all operations.

#### **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. Wasco benchmarks performance monitoring results and trends against its targets and industry standards.

#### **Our Current Safety Culture**

Wasco embarked on a transformative journey to cultivate a robust safety culture, recognising its pivotal role in achieving Target Zero. Leveraging the expertise of DuPont Sustainable Solutions, a comprehensive safety culture transformation programme was initiated across Wasco in May 2021. Through this ongoing programme, two safety perception surveys were conducted to gauge our safety culture, providing invaluable insights into areas of strength and opportunities for improvement.

#### **Promotion of Operational Discipline**

Operational discipline is promoted through a multifaceted approach that includes daily pre-start briefings for all employees, providing a comprehensive understanding of job-specific HSE requirements. Mentoring, on-the-job training, and re-coaching are utilised to ensure that employees meet expectations and address behaviours that are below standards. This proactive approach fosters a culture of accountability and continuous improvement, driving Wasco towards its goal of safety excellence.

#### **HSE Certification**

Our ISO 45001:2018 certification covers 67% of Wasco's operations, ensuring compliance with Occupational Health and Safety Management System standards.

#### **Safety Governance**

Wasco's Group HSE Committee plays a vital role in enhancing workplace safety, improving working conditions, and providing a platform for employees and management to address health and safety challenges collaboratively.

This participatory initiative is led by MD/GCEO Gian Carlo Maccagno, and consists of a chairman and key management representatives. The committee is responsible for reviewing safety concerns, assessing performance and risks, and ensuring continuous improvement in HSE practices. Additionally, it provides regular reports on Wasco's safety performance to the Board, reinforcing Wasco's commitment to a safe and healthy work environment for all.

#### **Safety Performance**

#### Coverage 100%

Fatalities Coverage	2022	2023	2024
Employees	0	0	0
Contractors	0	0	0

	2022	2023	2024
Lost-Time Incident* Rate	0.00	0.20	0.05

<sup>\*</sup> Lost Time Incident (LTI) is an injury sustained on the job by an employee that results in the loss of productive work time.

#### **Human Rights Commitment**

At Wasco, we are dedicated to conducting our business with integrity, respect, and a strong sense of responsibility. Our approach to human rights is grounded in global best practices and reflects our core values across all areas of operation. We are committed to:



In 2024, we enhanced our human rights practices by formalising Wasco's Human Rights Policy. This policy was reviewed by the Sustainability Steering Committee and approved by the Board, before its distribution to employees.

Wasco aligns its business conduct with the United Nations Guiding Principles on Business and Human Rights. To ensure effective implementation, the day-to-day responsibilities for monitoring and ensuring human rights compliance are embedded within relevant departments across the organisation. This integrated approach enables proactive oversight and reinforces our commitment to ethical and responsible business practices.

We respect human rights by:

- Proactively assessing our human rights impacts on an ongoing basis as part of Wasco'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; and
- Implementing human rights screening, training, and monitoring of internal operations and supply chain partners.

Wasco adheres to all applicable employment and human rights regulations in the countries where we operate. Suppliers are expected to do the same and abide by Wasco's Principles of Business Conduct and Human Rights Policy at a minimum. To ensure supplier compliance, our procurement process includes a requirement 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 cover human rights issues, including non-discrimination, freedom of association and collective bargaining, and the prevention of child labour, forced and compulsory labour.

#### Our Approach to the Human Rights Issues Affecting the Industry

Forced Labour	We do not tolerate forced labour or any forms of modern slavery, including bonded labour and human trafficking. All employees willingly accept the offers extended by Wasco.
Child Labour	We strictly adhere to international child labour laws and observe the minimum legal working age in every country where we operate.
Discrimination	We prohibit all forms of discrimination based on race, creed, sex, social status, religion, nationality, age, sexual orientation, gender identity, physical or mental disability, or any other grounds.
Harassment and Inhumane Treatment	Harassment in any form - whether physical, mental, sexual, or power harassment - is strictly not tolerated.
Working Hours and Wages	We monitor employee working hours, holidays, and leaves of absence to comply with applicable laws and regulations.
Grievance	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, communities, and environments affected by our operations.

#### **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 through:

Fair hiring and employment practices, ensuring adequate living wages, opportunities for promotions, rewards, and access to training.

We uphold our commitment to 'equal pay for equal work' and ensure full compliance with all local laws. There were no reported cases of discrimination related to equality and diversity in 2024.

#### **Equality in Recruitment**

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

We are committed to equal opportunity and non-discrimination throughout the hiring process, assessing candidates solely based on their qualifications and suitability for the role. Wasco ensures that our hiring practices are inclusive, welcoming candidates from underprivileged groups, deprived backgrounds, and people with disabilities. While we strive to create an inclusive workplace, at the end of FY2024, we had no employees with disabilities. We are actively exploring partnerships with organisations and initiatives to enhance accessibility and provide more opportunities for individuals with disabilities in the future. Our goal is to ensure that Wasco remains an organisation where everyone has the opportunity to thrive.

In 2024, Wasco recorded an overall voluntary turnover rate of 9.3%. Females represented 11% of our total workforce, and female representation at the Senior Leadership Team level remained steady at 14%.





#### Speak up

Wasco complies with all relevant laws by continuously monitoring internal processes, such as hiring and promotion. We actively encourage employees to speak up if they believe that any actions have violated the Principles of Business Conduct or labour laws. We take all reports seriously, investigate each rigorously, we hold both our internal teams and external partners such as suppliers accountable to the highest ethical standards.

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.

#### **Salient Human Rights Issues**

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

Rights to:	Freedom of association and engagement	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 adhere to the International Labour Organisation's guidelines.

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

#### **Product Responsibility**

As a provider of 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 us to plan processes and interactions efficiently. We are committed to enhancing customer satisfaction by delivering products and services that meet all relevant statutory and regulatory requirements.

Our QMS aligns with the latest ISO 9001:2015 and ISO 45001:2018 standards. Additionally, our laboratories are certified under ISO/IEC 17025, which sets the general requirements for the competence of testing and calibration laboratories published by the ISO.

We ensure all company and project-level QMS processes operate effectively to improve customer satisfaction, as outlined in Wasco's Quality Policy.

The installation of an Improved Pipe Tracking System has enhanced our quality delivery by allowing us to track individual pipeline movement and status throughout the coating process. The system ensures accurate tracking of the pipes' current position, including repairs and rejections, which improves traceability. The use of the powerful Welds Tracking System further boosts efficiency by effectively managing our welders' status, reducing wasted resources and improving overall performance.

Wasco also encourages anonymous customer feedback and monitors the results regularly. Maintaining close customer engagement at various project stages helps us understand their needs and exceed their expectations.

# **ESG PERFORMANCE DATA**

# **Environmental Performance**

Parameter	Units	2022	2023	2024
Energy				
Electricity				
Total Electricity Consumption	MWh	23,861	27,028	25,874
Rooftop Solar PV Consumption	MWh	640	664	1,120
Green Electricity Purchased via Green Electricity Tariff	MWh	5,000	6,000	5,815
<u>Fuel</u>				
Diesel Consumption	Liter	3,604,783	4,225,355	10,083,554
LPG Consumption	m³	143,192	308,875	93,504
Petrol/Gasoline Consumption	Liter	95,112	107,513	147,049
Natural Gas	mmBTU	27,348	17,144	17,765
Air Emissions				
NOX Emission	kg	85	99	146
SOX Emission	kg	Not Available	0	0
Volatile Organic Compounds (VOC) Emission	kg	Not Available	0	0
Water & Wastewater				
Water Consumption				
Municipal potable water	m³	225,916	253,811	220,226
Harvested rainwater	m³	0	7,650	11,187
Surface water from rivers, lakes, natural ponds	m³	0	0	0
Groundwater from wells, boreholes	m³	0	29	316
Used quarry water collected in the quarry	m³	0	0	0
External wastewater	m³	0	0	0
Sea water, water extracted from the sea or the ocean	$m^3$	0	0	0
Total water consumption	m³	225,916	261,490	231,729
Wastewater/Effluent Discharge				
Discharge to Off-site Water Treatment Plant	$m^3$	10,744	1,310	9,548
Discharge to Ocean	$m^3$	0	0	0
Discharge as Surface Water	m³	0	0	71,584
Discharge to Subsurface/Well	m³	0	0	0
Others	m³	0	0	0
Total wastewater/effluent discharge	m³	10,744	1,310	81,132
Percentage of WSC sites located in water stressed area	%	6%	5%	7%
Water consumed in water stressed area	$m^3$	13,859	6,848	31,258
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

Parameter	Units	2022	2023	2024
Waste				
Waste Generation				
Total waste	tonnes	3,041	5,373	13,344
Hazardous	tonnes	1,070	549	2,061
Non-recycled	tonnes	1,876	3,132	7,612
Recycled	tonnes	951	1,692	3,671
Environmental Management & Compliance				
Environmental Fines/Penalties	RM	0	0	0
Greenhouse Gas and Climate Change				
Scope 1	tCO <sub>2</sub> e	14,217	15,452	32,079
Scope 2	tCO <sub>2</sub> e	11,008	14,060	12,701
Internal carbon price	RM/tCO <sub>2</sub> e	Not Used		
Flaring emission from LPG storage tank	tCO <sub>2</sub> e	0	0	0
Methane Emission	tonnes	0	1	36
Emission Intensity	tCO <sub>2</sub> e/1,000 man-hours worked	2.30	1.88	2.45

# **Social Performance**

Parameter	Units	2022	2023	2024
Health and Safety				
Percentage of sites with ISO 45001:2018 certification	%	63%	69%	67%
Percentage of sites with ISO 14001:2015 Environmental Management System certification	%	56%	54%	60%
H&S Training				
Number of staff trained on safety	No. of staff	1,702	5,352	4,092
Lost Time Incident Rate (LTIR), including contractors	per 1,000 hours worked	0	0.2	0.05
Number of work-related fatalities for staff	No. of staff	0	0	0
Number of work-related fatalities for contractor	No. of contractor	0	0	0
Communities				
Total Amount of donations or community investments	RM	32,253	875,433	777,578
Labour Standards				
Total number of staff	No. of staff	3,865	5,752	5,854
Total number of contractors	No. of contractor	1,722	4,660	4,713
Full time staff voluntary turnover rates	%	1.73%	11.00%	9.29%
Percentage of employees that are contractors or temporary staff	%	31%	81%	81%
Amount of time spent on employee development training to enhance knowledge or individual skills	hours per employee	5.00	14.00	19.68
Percentage of staff with a disability	%	0%	0%	0%
Percentage of women in the workforce (include contractors)	%	8%	8%	11%

# Governance

Parameter	Units	2022	2023	2024
Anti-Bribery and Anti-Corruption				
Total amount of political contributions made	RM	0	0	0
Number of staff disciplined or dismissed due to non-compliance related to Anti-Bribery/Anti-Corruption	No. of Staff	0	0	0
Cost of fines, penalties or settlements in relation to corruption	RM	0	0	0
ESG Provisions				
Provisions for fines and settlements specified for ESG issues	RM	0	0	0

# **BURSA MALAYSIA SUSTAINABILITY REPORTING DATA**

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Leadership Team	Percentage	100	100
Managers	Percentage	100	97
Executives	Percentage	100	96
Non-Executives	Percentage	100	95
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	875,433	777,578
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7,759	11,936
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Leadership Team Under 30	Percentage	0	0
Leadership Team Between 30-50	Percentage	38	39
Leadership Team Above 50	Percentage	62	61
Manager Under 30	Percentage	1	2
Manager Between 30-50	Percentage	76	75
Manager Above 50	Percentage	24	23
Executive Under 30	Percentage	23	27
Executive Between 30-50	Percentage	67	64
Executive Above 50	Percentage	10	9
Non-Executive Under 30	Percentage	26	26
Non-Executive Between 30-50	Percentage	68	67
Non-Executive Above 50	Percentage	6	7
Gender Group by Employee Category			
Leadership Team Male	Percentage	85	86
Leadership Team Female	Percentage	15	14
Manager Male	Percentage	77	77
Manager Female	Percentage	23	23
Executive Male	Percentage	78	77
Executive Female	Percentage	22	23
Non-Executive Male	Percentage	97	94
Non-Executive Female	Percentage	3	6
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	78*	75

Internal assurance External assurance No assurance (\*)Restated

Indicator	Measurement Unit	2023	2024
Female	Percentage	22*	25
Under 30	Percentage	0	0
Between 30-50	Percentage	22	13
Above 50	Percentage	78	87
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	27,028*	25,874
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.20*	0.05
Bursa C5(c) Number of employees trained on health and safety standards	Number	5,352	4,092
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Leadership Team	Hours	No Data Provided	398
Manager	Hours	No Data Provided	5,444
Executive	Hours	No Data Provided	17,550
Non-Executive	Hours	No Data Provided	89,036
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	81	81
Bursa C6(c) Total number of employee turnover by employee category			
Leadership Team	Number	6	7
Manager	Number	37	25
Executive	Number	177	171
Non-Executive	Number	321	368
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	62	60
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	261*	232
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	5,373*	13,344
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1,692*	3,671
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	3,681*	9,673
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	15,452*	32,079
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	14,060*	12,701
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	8,055

Internal assurance External assurance No assurance (\*)Restated

## STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Report, selected aspects of this Sustainability Report have been subjected to an internal review by Wasco's internal auditors and approved by the Audit Committee of Wasco.

#### **Subject Matter**

The subject matter covered by the internal review focused on the common material sustainability matters of the selected aspects as below and included the following common indicators:

- a. Energy Management
  - i. Total energy consumption in MWh.
- b. Emissions
  - i. GHG emissions (Scope 1 & 2) from operations in tCO<sub>2</sub>e.
  - ii. NOx and SOx emissions in kg.
- c. Water Management
  - i. Total volume of water consumed in m<sup>3</sup>.
  - ii. Total volume of water recycled and reused in m3.

#### Scope

The boundary of the internal audit review are operations of Wasco, of which comprised five (5) legal entities (both local and overseas) as stated below:

- PT Wasco Engineering International ("PT WEI")
- Wasco Coatings Middle East QFC LLC ("WCME")
- Wasco Process Engineering Sdn. Bhd. ("WPE")
- Wasco AgroTech Sdn. Bhd. ("WAT")
- Wasco Coatings Malaysia Sdn. Bhd. ("WCM")

#### Note:

- i. Review for WPE and WAT focused on Renewable Energy ("RE") solar panel only.
- ii. Validation of data for PT WEI and WCME were conducted based on desktop review.

bsi.





# INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Wasco Berhad

Holds Statement No.: SRA 822929

The British Standards Institution (BSI) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the Sustainability Report of Wasco Berhad Integrated Annual Report 2024.

#### Scope

The scope of engagement agreed upon with Wasco Berhad includes the following:

The data reviewed in support of this assurance statement is provided in Appendix 1 for reference. The assurance covers the information of the following subject matters in the Wasco Berhad Sustainability Report for 2024.

- 1. Assurance on LTI
  - a) Total number of employees (direct & indirect)
  - b) Total number of work attendance (manhours for direct & indirect employees)
  - c) Total number of accident/incident and Lost Time Incident calculation
- 2. Renewable Energy Reliance
  - a) Total purchased electricity & Green Electricity Tariff (GET)
  - b) Total Rooftop Solar PV Consumption
- 3. Number of work-related fatalities
  - a) Number of fatal accident/incidents

#### Criteria

The selected information was reported in accordance with guide requirements as following:

- Bursa Malaysia Sustainability Reporting Guide

The selected information was verified in accordance with standard requirements as following:

- International Standard on Assurance Engagements (ISAE) 3000 (Revised)

#### **Opinion Statement**

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with ISAE 3000 (Revised).

#### Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised). Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant Wasco Berhad policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on Wasco Berhad approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.
- review of supporting evidence for claims made in the reports.
- visit of the headquarter office to confirm the data collection processes, record management and practices.

#### Responsibility

Wasco Berhad is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Independence, Quality Control and Competence

BSI is independent to Wasco Berhad and has no financial interest in the operation of Wasco Berhad other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Wasco Berhad only for the purposes of verifying its statements relating to the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by Wasco Berhad. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by Wasco Berhad is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Wasco Berhad

Key Messages

Value Creation

Sustainability Journey

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and management systems and processes.

Issue Date: 6 March 2025

For and on behalf of BSI:

Hafriazhar Mohd Mokhtar, Lead Assurer

Evelyn Chye, Managing Director BSI Malaysia

BSI Malaysia Suite 29.01, Level 29, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

### Appendix 1:

Assurance Category	Verified Info	Quantity	Unit
Lost Time Incident (LTI)	Total number of employees (direct & indirect)	5854	Headcount
	Total number of work attendance (manhours for direct & indirect employees)	18,274,778	Hours
	Total number of accident/incident and Lost Time Incident calculation	1	Nos
	Number of work-related fatalities	0	Nos
	Number of fatal accident/incidents	0	Nos
Renewable Energy Reliance	Total purchased electricity & Green Electricity Tariff (GET)	5,814,293	kWh
	Total Rooftop Solar PV Consumption	1,120,460	MWh
	Total electricity consumption (include Solar & GET)	25,874,124.24	kWh

# **PROFILE OF BOARD OF DIRECTORS**

### **DATO' SERI ROBERT TAN CHUNG MENG**

#### Non-Independent Non-Executive Chairman

Aged 72 Gender Male

Nationality Malaysian

Date of Appointment as Director:

22 May 2002

Membership of Board Committees:

None



Dato' Seri Robert Tan Chung Meng was appointed as the Chairman of Wasco Berhad ("WB") on 22 May 2002.

Dato' Seri Robert Tan has vast experience in property development, hotel construction, retail design and development as well as corporate management with more than 30 years' experience in the property and hotel industries. After studying Business Administration in the United Kingdom. he was attached to a firm of Chartered Surveyor for a year. He had also developed a housing project in Central London before returning to Malaysia. His stint in the property industry began with IGB Corporation Berhad ("IGB Corp") in 1995 when he was appointed Joint Managing Director and subsequently Group Managing Director from 2001 until 2022.

Dato' Seri Robert Tan was involved in various development projects carried out by IGB Group. in particular Mid Valley City. From inception to the realisation of Mid Valley Megamall ("MVM") and The Gardens Mall ("TGM"), he was actively involved in every stage of their developments. He is instrumental to the development and success of MVM and TGM, and more importantly, in retaining their positions as prime shopping hotspots in the Klang Valley.

Following the de-listing of IGB Corp from the Official List of Bursa Malaysia Securities Berhad, Dato' Seri Robert Tan was the Group Chief Executive Officer of IGB Berhad from 30 March 2018 until 31 December 2022 and thereafter he remains as a Non-Independent Non-Executive Director. He is the Chairman of IGB REIT Management Sdn. Bhd. (the Manager of IGB Real Estate Investment Trust and IGB Commercial Real Estate Investment Trust).

Dato' Seri Robert Tan was formerly a Director of Tan & Tan Developments Berhad (a property division of IGB Corp) and a Trustee of Yayasan Tan Kim Yeow. He also sits on the Board of several other private limited companies.

Number of Board Meetings Attended:



#### **Board Committees**

AC Audit Committee

BSC Board Sustainability Committee

Chairman of Committee

Member of Committee

**INTEGRATED ANNUAL REPORT 2024** 

NRC Nomination and Remuneration Committee

### **GIAN CARLO MACCAGNO**

#### **Managing Director/Group Chief Executive Officer**

Aged 61 Gender Male Nationality Italian

Date of Appointment as Director: 1 June 2004

Membership of Board Committees: None



Mr Gian Carlo Maccagno was first appointed as an Executive Director of WB on 1 June 2004 and subsequently promoted to be the Deputy Managing Director on 1 January 2007. Mr Maccagno succeeded the role as Managing Director/Group Chief Executive Officer of WB following the retirement of Mr Chan Cheu Leong from the position with effect from 1 July 2023. He is responsible for the overall business and management operations of the WB Group.

Mr Maccagno attained his Bachelor in Business Administration from Tecnico Commerciale Maddalena Adria (RO) Italy in 1982, after which he worked with Socotherm S.R.L, Italy from 1984 to 1987 as a Trainee in Production and Project Management. He was appointed as Project Manager for Socotherm S.R.L in Nigeria from 1987 to 1990 and was briefly seconded to Petro-Pipe Industries (M) Sdn. Bhd. ("PPI") in 1990 to assist in the setting up of PPI's coating plant in Kuantan, Malaysia. After serving as Country Manager for Socotherm S.R.L in Taiwan from 1991 to 1992, he returned to Malaysia in 1993 to be the General Manager of Wasco Coatings Malaysia Sdn. Bhd. in Kuantan, Malaysia. He has vast experience in the global pipe coating business and the Oil and Gas business in general.

Mr Maccagno is a Director of Petra Energy Berhad. He also sits on the Board of several other private limited companies.

Number of Board Meetings Attended:



#### **Board Committees**

AC Audit Committee

BSC Board Sustainability Committee

NRC Nomination and Remuneration Committee

Chairman of Committee

Member of Committee

### TAN SRI SAW CHOO BOON

#### Senior Independent Non-Executive Director

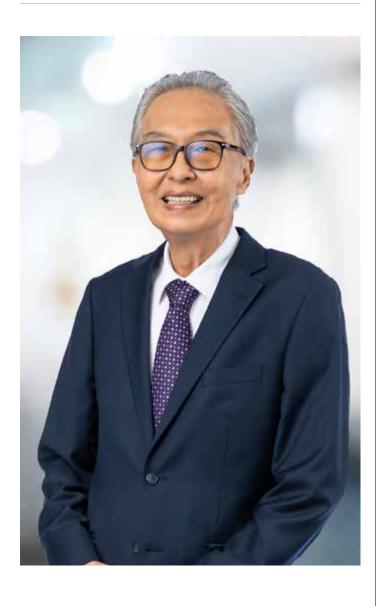
Aged 78 Gender Male Nationality Malaysian

Date of Appointment as Director:

6 April 2018

Membership of Board Committees:

NRC



Tan Sri Saw Choo Boon was appointed to the Board of WB on 6 April 2018 as an Independent Non-Executive Director. Tan Sri Saw was then appointed as the Senior Independent Non-Executive Director of WB with effect from 23 May

Tan Sri Saw holds a Bachelor of Science (Chemistry) Honours from the University of Malaya. He joined Shell Malaysia in 1970 and served in various capacities in Manufacturing, Supply, Trading and Planning in Malaysia, Singapore and Netherlands.

He was appointed Managing Director of Shell MDS (Middle Distillate Synthesis) Sdn. Bhd. in 1996. In 1998, he became the Managing Director of Shell Malaysia Trading Sdn. Bhd., Shell Timur Sdn. Bhd. and Shell Refining (FOM) Berhad, responsible for Shell Malaysia's Downstream business. In 1999, with the globalisation of the Shell Oil Products business, he assumed the role of Vice-President of the Commercial business in the Asia-Pacific region and in 2005, he managed Shell's Marine Oil Products business globally.

He was appointed Chairman of Shell Malaysia in 2006 till his retirement in 2010 after 40 years of continuous service. He has served on many Boards including Shell Refining Berhad, Heineken Malaysia Berhad, Ranhill Utilities Berhad, RHB Bank Berhad, and Digi.Com Berhad.

Currently, Tan Sri Saw is the Chairman of Sentral REIT Management Sdn. Bhd. He is also a Board member of Socio-Economic Research Centre Sdn. Bhd. of Associated Chinese Chambers of Commerce and Industry Malaysia and a Council Member of the Federation of Malaysian Manufacturers.

Number of Board Meetings Attended:



#### **Board Committees**

AC Audit Committee

BSC Board Sustainability Committee

NRC Nomination and Remuneration Committee **INTEGRATED ANNUAL REPORT 2024** 

Chairman of Committee Member of Committee

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### DATIN WAN DANEENA LIZA BINTI **WAN ABDUL RAHMAN**

#### **Independent Non-Executive Director**

Aged 51 Gender Female Nationality Malaysian

Date of Appointment as Director:

7 April 2023

Membership of Board Committees:

AC



Datin Wan Daneena Liza Binti Wan Abdul Rahman was appointed to the Board of WB on 7 April 2023 as an Independent Non-Executive Director.

Datin Wan Daneena holds a Bachelor of Science in Economics and Accounting (1st Class Honours) from the University of Bristol, United Kingdom and is a Member of the Institute of Chartered Accountants in England and Wales ("ICAEW"), and a Member of the Malaysian Institute of Accountants. She was a senior partner in the Financial Services Assurance practice of Ernst & Young, Malaysia until September 2022.

After completing her undergraduate degree, she began her career as an auditor at KPMG London in September 1996, serving the Information, Communication and Entertainment industry. She qualified as a professional chartered accountant with ICAEW in December 1999 and returned to Malaysia in August 2002 as an Audit Manager in the Financial Services Assurance Group of Ernst & Young Kuala Lumpur. She became a partner of Ernst & Young in July 2008.

Datin Wan Daneena has more than 25 years of experience in providing various types of assurance and business advisory services to corporations including financial institutions and conglomerates, listed and private entities which include commercial, Islamic and investment banks, development financial institutions, asset management and stock broking companies, sovereign wealth funds, venture capital and private equity funds, unit and property trusts, investment holding companies, credit rating agency, government-linked investment companies, statutory bodies and foundations.

Datin Wan Daneena also sits on the Board of Deutsche Bank (Malaysia) Berhad, PLUS Malaysia Berhad and S P Setia Berhad.

Number of Board Meetings Attended:



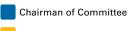
#### **Board Committees**

AC Audit Committee

BSC Board Sustainability Committee

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NRC Nomination and Remuneration Committee



Member of Committee

### **LILY ROZITA BINTI MOHAMAD KHAIRI**

#### **Independent Non-Executive Director**

Aged 54

Gender Female

Nationality Malaysian

Date of Appointment as Director:

12 April 2023

Membership of Board Committees:

BSC



Ms Lily Rozita Binti Mohamad Khairi was appointed to the Board of WB on 12 April 2023 as an Independent Non-Executive Director.

Ms Lily holds a Bachelor of Law degree (LLB Honours) from Cardiff University, United Kingdom and a Diploma in Human Resource Management from the Management Institute of Personnel Management.

Ms Lily has 30 years of experience within the Shell organisation in a variety of roles primarily in Legal, Ethics & Compliance and Human Resources management significant with experience in ethics and compliance, change management, corporate governance, talent development and crisis and risk management.

She was the Head of Legal and Managing Counsel from 2011 to 2016, before embarking on a global role as the Ethics and Compliance Officer for Downstream in Shell Plc from 2016 to 2021 and spent her last 4 years before her retirement as the Ethics and Compliance Officer for Projects & Technology/ Global Function, providing leadership and advisory to businesses and functions for Europe, the Americas, Africa, Middle East and Asia Pacific on ethical leadership and culture, policy formulation, risk management and monitoring/ implementation of compliance programmes across the leadership teams and businesses.

She has held various leadership positions such as Deputy President of the Malaysian Corporate Counsel Association from 2006 to 2010 and President of Shell Women Action Network (SWAN) from 2010 to 2012.

She also sits on the Board of Sumisaujana Group Berhad and Alliance Bank Malaysia Berhad.

Number of Board Meetings Attended:



#### **Board Committees**

AC Audit Committee

BSC Board Sustainability Committee

NRC Nomination and Remuneration Committee



**INTEGRATED ANNUAL REPORT 2024** 

### **HALIM BIN HAJI DIN**

#### **Non-Independent Non-Executive Director**

Aged 78 Gender Male Nationality Malaysian

Date of Appointment as Director:

22 May 2002

Membership of Board Committees:



Encik Halim Bin Haji Din was appointed to the Board of WB on 22 May 2002 as an Independent Non-Executive Director. He was redesignated as a Non-Independent Non-Executive Director of WB with effect from 23 May 2023.

Encik Halim is a Chartered Accountant who spent more than 30 years working for multinational corporations and international consulting firms. He accumulated 18 years of experience working in the oil and gas industry - 6 years of which as a Board member of Caltex/Chevron, responsible for financial management before engaging in the consulting business. Prior to his appointment as a Board member of Caltex Malaysia, he served as Regional Financial Advisor for Caltex Petroleum Corporation Dallas, Texas overseeing investment viability of the corporation's Asian subsidiaries.

He also had an extensive experience in corporate recovery when he worked for Ernst & Whinney, London, United Kingdom in mid-1980's. He was appointed as Managing Partner of the consulting division of Ernst & Young Malaysia in 1995. He later became the Country Advisor of Cap Gemini Ernst & Young Consulting Malaysia when Cap Gemini of France merged with Ernst & Young Consulting. In 2003, he with two partners took over the consulting business of Cap Gemini Ernst & Young Malaysia through a management buyout and rebranded it as Innovation Associates, currently known as IA Group, where he is currently the Chairman of the group.

He was a Council Member of the Malaysian Institute of Certified Public Accountants (MICPA) from 1994 to 2003. He previously served as an Independent and Non-Executive Director on the board of MMC Corporation Berhad (5 years), Takaful Ikhlas Berhad (10 years), Employees Provident Fund (4 years), Kwasa Land Sdn. Bhd. (3 years) and BNP Paribas Berhad (9 years). He is the fellow member of MICPA and Malaysian Institute of Accountants.

Number of Board Meetings Attended:



#### **Board Committees**

AC Audit Committee

BSC Board Sustainability Committee

NRC Nomination and Remuneration Committee

Chairman of Committee Member of Committee

### TAN SRI PROFESSOR LIN SEE YAN

#### **Non-Independent Non-Executive Director**

Aged 85 Gender Male

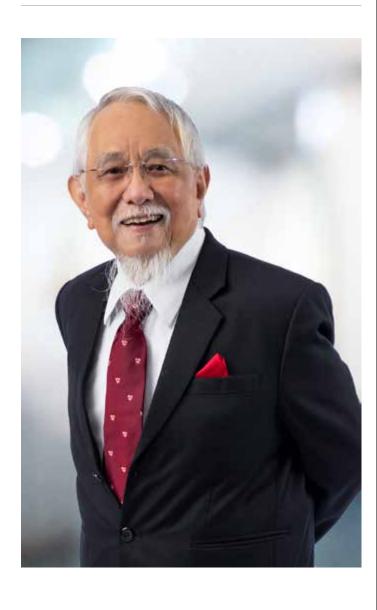
Nationality Malaysian

Date of Appointment as Director:

20 July 2004

Membership of Board Committees:

NRC BSC



Tan Sri Professor Lin See Yan was appointed to the Board of WB on 20 July 2004 as an Independent Non-Executive Director. He was redesignated as a Non-Independent Non-Executive Director of WB with effect from 23 May 2023.

Tan Sri Lin, a British Chartered Scientist, is a Harvard educated economist. Qualified as Malaysia's first Chartered Statistician, he graduated from the University of Malaya in Singapore and Harvard University (where he received three (3) degrees, including a PhD in Economics). He is Pro-Chancellor, Universiti Teknologi Malaysia; Pro-Chancellor & Research Professor at Sunway University; Professor of Economics (Adjunct), Universiti Utara Malaysia; Eisenhower Fellow; and President of Harvard Club of Malaysia.

Prior to 1998, he was Chairman/President and Chief Executive Officer of Pacific Bank and for fourteen (14) years previously, Deputy Governor of Bank Negara Malaysia, having been a central banker for thirty-four (34) years. Tan Sri Lin continues to serve the public interest, including member of a number of key Committees at Ministry of Higher Education; Member, Asian Shadow Financial Regulatory Committee; Economic Advisor, Associated Chinese Chambers of Commerce and Industry of Malaysia; Governor, Asian Institute of Management, Manila; Board Director, Sunway University; and Chairman Emeritus, Harvard Graduate School Alumni Council at Harvard University in Cambridge (USA) as well as its Senior Associate.

Tan Sri Lin was a Director of Sunway Berhad and IGB REIT Management Sdn. Bhd. (the Manager of IGB Real Estate Investment Trust and IGB Commercial Real Estate Investment Trust). He currently advises and sits on the Board of Nylex (Malaysia) Berhad and other private businesses in Malaysia as well as ASEAN.

Number of Board Meetings Attended:



### **Board Committees**

AC Audit Committee

BSC Board Sustainability Committee

Chairman of Committee

Member of Committee

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NRC Nomination and Remuneration Committee

### TAN JIAN HONG, AARON

#### Non-Independent Non-Executive Director

Nationality Malaysian Aged 41 Gender Male

Date of Appointment as Director: 25 May 2015

Membership of Board Committees: None



Mr Tan Jian Hong, Aaron was appointed to the Board of WB on 25 May 2015 as a Non-Independent Non-Executive Director.

Mr Tan holds a Bachelor of Arts in Economics from Johns Hopkins University, Baltimore, Maryland, USA.

Mr Tan began his career as a Financial Advisor Associate with UBS Financial Services, Inc from 2008 to 2010. He was promoted to become a Branch Analyst, specialising in private wealth management in 2010. In 2011, he returned to Malaysia and joined Hong Leong Investment Bank as a Client Relationship Executive until 2013. In 2013, he moved on to join Wasco Energy Ltd Group, an international Oil and Gas and Industrial Services Group as Project and Operations Senior Manager. Mr Tan sat on the Board of Yi-Lai Berhad (YLB) from 2014 to 2020. He was responsible for the strategic business direction of the YLB Group and played an active role in the overall management.

Mr Tan was appointed as an Alternate Director to Mr Tony Tan Choon Keat on the Board of IGB Berhad from November 2016 till April 2018.

In 2021, Mr Tan had taken up the investment advisory roles at Astrid Hill Asset Management Pte. Ltd. and K3 Ventures Pte. Ltd. He also sits on the Board of several other private limited companies.

Number of Board Meetings Attended:



#### **Board Committees**

AC Audit Committee

BSC Board Sustainability Committee

Member of Committee

Chairman of Committee

NRC Nomination and Remuneration Committee

#### Notes:-

#### Family relationship with Directors and/or major shareholders

- 1. Dato' Seri Robert Tan Chung Meng and Mr Tony Tan Choon Keat are siblings.
- 2. Mr Tan Jian Hong, Aaron is the son of Mr Tony Tan Choon Keat and nephew of Dato' Seri Robert Tan Chung Meng.
- 3. Dato' Seri Robert Tan Chung Meng and Mr Tony Tan Choon Keat are deemed major shareholders of WB and their interest in the securities of WB are set out in the Analysis of Shareholdings of this Annual Report.

Saved as disclosed herein, none of the Directors have any family relationship with any Directors and/or major shareholders of WB.

#### Conflict of interest

- Ms Lily Rozita Binti Mohamad Khairi sits on the Board of Sumisaujana Group Berhad and Alliance Bank Malaysia Berhad. Hence, she shall abstain from all discussion and decision of WB Group in the event of any future dealings involving Sumisaujana Group Berhad and Alliance Bank Malaysia Berhad.
- 2. Datin Wan Daneena Liza Binti Wan Abdul Rahman's husband is currently the President & Group Chief Executive Officer of Affin Bank Berhad, a financial institution that Wasco Pipe Sabah Sdn. Bhd., a subsidiary of WB has borrowings with. Hence, Datin Wan Daneena shall abstain from all discussion and decision of WB Group involving Affin Bank Berhad.

Saved as disclosed herein, none of the Directors have any conflict of interest with WB.

#### Convicted of offences

None of the Directors have been convicted for any offence within the past five (5) years other than possible traffic offences and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

# PROFILE OF KEY SENIOR MANAGEMENT TEAM



#### RAMANATHAN P.R. SINGARAM

#### Chief Financial Officer

Age	Gender	Nationality	
57	Male	Malaysian	
Date of Appointment			
1 July 2013			

# Academic/Professional Qualification(s)/Membership(s)

- Fellow, Association of Chartered Certified Accountants, United Kingdom
- Member, Malaysian Institute of Accountants
- Member, Institute of Corporate Directors Malaysia

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2013 2023: Chief Financial Officer, Energy Division, Wasco Energy Group
- 2008 2013: Group Financial Controller, Energy Division, Wasco Energy Group
- 2006 2008: Head of Group Internal Audit, Wasco Berhad
- 1995 2006: Senior Manager,
   PricewaterhouseCoopers (PwC) Malaysia



#### **ARIESZA NOOR**

**Chief Strategy Officer** 

Age	Gender	Nationality
48	Female	Malaysian
Date of Appointment		

1 March 2023

### Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Commerce (Honours) in Accounting & Finance, Lincoln University, New Zealand
- Fellow, Certified Practising Accountant Australia
- Member, Malaysian Institute of Accountants
- Member, Institute of Corporate Directors Malaysia

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2021 2023: Chief Corporate Officer, KPJ Healthcare Berhad
- 2014 2021: Vice President, Group Strategy and Operations, Wasco Berhad
- 2012 2014: Vice President, Investor Relations & Corporate Communications, IHH Healthcare Berhad
- 2008 2012: Manager, Investor Relations, Wasco Berhad
- 2007 2008: Senior Executive Investor Relations, Tenaga Nasional Berhad
- 2005 2007: Senior Executive, Investment Management, Tenaga Nasional Berhad
- 2003 2005: Executive, Group Finance, Financial Controls and Risk Management, Tenaga Nasional Berhad
- 2000 2002: District Accountant, Distribution Division, TNB Distribution Klang, Tenaga Nasional Berhad



#### TAY HIN MIAN, VIVIAN

Chief Human Resources Officer

Age	Gender	Nationality
51	Female	Singaporean
Date of Appointment		

#### 1 April 2023

# Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Business in Human Resource Management, Nanyang Technological University, Singapore
- Fellow, Association of Certified Chartered Accountants, United Kingdom

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2012 2023: Vice President, Group Human Resources, Wasco Berhad
- 2011 2012: Regional HR Business Partner, Wasco Berhad
- 2010 2011: Regional Senior Financial Controller, Wasco Berhad
- 2008 2010: Finance Manager, Asia Pacific, Emerson Process Management
- 2005 2008: Regional Finance Manager, Wasco Berhad



#### **TEE TZE PHEI**

**Chief Information Officer** 

Age	Gender	Nationality
37	Male	Malaysian
Date of Appointment		

1 October 2024

# Academic/Professional Qualification(s)/Membership(s)

- Master of Science in Information Systems and Management, Warwick Business School -University of Warwick, United Kingdom
- Bachelor of Engineering (Honours) in Electronics, Multimedia University, Malaysia
- Agile Scrum Master, CCSD Council

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2023 2024: Regional Principal Solution Consultant, Energy & Water JAPAC, Oracle
- 2021 2023: Vice President, Digitalisation, Wasco Energy Group of Companies
- 2020 2021: Client Technical Leader, Enterprise Sales Unit, IBM Global Markets
- 2018 2020: Head of Presales, Digital & IoT, Hitachi Consulting
- 2013 2018: Managing Consultant, Global Business Services, IBM ASEAN
- 2012 2013: Analyst, Technology Consulting, Accenture



#### **IQBAL GOPALSAMY ABDULLAH**

Vice President, Group Health, Safety & Environment

Age	Gender	Nationality
72	Male	Malaysian
Date of Appointment		

#### 1 June 2015

### Academic/Professional Qualification(s)/Membership(s)

 Bachelor of Economics (Honours), University of Malaya, Malaysia

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2015 2024: Vice President, HSE & Business Development, Wasco Energy Sdn. Bhd.
- 2012 2014: Executive Director, Wasco Oil Technologies Sdn. Bhd.
- 2009 2011: Senior General Manager, Customer Relationship Management, MISC
- 2002 2008: Senior General Manager, Group Health, Safety & Environment Division, PETRONAS
- 1999 2001: General Manager, Corporate Risk Management Unit, Corporate Planning Division, PETRONAS
- 1997 1998: General Manager, Business Ventures Unit, Gas Business Division, PETRONAS
- 1994 1996: General Manager, International Business Ventures Unit, Corporate Planning Division, PETRONAS, Indochina
- 1992 1993: General Manager, Business Development Department, Corporate Planning Division, PETRONAS
- 1989 1991: Senior Manager, Management Development Unit, Corporate Planning Division, PETRONAS
- 1987 1988: Senior Manager, PSC Procurement Department, E&P Division, PETRONAS
- 1985 1986: Manager, Contracts & Services Department, PETRONAS Carigali Sdn. Bhd.
- 1978 1984: Assistant Manager, Materials & Services Department, E&P Division, PETRONAS
- 1975 1977: Management Trainee, Production Department, E&P Division, PETRONAS



#### DR. MARTYN WILMOTT

#### Technical Advisor

Age	Gender	Nationality
64	Male	British/Canadian
Date of	Appointment	
8 April 2025		

## Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Science in Chemistry, University of Newcastle upon Tyne, United Kingdom
- Master of Science in Chemistry, University of Newcastle upon Tyne, United Kingdom
- Doctor of Philosophy in Chemistry, University of Newcastle upon Tyne, United Kingdom
- Master of Business Administration, University of Manchester, Alliance Manchester Business School, United Kingdom

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2019 2025: Chief Executive Officer, Pipeline Services, Wasco Berhad
- 2014 2019: Vice President, Tubular Product Technology, EVRAZ North America
- 2011 2014: President, Pipeline Services, Wasco Energy
- 2008 2010: Executive Director, Pipeline Services, Wasco Energy
- 2006 2008: Director Technology, PPSC
- 2004 2006: Vice President Technology, Jotun Powder Coatings
- 1998 2004: General Manager Technology, Bredero Shaw
- 1992 1998: Senior Scientist, NOVA Chemicals



#### **SHAMUGAM KARUPIAH**

Chief Executive Officer, Wasco Energy Ltd.

Age	Gender	Nationality
55	Male	Malaysian
Date of Appointment		

#### 3 March 2025

# Academic/Professional Qualification(s)/Membership(s)

 Bachelor's Degree in Accounting, Universiti Utara Malaysia

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2023 2025: Chief Executive Officer, Engineering & Fabrication Services, Wasco Berhad
- 2016 2023: Executive Vice President, Engineering & Fabrication Services, Wasco Berhad
- 2014 2016: Vice President, Operations, Engineering & Fabrication Services, Wasco Berhad
- 2009 2014: Head of Finance & Business Support, Engineering & Fabrication Services, Wasco Berhad
- 2004 2009: Senior Financial Controller, Southern Steel Berhad
- 2001 2003: Managing Director (Asia Pacific), Trox (German MNC)
- 1998 2001: Finance Director, Trox (German MNC)
- 1996 1998: Finance Manager, Hong Leong Group, Malaysia
- 1991 1995: Accountant, Hong Leong Group, Malaysia



#### **LEE YEE CHONG**

Chief Executive Officer, Bioenergy Services

Age	Gender	Nationality
57	Male	Malaysian
Date of Appointment		

1 September 2024

# Academic/Professional Qualification(s)/Membership(s)

 Bachelor in Mechanical Engineering, University of Malaya

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2024 2025: Chief Executive Officer, Wasco Greenergy Sdn. Bhd.
- 2019 2024: Chief Executive Officer, Industrial Engineering, Wasco Berhad
- 2016 2029: Chief Executive Officer, RE Division, Wasco Berhad
- 2013 2016: Chief Operating Officer, RE Division, Wasco Berhad
- 2008 2013: Executive Director, Jutasama Sdn. Bhd.
- 1995 2008: Project Engineer, Jutasama Sdn. Bhd.
- 1993 1995: Project Engineer, ABB Industrial Systems Sdn. Bhd.



#### SIVARAMAYAH A/L SIVALINGAM

Head, Group Internal Audit

Age	Gender	Nationality
53	Male	Malaysian
Date of Appointment		

### 1 August 2019

# Academic/Professional Qualification(s)/Membership(s)

- Bachelor in Accountancy (Hons.), Universiti Utara Malaysia
- Master in Business Administration, Universiti Kebangsaan Malaysia
- Member, Institute of Internal Auditors Malaysia
- Member, Malaysian Institute of Accountants
- Member, Malaysian Institute of Management

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2009 2019: General Manager Group Internal Audit, Sapura Energy Berhad
- 2004 2009: Internal Audit & Quality Assurance Manager, Sumatec Resources Berhad
- 2003 2004: Compliance Officer, KL City Securities Berhad
- 2000 2003: Cost Accountant, Premium Vegetable Oils Berhad
- 1997 2000: Audit Executive, Ahmad Abdullah & Goh



#### **LEW KOK CHEONG**

Head, Group Treasury

Age	Gender	Nationality
57	Male	Malaysian
Date of Appointment		

1 June 2008

# Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Economics, Monash University, Australia
- Bachelor of Laws with Honours, University of London, United Kingdom
- Fellow, Certified Practising Accountant Australia
- Member, Malaysian Institute of Accountants

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2000 2005: Senior Finance Manager, Kien Huat Development Sdn. Bhd.
- 1995 2000: Treasury Manager, Berjaya Group Berhad
- 1994 1995: Division Controller, Mega First Corporation Berhad
- 1990 1993: Corporate Services, Ernst Whinney



#### **OOI GIAP HWA, BILLY**

Head of Finance, Bioenergy Services

Age	Gender	Nationality
52	Male	Malaysian

#### **Date of Appointment**

12 September 2024

### Academic/Professional Qualification(s)/Membership(s)

- CPA, The Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants

#### Present Directorship(s) in Listed Entity/ Other Public Companies

• Nil

#### **Working Experience**

- 2023 2024: Senior Vice President,
   Operation Finance, Wasco Berhad
- 2020 2023: Head of Finance, Industrial Services Division, Wasco Group
- 2011 2020: Senior Vice President, Wasco Thermal Sdn. Bhd.
- 2007 2010: Financial Controller, Renewable Energy Division
- 2003 2007: Finance & Admin Manager, Wasco Berhad
- 2001 2003: Financial Accountant, Taliworks Corporation Berhad
- 1997 2001: Articleship at BDO

#### Declaration

Mr Billy Ooi is an indirect shareholder of Wasco Thermal Sdn. Bhd. by virtue of his 9.74% shareholding in Tema Energy Ventures Sdn. Bhd., a 40% shareholder in Wasco Thermal Sdn. Bhd. Hence, he shall report/raise any transaction potentially triggering conflict of interest with WB Group that come to his knowledge to his superior and abstain himself from the decision-making.



#### **WOO YING PUN, IRENE**

**Group Company Secretary** 



Please refer to her profile under Corporate Governance Overview Statement.

#### Notes:-

#### Directorship in public/public listed companies

None of the Key Senior Management ("KSM") members are holding any directorship in public/public listed companies.

Family relationship with Directors and/or major shareholders None of the KSM members have any relationship with any Directors and/or major shareholders of WB.

#### Conflict of interest

Saved as disclosed herein, none of the KSM members have any conflict of interest with WB.

#### Convicted of offences

None of the KSM members have been convicted for any offence within the past five (5) years other than possible traffic offences and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

### **AUDIT COMMITTEE**

#### 1. ROLE OF THE AUDIT COMMITTEE

The primary function of the Audit Committee ("AC") is to assist the Board of Directors ("the Board") in fulfilling the following oversight objectives on the Group's activities:-

- assess the Group's processes relating to its risks and control environment;
- oversee financial reporting;
- review the internal and external audit reports;
- assess the suitability, objectivity and independence of the External Auditors; and
- review any related party transaction and conflict of interest situation that arise, persist or may arise within the Company and the Group, including any transaction, procedure or course of conduct that raises question on Management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts.

The Terms of Reference ("TOR"), including the duties and responsibilities of the AC are available on the Company's website at www.wascoenergy.com.

The TOR was last reviewed by the Board on 27 February, 2024.

#### 2. MEMBERS AND MEETINGS

The AC meets regularly at least five (5) times annually, with due notice of issues to be discussed and its conclusions duly recorded in the minutes by the Group Company Secretary who is the Secretary of the AC in attendance towards discharging of its duties and responsibilities. In the event the Secretary is unable to attend any of the meetings, an assistant or deputy Secretary may be appointed for that specific meeting. Additional meetings may be held at the request of the Board, the AC, the Management and the External or Group Internal Auditors. The Chairman of the Board does not participate by way of invitation in the AC meetings.

Nonetheless, the Chairman and the AC members have free and direct access to consult, communicate and enquire with any Senior Management of the Group as well as the External Auditors at any time.

The Chief Financial Officer and the Head of Group Internal Audit ("GIA") attend such AC Meetings and the representative of the External Auditors are encouraged to attend whenever possible. Other Directors may be invited to attend such AC Meetings when necessary. The AC will meet the External Auditors at least twice a year without the presence of any executive Board members and the Management.

The members and details of attendance of Directors at the AC Meetings of the Company for the financial year ended 31 December 2024 are as follows:-

Name of Director	Directorship	Date of Appointment	No. of Meetings Attended
Datin Wan Daneena Liza Binti Wan Abdul Rahman (Chairman)	Independent Non-Executive Director	23 May 2023	5/5
Halim Bin Haji Din (Member)	Non-Independent Non-Executive Director	22 May 2002	5/5
Tan Sri Saw Choo Boon (Member)	Senior Independent Non-Executive Director	30 August 2018	5/5

#### 3. SUMMARY OF ACTIVITIES

During the financial year under review and up to the date of approval of this statement, the following activities were carried out by the AC in line with the TOR:-

#### 3.1 Financial Reporting

In overseeing the Group's financial reporting, the AC reviewed quarterly reports and the annual audited financial statements of the Group before submission to the Board for consideration and approval.

The Quarterly Financial Statements for the first, second, third and fourth quarters of 2024, were prepared in compliance with the Malaysian Financial Reporting Standard 134 Interim Financial Reporting, International Accounting Standard 34 Interim Financial Reporting and paragraph 9.22, including Appendix 9B of Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("MMLR"), and they were reviewed by the AC at the AC meetings held on 28 May 2024, 27 August 2024, 27 November 2024 and 24 February 2025 respectively.

On 24 February 2025, the AC reviewed the key findings by the External Auditors, PricewaterhouseCoopers PLT ("PwC"), in respect of the financial year ended 31 December 2024. On 7 April 2025, the AC reviewed the External Auditors' Report as presented by PwC on accounting estimates, significant judgements and internal control matters in respect of the audit for the financial year ended 31 December 2024 together with the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2024.

The recommendations of the AC were presented to the Board for approval at the respective subsequent Board meetings.

#### 3.2 Annual Report and Circular to Shareholders

- a. To ensure compliance with Bursa Malaysia's MMLR, the AC reviewed Wasco Berhad's ("WB") Annual Report 2024, in particular the Audit Committee Report on 24 February 2025. While the Chairman and Managing Director/ Group Chief Executive Officer's Statement, Chief Financial Officer's Review, Additional Compliance Information, Summary of Significant Recurrent Related Party Transactions and Statement of Assurance on the Sustainability Report, including the internal review conducted by the Group Internal Auditors and the independent review in accordance with recognised assurance standards were reviewed by the AC on 7 April 2025. All the above were recommended to the Board for their approval prior to the release of the Annual Report.
- b. On 7 April 2025, the AC reviewed the Company's Circular to Shareholders pertaining to the following proposals for tabling to the Company's shareholders at the Company's Annual General Meeting ("AGM") to be held on 29 May 2025. The AC had recommended the same to the Board of Directors for their approval prior to the Circular to Shareholders being printed and published on the Company's website:-
  - Proposed renewal of shareholders' mandate for the existing recurrent related party transactions of a revenue or trading nature and provision of financial assistance between the Company and/or its subsidiaries.
  - Proposed renewal of authority to buy-back its own shares by the Company ("Share Buy-Back Statement").

#### 3.3 External Auditors

a. The AC had private meetings with the External Auditors on 27 February 2024, 27 November 2024 and 7 April 2025 respectively, without the presence of the Group Chief Executive Officer, the Executive Directors, Senior Management and Internal Auditors.

There were no significant areas of concern raised by PwC that need to be escalated to the Board.

- b. On 27 August 2024, the AC reviewed the Audit Plan prepared by the External Auditors for the financial year ended 31 December 2024 outlining the detailed terms and responsibilities of PwC and PwC's affirmation of their independence as External Auditors, areas of audit emphasis identified in response to changes within the Group's business and the reporting requirements during the financial year, PwC's commitment to deliver an efficient and effective audit while keeping pace with the changes in the Group and PwC's intended working arrangement with the team from the Group.
- c. On 27 November 2024, the AC reviewed the WB Group Interim Audit Report presented by PwC for the financial year ended 31 December 2024 which covered the scope of audit involving the tests of controls over Management's processes surrounding revenue and receivables, purchases and payables, treasury, payroll and inventory cycles and test of details performed on certain subsidiaries within the Group.
- d. On 27 November 2024, the AC reviewed the list of approved Non-Assurance Services ("NAS") provided by PwC in respect of the financial year ended 31 December 2024 in accordance with the Group's NAS Concurrence Policy.
- e. On 24 February 2025, the AC reviewed the WB Group Final Audit Report presented by PwC and discussed on the key findings highlighted by PwC in respect of the accounting estimates, significant judgements and internal control matters of WB Group for the financial year ended 31 December 2024.
- f. On 24 February 2025, the AC noted the PwC Malaysia Transparency Report 2024 as tabled by PwC in accordance with the compulsory annual transparency reporting for audit firms registered with the Securities Commission's Audit Oversight Board.
- g. The AC at its meeting held on 7 April 2025 reviewed the annual assessment of the performance of PwC in respect of the financial year ended 31 December 2024 based on the following areas:-
  - Calibre of External Auditors;
  - Quality processes/performance;
  - Audit team:
  - Independence and objectivity;
  - Audit scope and planning;
  - Audit fees: and
  - Audit communications.

Being satisfied with their performance, technical competency and audit independence, the AC recommended the re-appointment of PwC as the External Auditors of the Company and the Group for the financial year ending 31 December 2025 to the Board for approval accordingly.

The Board would table the same to the Company's shareholders for their approval at the AGM of the Company to be held on 29 May 2025.

h. The AC had obtained confirmation from the External Auditors confirming their independence and that they were not aware of any non-audit services that had compromised their independence as External Auditors of the Group throughout their terms of engagement for the financial year under review.

#### 3.4 Recurrent Related Party Transactions

- a. On 27 February 2024, 28 May 2024, 27 August 2024, 27 November 2024 and 24 February 2025 respectively, the AC reviewed all related party transactions and recurrent related party transactions to ensure that they were within the mandate obtained from the shareholders of the Company at the AGM.
- b. The AC at its meeting held on 7 April 2025 reviewed the proposed renewal of shareholders' mandate for the existing recurrent related party transactions of a revenue or trading nature and provision of financial assistance between the Company and/or its subsidiaries for inclusion in the Circular to Shareholders pursuant to Bursa Malaysia's MMLR for the Board's approval.

#### 3.5 Company's Share Buy-Back

The AC reviewed and recommended the proposed renewal of the share buy-back mandate from the Company's shareholders on 7 April 2025 to the Board for approval prior to the Share Buy-Back Statement being incorporated into the Circular to Shareholders for year 2025.

#### 3.6 Internal Audit

- a. On 28 May 2024, 27 August 2024, 27 November 2024 and 24 February 2025 respectively, the AC reviewed the major findings in the Internal Audit Reports prepared by the GIA together with the recommendations and the Management's response to the findings.
- b. On 27 November 2024, the AC reviewed the Group Internal Audit Plan for the financial year 2025 ("FY 2025") which encompassed the proposed audit engagements, rationale for selection of audit, proposed audit and scope, organisation chart of GIA, estimated Audit Man-days, proposed budget for FY 2025, proposed key performance indicators, quality assurance review, and reliance of work on other assurance providers and subject matter experts.

#### 3.7 Capital Expenditure

On 28 May 2024, 27 August 2024, 27 November 2024 and 24 February 2025 respectively, the AC reviewed the capital expenditure items highlighted by the Management in the respective Group's quarterly results during the financial year ended 31 December 2024.

#### 3.8 Conflict of Interest

The Conflict of Interest Policy was established on 27 February 2024 to ensure that actual, potential and perceived conflict of interest ("COI") are identified and managed effectively as it provides guidance on how to deal with COI situations as they arise and to protect the Group's interest, while assisting the Directors and employees to perform with high integrity and ethical standards.

A Conflict of Interest Declaration Form is circulated annually to all Directors and Key Senior Management for them to disclose and declare their nature and extent of COI (if any) based on actual, potential and perceived COI. The forms are compiled and tabled to the AC for review. The AC will determine the measures required to be taken for the COI disclosed in order to resolve, eliminate or mitigate the conflicts (if any) before the details of the COI are reported to the Board.

#### **AUDIT COMMITTEE**

The summary of the COI situations reviewed by the AC pursuant to paragraph 15.12(1)(h) of Bursa Malaysia's MMLR during the period under review and the measures taken to resolve, eliminate, or mitigate such conflicts are as detailed below:-

Name	Position in Wasco Berhad Group	Type of COI	Situation	Measure in place
Datin Wan Daneena Liza Binti Wan Abdul Rahman	Independent Non- Executive Director of Wasco Berhad	Actual	Datin Wan Daneena's husband is currently the President and Group Chief Executive Officer of Affin Bank Berhad, a financial institution that Wasco Pipe Sabah Sdn. Bhd., a subsidiary of WB has borrowings with.	Datin Wan Daneena shall recuse herself from any Board or Board Committee deliberations relating to Affin Bank Berhad.
Lily Rozita Binti Mohamad Khairi	Independent Non- Executive Director of Wasco Berhad	Potential	Ms Lily is currently sitting on the Board of other companies as an Independent Non-Executive Director.	In case of any future dealings between WB Group and other companies where Ms Lily holds directorship on, Ms Lily will inform WB and recuse herself from such deliberations or decision making.
Ooi Giap Hwa, Billy	Head of Finance, Bioenergy Services	Actual	Mr Billy Ooi is an indirect shareholder of Wasco Thermal Sdn. Bhd. by virtue of his 9.74% shareholding in Tema Energy Ventures Sdn. Bhd., a 40% shareholder in Wasco Thermal Sdn. Bhd.	Mr Billy Ooi will report/ raise any transaction potentially triggering COI that come to his knowledge to his superior and abstain himself from the decision making.

Saved as disclosed above, none of the other Directors and Key Senior Management members have any COI as declared in the COI forms.

The Directors and Key Senior Management would inform the Company immediately should their circumstances change in any way that affects their earlier COI declaration.

The COI Policy is reviewed and updated from time to time to ensure that it is relevant and in line with the requirements of all relevant acts, rules and guidelines currently in force. The COI Policy is available on the Company's website at www.wascoenergy.com.

#### 4. INTERNAL AUDIT FUNCTION

The AC is assisted by the GIA in providing independent and objective assurance to the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance. The Head of GIA reports functionally to the AC and administratively to the Managing Director/ Group Chief Executive Officer.

The GIA had conducted risk-based audit engagements as stipulated in the annual Internal Audit Plan for financial year 2024 ("FY 2024"). Significant audit findings with regards to risk, control, compliance and governance covered various scope which had high risk and impact discussed with senior management, of which also including the agreed action plans committed by the management. The audit reports were presented quarterly to the AC for deliberation. Follow up review on the audit engagements were also conducted on every quarter to ensure proper and effective remedial actions have been taken by the management to close control gaps, risk and governance related issues highlighted by the GIA. All the internal audit activities and processes were performed as guided by the Internal Audit Charter and the GIA Standard Operating Procedure. The GIA is in conformance with the International Standards for the Professional Practice of Internal Auditing.

A summary of the internal audit activities performed during the financial year under review is as follows:-

- a. tabled the Annual Audit Plan and budget for FY 2024 to AC for review and approval;
- b. completed 5 risk-based audit engagements reviews that were presented to the AC. The review primarily focused on operations of the business entities, assisted in anti-bribery management system (ABMS) compliance audit, and provided assurance on few common material sustainability matters of the Group to ascertain the adequacy and effectiveness of risk, control, compliance and governance processes;
- c. reviewed Related Party and Recurrent Related Party Transactions on quarterly basis;
- d. performed follow-up review on every quarter to assess the adequacy, effectiveness and timeliness of actions taken by the management;
- e. completed internal Self-Assessment on Quality Assurance and Improvement Program (QAIP); and
- f. presented the Internal Audit Charter to AC for annual review and approval.

The total costs incurred in FY 2024 for GIA amounted to RM1,084,899 (2023: RM1,006,176).

# NOMINATION AND REMUNERATION COMMITTEE

#### 1. ROLES OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") is responsible for setting the policy framework for assessing and making recommendations on any new appointments or extension of existing Directors to the Board, its various Board Committees and Senior Management taking into consideration inter alia the following:-

- a) Appropriate skills, knowledge, expertise, experience, professionalism, integrity and independence;
- b) A diverse Board composition and adequate participation of women in Senior Management; and
- c) Effective succession planning, talent management and human capital development for the Board and key officers.

The NRC shall also set the policies and procedures to determine the remuneration of the Board of Directors, Senior Management and employees ensuring that they are based on the Company's performance and that they are fairly rewarded and sufficient to attract and retain talents.

#### 2. MEMBERS AND MEETINGS

The members and details of attendance of Directors at the NRC Meetings of the Company for the financial year ended 31 December 2024 are as follows:-

Name of Director	Directorship	Date of Appointment	No. of Meetings Attended
Tan Sri Saw Choo Boon (Chairman)	Senior Independent Non-Executive Director	23 May 2023	2/2
Tan Sri Professor Lin See Yan (Member)	Non-Independent Non-Executive Director	23 May 2023	2/2
Lily Rozita Binti Mohamad Khairi (Member)	Independent Non-Executive Director	23 May 2023	2/2

#### 3. TERMS OF REFERENCE

#### i. Composition

The NRC shall be chaired by an independent Director and its members shall comprise exclusively of Non-Executive Directors, a majority of whom are independent.

The Chairman of the Board shall not serve or participate by way of invitation on the NRC.

#### ii. Quorum of Meetings

A minimum of two (2) NRC Members present physically or virtually shall constitute the quorum. Any other person(s) may be invited by the NRC and/or the NRC Chairman from time to time to attend the NRC meeting.

#### iii. NRC Members

The existing NRC Members are as disclosed above.

#### iv. Majority Decision

All decisions of the NRC shall be decided on the votes of the simple majority of Members present physically or virtually, and such decisions shall be submitted to the Board for approval.

The Director(s) concerned shall abstain from discussion on their own remuneration and/or nomination.

#### v. Casting Vote

In the event there be an equality of votes, then the Chairman of the meeting shall have a casting vote.

#### vi. Frequency of Meetings

The NRC shall meet at least annually or at such other frequency as the Chairman may determine.

#### vii. Notice of Meetings

Minimum seven (7) days or such shorter notice as the NRC may deem fit depending on the nature and prevailing circumstances at hand.

#### viii. Secretary

The Group Company Secretary shall be the Secretary for the NRC. In the event that the Group Company Secretary is unable to attend, an assistant or deputy Secretary(s) may be appointed for that specific meeting.

#### ix. Minutes of Meetings

The Secretary shall prepare the minutes of each NRC meeting within 2 weeks of the meeting and table the minutes at the next meeting and shall circulate the same for each Member's record. The Chairman's confirmation of the Minutes shall be taken as a correct record of the proceedings thereat.

The Chairman of the NRC shall report on the key points of each meeting to the Board.

#### x. Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy was established on 23 May 2022 to assess the appointment and re-appointment of Directors, Chief Executive Officer and Chief Financial Officer.

The terms of the Directors' Fit and Proper Policy are reviewed and updated from time to time to ensure that they remain relevant and in line with the requirements of all relevant acts, rules and guidelines currently in force. The Directors' Fit and Proper Policy is available on the Company's website at www.wascoenergy.com.

#### xi. Diversity Policy

The Diversity Policy was established on 27 November 2018 to promote diversity in the Company focusing on the Board of Directors and Senior Management.

The terms of the Diversity Policy are reviewed and updated from time to time to ensure that they are relevant and in line with the requirements of all relevant acts, rules and guidelines currently in force. The Diversity Policy is available on the Company's website at www.wascoenergy.com.

#### xii. Roles of the Chairman of the NRC

The Chairman of the NRC shall lead the succession planning and appointment of Directors and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive Directors and Chief Executive Officer. The Chairman shall also lead the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board Committee is independently assessed.

The Chairman shall also assess the Board's effectiveness and the contribution of each individual Director independently in the discharge of their duties and responsibilities.

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#### NOMINATION AND REMUNERATION COMMITTEE

#### xiii. Functions of the NRC

The NRC shall carry out the following to best serve the business and operations of the Group and address the Group's material sustainability risks and opportunities:-

- a. Determine and recommend to the Board the optimum size and composition of the Board and core competencies and skills required of Board members;
- b. To review and assess the skills, expertise, experience, gender, age, ethnicity, time commitment and independence of its Directors to ensure their relevance and the efficiencies and effectiveness of the Board and compliance to regulations;
- c. Obtain and review candidates from various sources and recommend to the Board, suitable candidates to fill vacant directorships;
- d. Recommend to the Board, Directors to fill the seats on Board Committees:
- e. Develop a formal assessment and undertake an annual assessment of the efficiency and effectiveness of the Board, Board Committees, Directors and Senior Management;
- f. To review the appointment, re-appointment / re-election and resignation of Directors on the Board of the Company and of its subsidiaries, where necessary and to recommend to the Board for continuation or discontinuation in service of Directors;
- g. To review the appointment and termination of key officers i.e. Group Chief Executive Officer, Chief Financial Officer and Group Company Secretary;
- h. Establish and review the Group's policy on remuneration and procedures for determining annual remuneration for the Group as a whole and for individual Directors and Senior Management. Ensure the policy and procedures are relevant with time to attract and retain the required people; and
- i. To consider the extent of the details of the Board of Directors and Key Senior Management's remuneration to be reported in the Company's Annual Report in compliance with the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and the MMLR of Bursa Malaysia.

#### xiv. Independent Director

The definition and requirements of an "Independent Director" are in accordance with Chapter 1 and Practice Note 13 of the MMLR of Bursa Malaysia and includes the recommended best practices in corporate governance as provided in the MCCG 2021.

#### xv. Succession Planning for Board and Key Senior Management

The NRC shall develop an effective succession planning framework, talent management program, and human capital development process for the Board and the Key Senior Management team of the Company, and oversee its effective implementation.

#### xvi. Review of the Terms of Reference

The NRC shall review the Terms of Reference from time to time to ensure its relevance and to consider any amendment/ improvement(s) thereto as and when the NRC deems necessary. Any variation/ amendment(s) to the Terms of Reference shall be recommended to the Board of Directors for endorsement and adoption.

The Terms of Reference of the NRC was established by the Board of Directors on 23 May 2023 and the complete version is available on the Company's website at www.wascoenergy.com.

#### 4. ACTIVITIES UNDERTAKEN

The summary of activities undertaken by the NRC in respect of the financial year ended 31 December 2024 are as follows:-

#### 4.1 Succession Planning for Key Senior Management

On 27 February 2024 and 28 August 2024 respectively, the NRC reviewed the proposed succession planning for the key positions within the Group.

#### 4.2 Board Composition

On 28 August 2024, the NRC reviewed the board composition of the Company following the resignation of a Non-Independent Non-Executive Director and was satisfied with the current Board composition.

#### 4.3 Benchmarking for Directors' Fees

On 28 August 2024, the NRC discussed the internal benchmarking for the Directors' Fees payable to the Non-Executive Directors in respect of the financial year ended 31 December 2024 onwards to ensure that the Directors of the Company are fairly compensated and in line with current market rates and the Company's financial performance.

#### 4.4 Proposed Annual Increment and Bonus for Employees, Senior Management and the Executive Director

#### a. Group's Key Performance Indicators ("KPIs")

On 27 February 2024 and 28 February 2025, the NRC reviewed and discussed the Group's KPIs to be established for the financial year 2024 and the financial year 2025 respectively. The KPIs are derived from the financial target and the non-financial targets comprising the Safety Pillar, People Pillar and Sustainability Pillar.

#### b. Annual Increment Rate

On 27 February 2024 and 28 February 2025, the NRC reviewed the proposed annual increment rate for employees, Key Senior Management and the Executive Director based on the rate included in the financial budgets in respect of the financial years ended 31 December 2024 and ending 31 December 2025 respectively.

#### c. Proposed Bonus Payout

On 27 February 2024 and 28 February 2025, the NRC reviewed the performance of the Group against the KPIs established in respect of the financial year 2023 and financial year 2024 respectively and the proposed bonus payout for the Group accordingly.

#### 4.5 Proposed Board Fees and Meeting Allowances

On 27 February 2024 and 28 February 2025, the NRC reviewed the Directors' Fees and Meeting Allowances payable to the Non-Executive Directors to ensure that they align with the current market rate and the Company's financial performance.

#### 4.6 Re-election of Directors

On 27 February 2024 and 28 February 2025, the NRC reviewed the Board members who were due for retirement by rotation pursuant to Clause 117 of the Company's Constitution and are eligible for reelection based on the fit and proper criteria as outlined in the Directors' Fit and Proper Policy. The NRC was satisfied with the outcome of the assessments.

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#### 4.7 Board's Performance Evaluation

On 27 February 2024 and 28 February 2025, the NRC assessed the annual evaluation conducted on the performance and the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director using a set of customised assessment questionnaires to be completed by the Directors. The results of the assessment were compiled by the Group Company Secretary and were tabled to the Board for review and deliberation.

The Board was pleased with the results and outcome of all the annual evaluations and assessments conducted, with the appropriate size and composition of the Board which is well-balanced and has the right mix of skills sets and comprising individuals of high calibre and credibility to enable the Board to discharge its fiduciary duties and responsibilities effectively.

The NRC is satisfied with the existing Board composition with regards to the mix of skills, experience, expertise and independence in meeting the required needs of the Company, taking into consideration the gender diversity and ethnicity of the members of the Board. The Board is supported by the core Senior Management team having the relevant and appropriate qualifications, experience and competencies in their respective roles and functions.

The respective customised assessment questionnaires had been revamped and enhanced by the NRC on 28 August 2024.

#### 4.8 Assessment of the Independent Directors

On 27 February 2024 and 28 February 2025, the NRC assessed the independent review and assessment conducted on the Independent Directors based on the Independent Directors' Annual Declaration Form and the NRC was satisfied with the outcome and results whereby all the Independent Directors fulfilled the criteria required for an Independent Director as prescribed under the MMLR of Bursa Malaysia.

#### 4.9 Review of the Audit Committee

On 27 February 2024 and 28 February 2025, the NRC reviewed and assessed the terms of office and performance of the Audit Committee as a whole and each of its members based on a set of customised questionnaires pursuant to Paragraph 15.20 of Chapter 15 of the MMLR of Bursa Malaysia. The NRC opined that the Audit Committee and each of the members had carried out their duties in accordance with their Terms of Reference.

#### 4.10 Financial Literacy of Audit Committee Members

On 27 February 2024 and 28 February 2025, the NRC reviewed and assessed the financial literacy assessment for each of the Audit Committee members based on a set of questionnaires pursuant to Practice 9.5 of the MCCG 2021. The NRC was pleased with the outcome of the assessment.

#### 4.11 Nomination and Remuneration Committee Report

On 28 February 2025, the NRC reviewed the Nomination and Remuneration Committee Report for incorporation into the Company's Annual Report 2024 accordingly.

#### 5. WOMAN DIRECTORS ON BOARD

The Board comprised of two (2) woman Directors.

#### 6. CONFLICT OF INTEREST

The Conflict of Interest Policy was first approved by the Board of Directors on 27 February 2024 and was subsequently revised on 29 August 2024. All Directors and Key Senior Management had completed the Conflict of Interest Declaration Form to disclose and declare their nature and extent of conflict of interest ("COI") (if any) based on actual, potential and perceived COI. These forms were compiled and tabled to the Audit Committee to determine the COI disclosed and the measures required to be taken to resolve, eliminate or mitigate the conflicts (if any). The details of the COI were then reported to the Board.

All COI declarations made by the Directors and Key Senior Management and the measures taken to resolve, eliminate or mitigate the conflicts (if any) are recorded, maintained and properly documented. The Directors and Key Senior Management would also update the Company immediately should circumstances change in any way that affect their earlier COI declared.

The COI declared by the Directors and Key Senior Management and the measures taken to resolve, eliminate or mitigate such conflicts (if any) are disclosed in the Profile of Board of Directors on pages 111 to 119 and the Profile of Key Senior Management Team on pages 120 to 125 respectively of this Annual Report.

#### 7. COMPLIANCE WITH THE MMLR

The current Board composition fulfilled the MMLR requirements to have at least one (1) woman Director on Board and one third (1/3) of the Board of Directors are Independent Non-Executive Directors.

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# BOARD SUSTAINABILITY COMMITTEE

The Governance, Compliance and Risk Committee of the Company was established on 23 May 2023 and the name of the Committee was changed to Board Sustainability Committee ("BSC") on 29 August 2024 to better reflect the Economic, Environment, Social and Governance ("EESG") initiatives undertaken by the Board.

#### 1. ROLE OF THE BOARD SUSTAINABILITY COMMITTEE

The BSC assists the Board in fulfilling and overseeing its sustainability related initiatives and activities which comprised of all EESG related initiatives, the oversight responsibilities in corporate governance, integrity, risk management and compliance with the relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Company. The BSC also oversees the development and implementation of the Group's sustainability-related framework, anti-bribery and corruption compliance, anti-money laundering compliance, risk management framework and all other relevant compliances and their related policies and frameworks.

The BSC conducts review and investigation on issues which came to their attention within its terms of reference and as authorised by the Board, including seeking any information from any parties and to obtain outside legal or other independent professional advice at the Company's expense if the BSC considers necessary.

The BSC reports and updates the Board on matters and findings by the BSC and makes the necessary recommendations to the Board within its terms of reference or as authorised by the Board.

The Terms of Reference of the BSC is available on the Company's website at www.wascoenergy.com.

#### 2. MEMBERS AND MEETINGS

The members and details of attendance of Directors at the BSC Meetings of the Company for the financial year ended 31 December 2024 are as follows:-

Name of Director	Directorship	Date of Appointment	No. of Meetings Attended
Lily Rozita Binti Mohamad Khairi (Chairman)	Independent Non-Executive Director	23 May 2023	4/4
Tan Sri Professor Lin See Yan (Member)	Non-Independent Non-Executive Director	23 May 2023	2/4
Datin Wan Daneena Liza Binti Wan Abdul Rahman (Member)	Independent Non-Executive Director	23 May 2023	4/4

#### 3. RESPONSIBILITIES AND DUTIES OF THE BSC

The BSC undertakes oversight of the following:-

- A. Corporate Governance, Compliance, Regulatory, Tax and all relevant compliance matters of the Company
  - (i) Evaluate and monitor the Company's compliance with the relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Company;
  - (ii) Review the assessment of the alignment to the relevant regulatory standards in the Company's systems, controls and conduct of business;
  - (iii) Receive and consider reports of non-compliance by the Company from the external service providers i.e. the auditors, legal advisors, agents, consultants and external parties with any relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Company;
  - (iv) Ensure the Company's tax matters are managed in line with the relevant tax legislations and the Company's overall approach to governance and transparency while ensuring stakeholders interest are protected;

- (v) Review new legal, regulatory, tax and compliance requirements and standards;
- (vi) Ensure the Board is informed of upcoming changes in corporate governance, regulations or compliance requirements and the needful plans are put in place to ensure that the Company is ready for the needful changes;
- (vii) Provide oversight of the Company's relationships with its regulators; and
- (viii) Assess and ensure that the Board and the Board Committees have adequate time, updated information and resources to fulfil their fiduciary duties towards the Company.

#### B. Anti-bribery and Corruption Compliance

- oversight of development and implementation of the Group's Principles of Business Conduct, Anti-Bribery and Corruption Policy ("ABC Policy"), Anti-Bribery Management System ("ABMS"), Whistle Blowing Policy in relation to anti-bribery and corruption, whistle blowing and non-financial risks;
- (ii) advise the Board and the Management on the anti-bribery and corruption, legislative and regulatory landscape to ensure compliance;
- (iii) introduce any regulation which would enable the smooth administration and effective discharge of the Integrity Committee's duties and responsibilities;
- (iv) review the adequacy of compliance programme of the Group and the implementation of the relevant anti-bribery and corruption control measures, including but not limited to, due diligence process, compliance checks and monitoring, as well as the authorities' raid procedures, to ensure ongoing awareness programme, communication, training and education on compliance disseminated to all employees, consultants, associates, suppliers and stakeholders of the Group;
- (v) review the ABMS from time to time to ensure that the Group is in compliance with the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and other legislative and reporting requirement;
- (vi) identify the bribery and corruption risks which the Group might reasonably anticipate and furnish the bribery risk assessment and the report to the Board of any findings by the BSC;
- (vii) inquire into any allegation of bribery or act of corruption and ensure appropriate actions are taken;
- (viii) supervise, monitor and manage the complaints received pertaining to bribery, corruption, abuse of power, malpractice and violation of business conduct within the Group;
- (ix) monitor and review the development and implementation of the anti-bribery and corruption, legislative and regulatory landscape by the Integrity Committee. The BSC to ensure that they are appropriate, effective, adequately enforced and conformance to the requirements of ISO37001:2016 standard; and
- (x) perform any other activities relating to anti-bribery and corruption, as authorised by the Board.

#### C. Risk Management and Internal Control

- (i) oversee, review and monitor the duties and responsibilities of the Risk Management Committee ("RMC");
- (ii) assess the scope and effectiveness of the systems and processes established by the RMC;

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#### **BOARD SUSTAINABILITY COMMITTEE**

- (iii) identify, assess, manage and monitor areas of material business risks of the Group, financial and non-financial risks;
- (iv) develop and ensure the systems and processes in identifying, assessing, treating, monitoring and reporting the business risks are continuously improved;
- (v) oversee the conduct, and review the results of the Group's risk assessment including the identification and reporting of critical risks;
- (vi) conduct annual review and periodic testing of the Company's internal control and risk management framework;
- (vii) advise the Board on the Group's current risk exposures and futures risk strategy based on its overall risk appetite;
- (viii) recommend the risk policy including the setting of risk management authorities, limits and escalation procedures to the Board;
- (ix) provide guidance and strategic direction to the business units on the adequacy and effectiveness of internal control systems for identification and mitigation of material business risks;
- (x) establish procedures in conjunction with the respective business units to ensure identification of and compliance with relevant laws, licensing and regulatory requirement;
- (xi) liaise where necessary with the Legal and Internal Audit functions of the Group; and
- (xii) undertake any other risk management tasks as may be delegated by the Board to the Committee.

#### D. Sustainability

- (i) oversee, review and monitor the duties and responsibilities of the Sustainability Steering Committee ("SSC");
- (ii) oversee the formulation of the Group's overall sustainability framework and strategies, including principles and policies which are aligned with related regulations and standards;
- (iii) monitor the implementation of the Group's overall sustainability framework, principles, policies, initiatives, activities, strategies, and plan undertaken or implemented;
- (iv) review and recommend to the Board the development and implementation of the Company's sustainability-related strategies, goals, initiatives, business plans and major action plans;
- (v) oversee the Group's responsibilities, on-going commitments and initiatives on its sustainability which encompasses the Economics, Environmental, Social and Governance ("EESG") to be in line with the Group's vision, mission and values;
- (vi) review the relevant compliance with the regulatory and public commitments on sustainability matters and monitor the effectiveness of the risk management framework related to sustainability and EESG matters including risk appetites and risk policies;
- (vii) review and consider other sustainability and EESG related matters referred by the Board;
- (viii) ensure the EESG risks identified are incorporated into the risk register and the oversight of each significant risk is the responsibility of the Board;

- (ix) consider and determine the Group's position on relevant emerging sustainability issues, and consider and recommend proposals, targets and commitments in connection thereto;
- (x) oversee and assess the Group's contribution to, impact on and role in environmental, climate change and society in countries where it operates;
- (xi) facilitate the necessary sustainability reporting and disclosures as required by the relevant regulatory and government authorities including the Annual Report of the Company; and
- (xii) perform any other duties relating to sustainability as may be required or authorised by the Board.

#### 4. SUMMARY OF ACTIVITIES

During the financial year under review, the following activities were carried out by the BSC in line with the terms of reference: -

#### 4.1 Risk Management and Internal Control

- a. On 6 February 2024, 24 May 2024, 26 August 2024 and 22 November 2024 respectively, the BSC reviewed and deliberated on the key and significant risks presented and discussed at the respective Risk Management Committee meetings held quarterly taking into consideration the Group risks profile and risk appetite/tolerance.
- b. The BSC had been progressively reviewing the financial obligation and banking facility limits to monitor the Group's financial position and borrowings.
- c. The BSC enhanced the Group's risk assessment model to align with the latest method of addressing risk management and ensuring resilience in business.

#### 4.2 Sustainability

- a. On 6 February 2024, 24 May 2024, 26 August 2024 and 22 November 2024 respectively, the BSC reviewed the Sustainability Reports prepared by the Group Sustainability Unit to ensure the formulated sustainability strategies, objectives and action plans were implemented in accordance with the following identified United Nations Sustainable Development Goals ("UNSDGs") adopted by the Group:
  - UNSDG No. 3: Good Health and Well-Being
  - UNSDG No. 5: Gender Equality
  - UNSDG No. 8: Decent Work and Economic Growth
  - UNSDG No. 13: Climate Action
- b. The BSC recommended the Wasco Sustainable & Transition Finance Framework ("the Framework") for adoption and implementation by the Board of Directors on 26 August 2024. The Framework is the first of its kind in Asean with the first sustainability-linked loan amounted to USD25 million being obtained for the Group. Maybank Investment Bank Berhad acted as the sole sustainability adviser while Maybank's Singapore branch was the sole lender. This notable comprehensive Framework is the first to outline eligible transition projects guided by the Technical Screening Criteria of the latest Asean Taxonomy for Sustainable Finance (Version 3).

The Framework comprised of both the "Use of Proceeds" and "Sustainable-linked" formats which enable the Group to undertake different types of sustainable finance transactions and financing instruments and in various currencies. The Framework will ring-fence proceeds to exclusively fund green, social, sustainability and transition expenditures and refinancing needs and the financing instruments are linked to the Group's achievement of pre-determined sustainability performance targets.

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#### 4.3 Anti-Bribery and Corruption Compliance

- a. On 6 February 2024, 24 May 2024, 26 August 2024 and 22 November 2024 respectively, the BSC deliberated on the updates of activities undertaken and discussed at the respective Integrity Committee meetings held quarterly to ensure that the proposed measures and initiatives to prevent bribery and corruption within the Group were adequately in place.
- b. On 6 February 2024, the BSC reviewed the findings of the Anti-Bribery Management System ("ABMS") Internal Audit conducted on 9 departments/functions within Wasco Management Services Sdn. Bhd. ("WMS") and noted that the findings recorded zero non-conformity/opportunity for improvement.
- c. The BSC at its meetings held on 24 May 2024 and 26 August 2024 respectively reviewed the findings of the SIRIM Recertification Audit for WMS and noted that WMS had received two certificates from the following parties:
  - SIRIM QAS International in compliance with the ISO 37001:2016 and MS ISO 37001:2016 standards; and
  - IQNET in view of the fulfilment of requirements under ISO 37001:2016 and MS ISO 37001:2016.

There was no issue of non-conformity/opportunity for improvement raised by the SIRIM auditors.

d. On 22 November 2024, the BSC reviewed and deliberated on the revised ABMS objectives together with the anti-bribery and anti-corruption risk assessment conducted on WMS.

#### 4.4 Others

In line with the Companies (Amendment) Act 2024 and the Guidelines for the Reporting Framework for Beneficial Ownership ("BO") of Companies, the BSC at its meeting held on 24 May 2024 reviewed and recommend the proposed amendments to the Group's BO Policy for the Board's approval.

#### 5. ESTABLISHMENT OF NEW POLICIES

During the financial year under review, the BSC established the following policies:-

(i) Sustainability Policy was established on 1 January 2024. The policy serves as a commitment of the Group to its stakeholders in respect of the short and long term initiatives of the Group by integrating the economic, environment, social and governance elements into the Group's business strategies and considerations.

The Sustainability Policy is available on the Company's website at www.wascoenergy.com.

(ii) Group Human Rights Policy was established on 29 August 2024. The policy serves as a dedication of the Company to uphold human rights and a guideline for all employees, partners and stakeholders connected with the Group to promote a work environment that respects and protects human rights in all aspects of its operations.

The Group Human Rights Policy is available on the Company's website at www.wascoenergy.com.

(iii) Anti-Money Laundering Policy was established on 28 November 2024. The policy serves as a commitment of the Company to combat money laundering and terrorism financing within the Group. The Anti-Money Laundering Policy complements and should be read in conjunction with The Principles of Business Conduct, Directors' Code of Ethics, Anti-Bribery and Corruption Policy, Conflict of Interest Policy and Whistle Blowing Policy.

The Anti-Money Laundering Policy is available on the Company's website at www.wascoenergy.com.

The Board of Directors ("the Board") of Wasco Berhad ("WB" or "the Company") recognises the importance of practising and upholding good corporate governance in discharging its duties and responsibilities towards enhancing business prosperity, corporate accountability, sustainability and realising and creating ongoing values for its shareholders and stakeholders. Hence, the Board is pleased to present an overview of the extent of the application and compliance of WB and its Group with the relevant principles and practices of the Malaysian Code on Corporate Governance ("MCCG 2021") issued by the Securities Commission Malaysia ("SC") on 28 April 2021, the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by SC on 30 July 2020 and revised on 12 April 2021 ("SC Guidelines on Conduct of Directors") as well as the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

#### 1. BOARD OF DIRECTORS

#### 1.1 Duties and Responsibilities of the Board

The Board is responsible for the strategic planning, overseeing the proper utilisation and management of its resources and operational conduct, financial and non-financial performance, identifying and implementing appropriate systems to mitigate and manage principal risks, reviewing the adequacy and integrity of its internal controls, risks management and management information systems and ensuring that a management succession plan, a dedicated investor relation and shareholders' communication policy are in place in meeting the Company's goals and objectives.

The Board together with the Managing Director/Group Chief Executive Officer ("CEO") and the respective Management team(s), where applicable, developed the Group's corporate goals, objectives and policies and set the appropriate limits of empowerment of its respective Management/Committees' authority, duties and responsibilities.

The Board exercises due care and diligence in discharging its fiduciary duties and responsibilities and in ensuring that high ethical standards are applied in practising and upholding good corporate governance and through the compliance with the relevant rules and regulations, directives and guidelines and the adoption of the relevant principles and practices of the MCCG 2021 and the SC Guidelines on Conduct of Directors in addition to acting in the best interest of the shareholders, stakeholders and the Group, taking into account diverse perspectives and insights.

The Board has established a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities including the key values, mission, principles and ethos of the Company. The Board Charter serves as a source of reference for Board members as well as a primary induction literature for new Board members in respect of their duties and responsibilities and the various legislations and regulations governing their conduct with the application of principles and practices of good corporate governance in their business conduct. The Board Charter would be reviewed and updated periodically as and when the need arises. The Board Charter was last reviewed by the Board on 27 February 2024.

The Board Charter clearly spells out the following principal roles and responsibilities of the Board in enhancing Board's effectiveness in the pursuit of corporate goals and objectives:-

- reviewing and adopting the strategic plans and direction of the Group;
- setting appropriate values and standards;
- reviewing the financial statements and forming a view on the information presented;
- overseeing the governance of sustainability and in setting the Group's sustainability strategies, priorities and targets which encompasses economics, environment, social and governance aspects;
- overseeing and evaluating the conduct of the Group's businesses;
- reviewing, challenging and deciding on Management's proposals and recommendations and monitor their implementation where appropriate;
- identifying principal risks and ensuring that appropriate internal control and risk management and mitigation measures are implemented to manage these risks;
- succession planning including the implementation of appropriate systems for recruitment, training, determining compensation benefits and replacement of Board members and Senior Management staff;
- developing and implementing an investor relations programme to enable effective communications with the shareholders and stakeholders;
- supervising and assessing Management's performance in managing the businesses of the WB Group;
- reviewing the adequacy and integrity of the Group's internal control systems, management information systems and risk management framework which includes sound system of reporting and in ensuring regulatory compliance with applicable laws, regulations, rules, directives and guidelines;
- ensuring proper accounting and other records are kept to enable the preparation of true and fair financial statements;
- ensuring an adequate group wide framework is in place to facilitate oversight and ensuring
  integrity of the group financial and non-financial performance and reporting, business strategies
  and priorities, risk management and corporate governance policies and practices of the Group; and
- ensuring the group wide framework is established on corporate governance to include code of conduct and ethics, policies and procedures on anti-corruption and anti-money laundering, whistleblowing, managing conflict of interest, managing material sustainability risks and board diversity including gender diversity.

The Board Charter is available on the Company's website at www.wascoenergy.com.

Apart from the aforesaid principal roles and responsibilities of the Board, the Board also delegates certain responsibilities to its Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities. While the Board Committees have their own functions and delegated roles, duties and responsibilities, they will report to the Board with their decisions and/or recommendations. Hence, the ultimate responsibility and decision on all matters lies with the Board.

As an effort to continuously observe high standard of ethical conducts, the Board has established the Company Directors' Code of Ethics on 27 November 2018 and it was last reviewed by the Board on 29 August 2024. The Company Directors' Code of Ethics is available on the Company's website at www.wascoenergy.com.

The Directors are guided by the SC Guidelines on Conduct of Directors in the discharge of their fiduciary duties towards the Company and the shareholders. The SC Guidelines on Conduct of Directors covers the Conduct Requirements for Directors, Maintaining Proper Records and Accounts and Group Governance in promoting corporate governance practices among the listed corporations in Malaysia.

The Board of Directors has also established the Principles of Business Conduct as guidance for the conduct of the Group's businesses and on issues pertaining to conflict of interest and related parties which may affect any members of the Board.

The Principles of Business Conduct is available on the Company's website at www.wascoenergy.com.

The Board has devoted sufficient time in carrying out their duties and responsibilities. The schedule of meetings for the calendar year comprising Board meetings and other Committee meetings is prepared by the Group Company Secretary and sent to members of the Board at least four months prior to the commencement of the calendar year to notify the Board on the meetings scheduled ahead.

The Group Company Secretary besides overseeing the compliance matters and assisting the Chairman in overseeing the governance matters of the WB Group, she also plays a pivotal advisory role to the Board and its Committees to ensure that they function effectively. The Group Company Secretary keeps abreast with the latest amendments to the laws, acts, regulations, guidelines and codes by attending various relevant talks, seminars, conferences and workshops.

The Board also takes their own initiatives and liberty to regularly update their knowledge and enhance their skills by attending the relevant seminars and talks as listed under item 1.12 Directors' Training.

The members of the Board have maintained the number of other directorships comfortable and manageable by them in respect of time and commitment.

## 1.2 Board Composition and Balance

During the year under review, the Board is led by the Non-Executive Chairman, Dato' Seri Robert Tan Chung Meng and altogether, the Board of WB comprises of eight (8) members, which includes one (1) Executive Director, four (4) Non-Independent Non-Executive Directors (including the Non-Executive Chairman) and three (3) Independent Non-Executive Directors.

Mr Chan Cheu Leong, a Non-Independent Non-Executive Director of the Company has resigned from the Board of Directors of WB with effect from 1 July 2024.

The Board composition fulfilled Bursa Malaysia's MMLR to have at least one-third (1/3) of Independent Directors and one (1) woman Director on Board.

The composition of the Board reveals their varied background as outlined on pages 111 to 119 of this Annual Report. The Board members are equipped with the relevant skills, knowledge and expertise required for the proper oversight of the Company's affairs. The effectiveness of the individual Directors and the Board as a whole are assessed annually by the Nomination and Remuneration Committee.

Generally, the Executive Director along with the Management Team are responsible for making and implementing operational decisions. The Non-Executive Directors play a key supporting role, contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate goals and objectives, policies and decisions. The Board collectively make decisions in the best interest of the Company.

In the event of a vacancy in the Board which resulted in non-compliance with Paragraph 15.02(3) of the MMLR, the Company will fill up the vacancy within (3) three months.

# 1.3 Board Independence

The number of Independent Directors on the Board complies with Paragraph 15.02, Chapter 15 of the MMLR, which states that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, shall comprise of Independent Directors and at least one (1) woman Director on the Board of the Company. The existing Independent Directors fulfilled the criteria of independence as defined in the MMLR as follows:-

- (i) they have fulfilled the criteria of independence as per the definition set out under Chapter 1 of the MMLR;
- (ii) they have the required skill sets, experience and expertise;

- (iii) they understand the Company's industry well and are able to contribute to the effective oversight of the Company's business activities while monitoring their independence;
- (iv) they have performed their duties diligently and provided independent judgements and balanced assessments hence ensured effective check and balance in the proceedings of the Board and the respective Board Committees; and
- (v) they have devoted sufficient time and attention to the duties and responsibilities as Independent Non-Executive Directors of the Company.

All Independent Directors act independently of the Management and do not participate in any business dealings and are not involved in any other relationship with the WB Group that may impair their independent judgement and decision-making. Their presence provides a check and balance in the discharge of the Board function and the Independent Directors' views carry significant weight in all Board deliberations and decision-making.

Annual assessment on the independence of the Independent Directors is conducted annually by the Nomination and Remuneration Committee.

The Independent Directors of the Company have not exceeded the cumulative term limit of nine (9) years in compliance with Practice 5.3 of the MCCG 2021 which requires the tenure of an Independent Director to not exceed a cumulative term limit of nine (9) years.

The Chairman of the Company and the Board is not an Independent Director. There are three (3) Independent Directors out of eight (8) Board members. The Board has reviewed and will continue to assess the Board composition and effectiveness on an annual basis. The Board believes that its current Board composition provides the appropriate balance in terms of skills, knowledge and experience in creating, protecting and enhancing the interests and values of all shareholders and stakeholders and in overseeing the conduct of businesses and to properly run the WB Group effectively. As the Chairman is also a shareholder who has substantial interest in the Company, he is well placed to act on behalf of shareholders and stakeholders and in their best interest and in providing Board leadership.

The Board believes in recognising and retaining high performance, talented and dedicated Board members, Senior Management and workforce regardless of gender, ethnicity and age with the required merits, knowledge, experience, expertise, competencies, professionalism, integrity and ability in discharging their responsibility and capability in contributing to the Board and the organisation. Hence, the Board has established a Diversity Policy which came into effect on 27 November 2018 and was last reviewed by the Board on 23 November 2022. The Diversity Policy is available on the Company's website at www.wascoenergy.com.

# 1.4 Division of Roles and Responsibilities between the Chairman and the Managing Director/Group Chief Executive Officer

The Board is led by Dato' Seri Robert Tan Chung Meng as the Non-Independent Non-Executive Chairman and Mr Gian Carlo Maccagno as the Managing Director/Group CEO.

There is a clear separation between the Chairman's role and the Managing Director/Group CEO's role to ensure a division of responsibilities and a balance of control, power and authority.

The Chairman leads and manages the Board with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective terms of reference to ensure its own effectiveness, while the Managing Director/Group CEO manages the businesses and operations of the Group and implements and develops the Board's decisions, policies and strategies.

The Chairman of the Board does not serve on the Audit Committee, Nomination and Remuneration Committee and Board Sustainability Committee to ensure check and balance as well as objective review by the Board.

## 1.5 Senior Independent Non-Executive Director

The Board has identified Tan Sri Saw Choo Boon as the Senior Independent Non-Executive Director of the Board, to whom concerns relating to the Group may be conveyed by shareholders and other stakeholders.

All concerns relating to the Group can be conveyed to him via his electronic mail address at sawchooboon@gmail.com.

# 1.6 Board Meetings

The Board meetings for each financial year are scheduled before the end of the preceding financial year, to enable the Directors to plan ahead and fit the year's meetings into their own schedules. The Board meets on a scheduled basis of at least four (4) times a year and has a formal schedule of matters specifically reserved for the Board to decide in order to ensure that the direction and control of the Company firmly rests in its hands, especially in respect of strategic, financial and investment decisions. Additional or ad hoc Board meetings can be convened as and when necessary.

During the financial year ended 31 December 2024, the Board met four (4) times and the details of the attendance of the Board members are as follows:-

Director	Directorship	Total Meetings Attended
Dato' Seri Robert Tan Chung Meng	Non-Independent Non-Executive Chairman	4/4
Gian Carlo Maccagno	Managing Director/ Group Chief Executive Officer	4/4
Chan Cheu Leong	Non-Independent Non-Executive Director *	2/2
Tan Sri Professor Lin See Yan	Non-Independent Non-Executive Director	4/4
Halim Bin Haji Din	Non-Independent Non-Executive Director	4/4
Tan Sri Saw Choo Boon	Senior Independent Non-Executive Director	4/4
Tan Jian Hong, Aaron	Non-Independent Non-Executive Director	4/4
Datin Wan Daneena Liza Binti Wan Abdul Rahman	Independent Non-Executive Director	4/4
Lily Rozita Binti Mohamad Khairi	Independent Non-Executive Director	4/4

<sup>\*</sup> Resigned as Non-Independent Non-Executive Director with effect from 1 July 2024.

To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda with the supply of complete and timely information to enable the Board to discharge their responsibilities effectively and for them to make informed decisions. The Board reviews and deliberates on the Group's financial performance and results, business operations, budgets, reports of the various Board Committees, risks management, business plans, corporate exercises and strategic financials and investments decisions.

In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

#### 1.7 Supply of Information

The Board is briefed in a timely manner on all major financial, operational and corporate matters. In order to maintain confidentiality, meeting papers on issues or corporate proposals which are deemed highly confidential and sensitive, would only be distributed to the Directors at the Board meeting itself.

The Board stresses on having timely reports and has full access to quality information which is not just historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the Group and other performance factors e.g. customer satisfaction, product and service quality, market share, market reaction, environmental protection, etc.

The Directors have access to all information within the Company whether as a full Board or in their individual capacity, in furtherance of their duties. Through regular Board meetings, the Board receives updates, written reports and supporting/discussion documents on the development and business operations of the Group, as well as on potential corporate exercises, proposals, mergers and acquisitions. Minutes of the respective Board Committees' meetings are presented at Board meetings. The respective Board Committees' Chairman will brief the Board on major issues deliberated by each of the Board Committees.

The Board either collectively or individually is authorised to seek such independent professional advice as may be considered necessary in furtherance of their duties at the expense of the Company.

The Directors also have access to the advice and services of its qualified Group Company Secretary in the course of discharging their duties and responsibilities and in fulfilling their obligation to statutory requirements, the MMLR or other rules and regulations, either as a full Board or in their individual capacity.

#### 1.8 Group Company Secretary

Ms Irene Woo Ying Pun, the Group Company Secretary of the WB Group, is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and also a former Council Member from June 2016 to June 2022 of MAICSA. She is a qualified Chartered Secretary and a Chartered Governance Professional. She heads the Group Corporate Secretarial Department of WB and is a member of the key senior management team of the WB Group. She was appointed to the position since 3 November 2008.

Ms Woo has more than 30 years of extensive relevant working experience in the corporate secretarial practice both as the in-house Group Company Secretary for large public listed groups as well as in large professional consultancy firms. She obtained her initial training of more than six years in Signet & Co. Sdn. Bhd., the Corporate Secretarial arm of Messrs. Ernst & Young.

Ms Woo holds directorship in certain subsidiaries within the WB Group, however she does not have any family relationship with any of the Directors or major shareholders of WB and has no conflict of interest whatsoever with WB.

She ensures that the Group complies with the Companies Act, 2016, MMLR, Capital Markets & Services Act, 2007 and all relevant acts, rules, regulations, codes and guidelines of the relevant authorities and governmental/regulatory bodies and their relevant updates and amendments from time to time. She assists the Board of Directors in overseeing and advising on the relevant aspects of the regulatory, compliance and corporate governance matters of the Group. She attends all meetings of the Board of Directors and all meetings of the Committees and Sub-Committees of the Board and captures all discussions and deliberations thereat comprehensively and accurately in her minutes. Her prompt and well written minutes and advices given to the members of the Board have so far assisted the Board of Directors in making informed decisions as well as for the Management to promptly act on decisions approved by the Board. The Board of Directors is satisfied with the competent performance and support rendered by the Group Company Secretary in the discharge of their duties and functions as members of the Board.

Ms Woo also assists in overseeing the Integrity function of WB. She is the Chairperson of the Integrity Committee and chairs the Integrity Committee meetings held on a quarterly basis. She assisted in the review and update of the Anti-Bribery and Corruption Policy ("ABC Policy"), the Anti-Bribery Management System Manual ("ABMS Manual") and its twenty-four (24) Standard Operating Procedures ("SOP") as well as the drafting of the Anti-Money Laundering Policy ("AMLA Policy") which was approved by the Board of Directors on 28 November, 2024.

### 1.9 Appointments to the Board

The Nomination and Remuneration Committee is responsible for assessing and making recommendations on any new appointments to the Board and its various Board Committees.

In making these recommendations, due consideration is given to the composition, objective criteria, required mix of skills, expertise, knowledge, experience, professionalism and integrity that the proposed Directors shall bring to complement the Board. However, no person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician.

The Directors would notify the Chairman of the Board before accepting any new directorships and the expected time to be spent on the new appointment.

#### 1.10 Re-election of Directors

The Company's Constitution provides that all the Directors shall retire at least once (1) in every three (3) years and are eligible for re-election at each Annual General Meeting in compliance with the MMLR.

The shareholders have the right to vote on the election/ re-election of all Directors tabled at general meetings.

# 1.11 Board Committees

The Board delegates specific responsibilities to the respective Board Committees of the Board, each of which has clearly defined terms of reference and its own functions, delegated roles, duties and responsibilities. The Board reviews the functions and terms of reference of Board Committees from time to time to ensure that they are relevant and updated in line with the MCCG 2021, the MMLR and other related policies and/or regulatory requirements.

The Board Committees have the authority to examine specific issues and report to the Board on the outcome of their proceedings, deliberations, findings and recommendations. The Board also reviews the minutes of the Board Committees' meetings presented at Board meetings.

During Board meetings, the Chairman of the respective Committees provide summary reports of the decisions and recommendations made at the respective Board Committees' meetings, and highlight to the Board on any further deliberation and/or approval that is required at the Board level. The Board Committees shall deliberate and thereafter recommend their decisions to the Board for its approval. The relevant decisions and recommendations of the Board Committees are incorporated into the minutes of the Board meetings accordingly.

During the financial year under review, the Board has revamped the Board Committees in accordance with their respective roles, functions and responsibilities. There are three (3) established principal Board Committees namely, Audit Committee, Nomination and Remuneration Committee and the Board Sustainability Committee. While the Sub-Committees of the Board are the Risk Management Committee, Integrity Committee and the Sustainability Steering Committee and these Committees report to the Board Sustainability Committee, and for certain matters that fall under the purview of the Audit Committee, they will be tabled to the Audit Committee for review and recommendation.

#### (a) Audit Committee

The composition of the Audit Committee ("AC") comprises of Non-Executive Directors i.e. two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director and the AC is chaired by an Independent Non-Executive Director. The Terms of Reference was last reviewed by the Board on 27 February 2024. The Terms of Reference, including the duties and responsibilities of the AC are available on the Company's website at www.wascoenergy.com. This included AC's responsibility to review the actual, potential and/or perceived conflict of interest declared by Directors and Key Senior Management to determine the conflict of interest disclosed and the measure(s) required to be taken to resolve, eliminate or mitigate the conflicts (if any) before the details of the conflict of interest are reported to the Board.

A summary of activities of the AC in the discharge of its functions and duties for the financial year ended 31 December 2024 are set out separately in the AC Report as laid out on pages 126 to 131 of this Annual Report.

#### (b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") comprises of three (3) Non-Executive Directors and a majority of whom are Independent Directors. The NRC is chaired by an Independent Non-Executive Director. The activities of the NRC in the discharge of its duties for the financial year ended 31 December 2024 are set out on pages 132 to 137 of this Annual Report.

The NRC oversees the appointment of Directors and succession planning and development of a diverse pipeline for Board and Management succession. The NRC also assesses the Board and Board Committees' effectiveness and the contribution of each individual Director independently in the discharge of their duties and responsibilities by conducting annual assessment of the Board's effectiveness as a whole, the Board Committees and the contribution of each individual Director using a set of customised assessment questionnaires to be completed by the Directors. A Peer Evaluation is also conducted for Directors to evaluate the proficiency and performance of fellow members of the Board during the period under review. The results of the assessment are compiled by the Group Company Secretary and they are tabled to the Board for review and deliberation.

The NRC sets the policies and procedures to determine the remuneration packages of the Directors and Senior Management to ensure that they are sufficient to attract and retain them to run the Company successfully and to drive the Company's long-term objectives. The remuneration packages will then be recommended to the Board for discussion and approval. The individuals concerned will abstain from discussion involving their own remuneration.

The information on the NRC and its Terms of Reference including its functions are available on pages 132 to 137 of this Annual Report.

The Terms of Reference including the roles and responsibilities of the NRC were last reviewed by the Board on 23 May 2023 and they are available on the Company's website at www.wascoenergy.com.

# (c) Board Sustainability Committee

The Governance, Compliance and Risk Committee of the Company had changed its name to the Board Sustainability Committee ("BSC") with effect from 29 August 2024. The BSC comprises of three (3) Sub-Committees namely:-

- Risk Management Committee
- Integrity Committee
- Sustainability Steering Committee

The BSC assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Company. The BSC oversees the development and implementation of the Group's sustainability-related framework, anti-bribery and corruption compliance, anti-money laundering compliance, risk management framework and all other relevant compliances and their related policies and frameworks.

The BSC reports and updates the Board on matters and findings by the BSC and makes the necessary recommendations to the Board within its terms of reference or as authorised by the Board.

The BSC comprises exclusively of Non-Executive Directors and majority of whom are independent. The Chairman of the BSC is an Independent Director.

The Terms of Reference and duties and responsibilities of the BSC were last reviewed by the Board on 24 August 2023 and they are available on the Company's website at www.wascoenergy.com.

# i. Risk Management Committee

The Risk Management Committee ("RMC") comprises of the Chief Financial Officer, Group Internal Audit Head and Heads of Business Units/Divisions. The Committee meets at least four (4) times a year to discuss, assess, manage and mitigate risks associated with the respective Business Units and Divisions and the Group as a whole. The Summarised Risk Registers compiled and confirmed by the respective Heads of the Business Units/Divisions and based on which WB Group's key risks are identified for monitoring.

Potential new investments or divestments are tabled to the RMC for comprehensive risks assessment review and deliberation on the risks associated with the proposed investment before the said proposed investment is tabled to the AC and/or BSC for review and evaluation before tabling to the Board for approval.

The AC and/or the BSC will consider and evaluate the feasibility of the investment related proposals by taking into account the comprehensive feasibility study, due diligence reports, valuation reports and/or other relevant reports in accordance with the standard operating procedures. With the threshold limits of the value of the investment related proposals being established to determine the relevant approvals required.

The role of the RMC has been expanded to cover the areas of risks related to sustainability and regulatory of the WB Group.

The RMC reports to the BSC on matters and updates pertaining to sustainability and regulatory risks of the Group on a quarterly basis.

The RMC has embedded bribery and corruption risk in the risk register and in the annual risk assessment of WB Group.

#### ii. Integrity Committee

The Integrity Committee is established comprising members from the Senior Management of the Group. The Integrity Committee oversees the areas of anti-corruption and corporate liability for corruption pursuant to Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018) ("MACC Act") as well as matters pertaining to anti-money laundering pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA"), and in ensuring that adequate and appropriate policies and procedures are in place and the Company's approach to anti-bribery and anti-corruption as well as the anti-money laundering is in compliance.

The Committee meets at least four (4) times a year to review the adequacy of the anti-bribery and anti-corruption compliance with Section 17A of the MACC Act by the Group and where necessary matters pertaining to AMLA, and to deliberate and manage any complaints and allegations of bribery and act of corruption reported to the Committee. The proceedings of each meeting shall be minuted and a copy of the minutes will be circulated to the BSC/Board for their attention.

The Chairperson of the Committee shall update and report formally to the BSC/Board and make any necessary recommendations to the BSC/Board during the quarterly BSC/Board meetings or as and when the need arises.

The Committee has oversight of policy making, review and improvisation of the Company's ABC Policy, ABMS Manual and its twenty-four (24) SOPs and practices for compliance with the MACC Act and the AMLA Policy for compliance with AMLA.

#### iii. Sustainability Steering Committee

The Sustainability Steering Committee ("SSC") is spearheaded by the Managing Director/ Group CEO and has been carrying out various initiatives on environment and climate change activities and projects. The SSC is designated to support and assist the Board in the oversight of the responsibilities towards the Group's ongoing commitments and initiatives on its sustainability which encompasses the economics, environment, social and governance aspects to be in line with the Group's vision, mission and values.

The SSC plays an important role in developing the Company's sustainability strategies, plans, approach and integrating sustainability consideration in the day-to-day operations of the Group and to drive, implement and monitor to ensure effective implementation of the Group's sustainability strategies, opportunities and plans.

The Committee meets at least four (4) times a year for the development, execution, oversight, monitoring and assessing of the Group's sustainability strategies, priorities, goals, targets, performances, adequacies and related systems, framework, charter and policies. The Chairman of the Committee shall report the necessary updates to the BSC/Board accordingly.

The Committee is responsible to ensure timely and efficient communication and reporting of its sustainability reports, sustainability related statements and disclosures to the relevant regulatory/government authorities, stakeholders and shareholders as well as ensuring the quality, accuracy and completeness of the contents thereof.

# 1.12 Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme ("MAP") Part 1 and Part 2 as required under the MMLR except for Tan Sri Professor Lin See Yan and Encik Halim Bin Haji Din who will be attending their MAP Part 2 in June 2025.

The Directors attend continuing trainings and education programmes from time to time to equip and keep themselves abreast of the latest developments in order to discharge their duties and responsibilities more effectively.

During the financial year under review, the Directors have participated in various talks, seminars and forums which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors.

The lists of trainings/courses attended by the respective Directors are tabled to the Board at the respective Board meetings held every quarter for the Board's notation. Based on the results of the annual assessment of the individual Directors, Board Committees and the Board's effectiveness as a whole as conducted by the NRC, the Board is satisfied with the trainings/courses attended by the respective Directors and that they are well equipped and updated on the industry knowledge and developments in enhancing their skills and in discharging their duties and responsibilities effectively.

A brief description of the type of trainings/courses attended by the Directors for the financial year under review is as set out below.

Directors	Date of Course/Name of Organiser	Title of Training/Courses Attended
Dato' Seri Robert Tan Chung Meng	9 September 2024 Young Presidents' Organisation (YPO)	YPO Malaysia Chapter featuring David Roberts' Disruption Morning
Tan Sri Professor Lin See Yan	24 October 2024 Malaysian Anti-Corruption Commission (MACC)	Awareness Training on the MACC Act's Section 17A & Anti-Money Laundering
Gian Carlo Maccagno	23 January 2024 UBS Bank (UBS)	UBS Year Ahead 2024
	13 – 14 May 2024 Institute of Corporate Directors Malaysia	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	24 October 2024 Malaysian Anti-Corruption Commission (MACC)	Awareness Training on the MACC Act's Section 17A & Anti-Money Laundering
Halim Bin Haji Din	24 October 2024 Malaysian Anti-Corruption Commission (MACC)	Awareness Training on the MACC Act's Section 17A & Anti-Money Laundering
Tan Jian Hong, Aaron	9 January 2024 UBS Bank (UBS)	UBS Year Ahead Seminar
	29 January 2024 Google	Al Trailblazers
	22 February 2024 Openspace Ventures	Open Forum: Charting Southeast Asia in 2024
	28 – 29 February 2024 Institute of Corporate Directors Malaysia	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	24 October 2024 Malaysian Anti-Corruption Commission (MACC)	Awareness Training on the MACC Act's Section 17A & Anti-Money Laundering
Tan Sri Saw Choo Boon	9 May 2024 National Chamber of Commerce and Industry of Malaysia	National Economic Forum 2024
	23 May 2024 BCG & INSEAD	Role of Board in the Sustainability Era
	11 June 2024 World Bank	How Can Countries Escape the Middle-Income Trap?
	20 June 2024 Security Industry Development Corp	Sustainable and Responsible Investment (SRI) Conference 2024
	24 July 2024 Federation of Malaysian Manufacturers	Smart Factory: Shaping the Factories of the Future
	13 August 2024 GS1 Malaysia	Advancing Sustainability and Consumer Trust through Verifiable Credentials

Directors	Date of Course/Name of Organiser	Title of Training/Courses Attended
Datin Wan Daneena Liza Binti Wan Abdul Rahman	11 March 2024 Institute of Corporate Directors Malaysia	Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of Al
	21 May 2024 S P Setia and Cyber Intelligence	Cyber Security Awareness
	12 June 2024 Asia School of Business	Carbon Markets: What Directors need to know
	13 June 2024 Climate Governance Malaysia & Bursa Malaysia	Biodiversity Matters: Leveraging Nature's Wealth for Business Sustainability
	20 June 2024 S P Setia Berhad	<ol> <li>Today's Consumer Sentiment, Their Habits and Emerging Trends</li> <li>New Beneficial Ownership Requirements</li> </ol>
	24 – 25 June 2024 Institute of Corporate Directors Malaysia	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	4 July 2024 Permodalan Nasional Berhad (PNB)	PNB Knowledge Forum: Navigating the Threads of Economic Relatedness
	16 July 2024 Ernst & Young (EY)	Webinar: EY Global Integrity Report 2024
	17 July 2024 Climate Governance Malaysia & FIDE	Latest Developments in Climate- Aligned Executive Compensation
	1 August 2024 Institute of Corporate Directors Malaysia	Insights Across Borders: Navigating Tech, Risk & Talent
	19 August 2024 S P Setia Berhad	Corporate Governance (Value creation role vs Compliance role)
	20 August 2024 Climate Governance Malaysia	Navigating Climate Risks Investor Priorities
	27 August 2024 S P Setia Berhad	Risk & Audit Integrity Day 2024
	24 October 2024 Malaysian Anti-Corruption Commission (MACC)	Awareness Training on the MACC Act's Section 17A & Anti-Money Laundering
	8 November 2024 Institute of Corporate Directors Malaysia (ICDM)	ICDM Masterclass Series: Guide for Corporate Boards in South East Asia on Climate Action

Directors	Date of Course/Name of Organiser	Title of Training/Courses Attended
Lily Rozita Binti Mohamad Khairi	6 – 7 March 2024 Institute of Corporate Directors Malaysia	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	30 April 2024 Institute of Corporate Directors Malaysia	Measuring Sustainability Performance Setting Targets and Metrics
	10 September 2024 Companies Commission of Malaysia & Climate Governance Malaysia	National Climate Governance Summit
	24 October 2024 Malaysian Anti-Corruption Commission (MACC)	Awareness Training on the MACC Act's Section 17A & Anti-Money Laundering
	22 November 2024 Institute of Corporate Directors Malaysia	Board of Directors: Steering the Path with Net Zero Strategy
	27 November 2024 DRI Malaysia	Board Crisis Management Overview Talk

# 2. DIRECTORS' REMUNERATION

The remuneration of the Board Members is broadly categorised into those paid to Executive Directors and Non-Executive Directors.

The Executive Directors are remunerated in cash and in kind by way of salary, performance bonus and other benefits and entitlements; taking into consideration their experience, responsibilities, length of service, their individual performance and contribution as well as the overall performance of the Company and the Group. Non-Executive Directors are paid fees based on their experience and level of responsibilities.

The Nomination and Remuneration Committee is responsible for recommending to the Board the remuneration package and benefits payable to the Executive Directors; whereas, the Non-Executive Directors' remuneration is a matter to be decided by the Board as a whole. The individual Director must abstain from deliberations and voting on decisions pertaining to their own individual remuneration.

The details of the remuneration of the Directors of the Company (including the remuneration for services rendered to the Company as a Group) received from the Company and received on a group basis during the financial year ended 31 December 2024 are as follows:-

#### Company

				Benefits	s in-kind
	Directors' Fees RM'000	Other Emoluments® RM'000	Bonus RM'000	Leave Passage RM′000	Others* RM'000
Dato' Seri Robert Tan Chung Meng	110	8	-	-	-
Gian Carlo Maccagno	-	-	-	-	-
Tan Sri Saw Choo Boon	115	22	-	-	-
Datin Wan Daneena Liza Binti Wan Abdul Rahman	120	26	-	-	-
Lily Rozita Binti Mohamad Khairi	115	20	-	-	-
Halim Bin Haji Din	100	18	-	-	-
Tan Sri Professor Lin See Yan	110	16	-	-	-
Tan Jian Hong, Aaron	90	8	-	-	-
Chan Cheu Leong#	45	4	-	-	-
	805	122	-	-	-

#### Group

		Salaries		Benefits in-kind	
	Directors' Fees RM'000	and Other Emoluments <sup>®</sup> RM'000	Bonus RM'000	Leave Passage RM′000	Others* RM'000
Dato' Seri Robert Tan Chung Meng	110	8	-	-	-
Gian Carlo Maccagno	-	5,454	3,753	301	26
Tan Sri Saw Choo Boon	115	22	-	-	-
Datin Wan Daneena Liza Binti Wan Abdul Rahman	120	26	-	-	-
Lily Rozita Binti Mohamad Khairi	115	20	-	-	-
Halim Bin Haji Din	100	18	-	-	-
Tan Sri Professor Lin See Yan	110	16	-	-	-
Tan Jian Hong, Aaron	90	8	-	-	-
Chan Cheu Leong#	45	4	-	-	-
	805	5,576	3,753	301	26

#### Notes:

- # Resigned as Non-Independent Non-Executive Director with effect from 1 July 2024.
- @ Meeting Allowances
- \* Others under benefits in-kind include motor vehicles, club subscription, etc.

In addition, the Group have made a provision of RM2,382,000 for amounts payable to Executive Directors at the end of their employment for their services rendered to the Group as part of their employment contract.

#### 3. TOP FIVE KEY SENIOR MANAGEMENT'S REMUNERATION

Pursuant to Practice 8.2 of the MCCG 2021, the top five Key Senior Management's total remuneration inclusive of salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000 are disclosed as follows:-

	Total
RM1,150,000 to RM1,200,000	1
RM1,650,000 to RM1,700,000	1
RM1,700,000 to RM1,750,000	1
RM1,950,000 to RM2,000,000	1
RM2,900,000 to RM2,950,000	1
	5

For purposes of security and to avoid poaching by other organisations, the names of the Top Five Key Senior Management are withheld and the detailed remuneration of each of the individuals are not presented because the Board of Directors is of the opinion that such information will not add significant value and understanding towards the evaluation of the Company's standard of Corporate Governance.

#### 4. SHAREHOLDERS AND INVESTORS

## 4.1 Effective Communications Policy

Besides the various announcements and disclosures including the quarterly and annual results released to Bursa Malaysia, the Board maintains an effective communications policy that enables the Board (in particular the Executive Board Members) to communicate effectively with its shareholders, stakeholders and the public in general.

As part of the Group's commitment towards having an effective investor relations and shareholders' communication policy, the following have been established:-

- a) an interactive and dedicated website for the Group which can be accessed by the public at large at www.wascoenergy.com.
- b) the Company's Corporate Communication & Branding Department attends to the Group's communication needs and whenever required, the services of an external public relations firm will be engaged to facilitate and promote greater public awareness of the Group's products and services aside from fostering and maintaining closer relations with the press and other members of the media.
- c) Internally, the Group Corporate Secretarial Department headed by the Group Company Secretary maintains most of the official correspondences with the various authorities.
- d) the Annual General Meeting provides an additional forum for shareholders' interaction and feedback with the Company.
- e) Media and Analyst Briefings are held by the Company to explain any major corporate exercises and/or to discuss the financial performance of the Group from time to time.

#### 4.2 Dialogue between the Company and Investors

The Board values feedback and dialogues with its investors. The Company will hold open discussions with investors upon written request. Analyst Briefings are periodically held to introduce and update the investors on the Company's/the Group's undertakings and financial performance from time to time.

In this respect, the Board and the Company shall ensure that any information sought is disseminated in strict adherence to the disclosure requirements under the MMLR.

The Company's website at www.wascoenergy.com contains vital information concerning the Group. All investors are encouraged at all times to log on and visit the Company's website to be informed of the latest happenings and detailed information of the Group and all the announcements released to Bursa Malaysia.

## 4.3 Annual General Meeting

The Annual General Meeting ("AGM") is one of the platforms for the Company's shareholders to meet and exchange views with the Board.

As part of the Group's commitment to environmental sustainability and cost cutting initiative, the Company has leveraged on technology to enhance efficiency. Since year 2018, the Company has been uploading its Annual Report and Circular to Shareholders on its website at www.wascoenergy.com so that they could be accessible online.

The Board ensures that all the required tools and equipment as well as the infrastructure are available to facilitate the conduct of any general meetings of the Company either to be held virtually or hybrid, in order to support among others, a smooth broadcasting and a meaningful engagement between the Board, Senior Management and the shareholders.

An open Question and Answer Session will be available whereby any shareholder may seek further details and clarification regarding any proposed resolutions tabled at the general meeting as well as matters relating to the Group's businesses and affairs.

The Company has been providing a notice period of more than 28 days for the convening of its annual general meetings.

Wasco Berhad

Key Messages

Value Creation

Sustainability Journey

The Chairman and the other members of the Board together with the Senior Management and the Company's External Auditors in attendance will provide explanations to all shareholders' queries.

Pursuant to Paragraph 8.29A(1), Chapter 8 of the MMLR, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is required to be voted by poll.

At least one (1) scrutineer will be appointed to validate the votes cast at the general meeting. Such scrutineer must be independent of the person undertaking the polling process.

A summary of the key matters discussed at the AGM as well as the minutes of the AGM will be published on the Company's website as soon as practicable after the conclusion of the AGM.

#### 5. ACCOUNTABILITY AND AUDIT

#### 5.1 Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial position, performance and prospects at the end of the financial year primarily through the audited financial statements, annual report as well as the quarterly results to shareholders.

The Board is responsible for ensuring that the financial statements prepared are drawn up in accordance with the provisions of the Companies Act, 2016 and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Board assisted by the AC, oversees the financial reporting processes and the quality of the financial reporting by the Group. The AC scrutinises information prior to their disclosure to ensure their timeliness, accuracy and adequacy. The quarterly financial results and audited financial statements are reviewed by the AC and approved by the Board before they are released to Bursa Malaysia.

The Statement of Directors' Responsibility in respect of the audited financial statements of the Company and the Group is set out on page 167 of this Annual Report.

#### 5.2 Internal Control

The Board has overall responsibility for maintaining a sound system of internal control, which encompasses risk management, financial, organisational, operational, integrity and compliance controls necessary for the Group to achieve its objectives within an acceptable risk profile.

These controls can only provide reasonable but not absolute assurance against material misstatement, errors of judgment, loss or fraud.

Information on the Group's Internal Control is as set out in the Statement on Risk Management and Internal Control on pages 164 to 166 of this Annual Report.

The establishment of an Internal Audit Department since the Group first commenced operations followed by the formation of the RMC in 2009 are testimony of the dedication and commitment that the Board and the Company have in identifying and mitigating potential risks which affect the Group.

# 5.3 Whistle Blowing Policy

The Company has disseminated its Whistle Blowing Policy whereby an employee or stakeholder can report or disclose in good faith, through the established channel, genuine concerns about unethical behaviour, malpractice, illegal act or failure to comply with regulatory requirements.

The Board of Directors will ensure that the Whistle Blowing Policy is reviewed periodically, at least once every 3 years, to assess its effectiveness and to ensure its relevance. The Whistle Blowing Policy was last reviewed by the Board on 23 May 2023.

The procedures of the Whistle Blowing Policy, in raising such genuine concerns to the established channels are available on the Company's website at www.wascoenergy.com.

## 5.4 Conflict of Interest Policy

The Conflict of Interest Policy was established and approved by the Board of Directors on 27 February 2024 in line with Bursa Malaysia's focus on enhancing the MMLR to address issues associated with conflict of interest involving Directors and Key Senior Management of the WB Group. The Conflict of Interest Policy was last reviewed by the Board on 29 August 2024.

The objective of the policy is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively as it provides guidance on how to deal with conflict of interest situations as they arise and to protect the Group's interest, while assisting the Directors and employees to perform with high integrity and ethical standards.

The policy applies to all Directors and employees of the WB Group (including employees on contract terms, temporary staff and those on internship). The policy applies when an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities. The policy guides the individual on how to identify and declare all conflict of interest, guides the Group on how to develop, implement and monitor actions to appropriately manage the conflict, and how to deal with breaches of the policy. The scope of the policy is relatively wide in coverage of the activities that may give rise to conflicts of interest.

The Conflict of Interest Policy is available on the Company's website at www.wascoenergy.com.

#### 5.5 Principles of Business Conduct

The Board is committed to achieving and maintaining high ethical standards with regards to behavior at work and hence the Principles of Business Conduct is established. The Principles of Business Conduct of the Group is a formal document which sets out the guiding principles and standards in which the employees and Directors shall adhere to in conducting the day-to-day duties and operations.

The Principles of Business Conduct was last reviewed by the Board on 29 August 2024. The Principles of Business Conduct is available on the Company's website at www.wascoenergy.com.

# 5.6 Group Human Rights Policy

Group Human Rights Policy was established on 29 August 2024. The policy demonstrates the Board's dedication to uphold human rights and serves as a guide for all employees, partners and stakeholders connected with the Group to promote a work environment that respects and protects human rights in all aspects of its operations.

The Group Human Rights Policy is available on the Company's website at www.wascoenergy.com.

#### 5.7 Relationship with Auditors

The Board has established a formal and transparent relationship with the External Auditors appointed by the Company and its subsidiaries within its fold.

The External Auditors are invited to attend the AC Meetings where the Group's annual financial results are considered, to review and discuss the Group's audit findings, internal controls and accounting policies and as and when the need arises.

For the financial year under review, the AC had two (2) meetings with the External Auditors without the presence of the Management, which encouraged a greater exchange of independent, frank views and opinions/dialogue between both parties.

The AC obtains written confirmation from the External Auditors on their independence throughout their terms of engagement for the financial year in compliance with the requirements of the relevant professional and regulatory bodies and/or authorities.

The Board also reviews the External Auditors' annual audit plan and scope of work for each of the financial years and the External Auditors' audit review on the financial statements for each of the financial years together with their audit report.

The Annual Assessment Form for External Auditors is established to assess the annual performance of the External Auditors by the AC. During the financial year under review, the AC had reviewed the independence of the External Auditors by taking into consideration among other factors, the following:-

- rotation of the External Audit Partner-in-charge once in every five years in accordance with the relevant laws and requirements; and
- the professionalism, openness in communication and interaction with the External Auditors through private discussions which had demonstrated their independence.

The AC also assessed the suitability, objectivity and independence of the External Auditors by taking into consideration among other factors, the following:-

- size, sufficiency of the allocated resources and geographical coverage of the external audits being conducted;
- calibre, competency, requisite skills and expertise, including industry knowledge of the audit team to effectively audit the Company and the Group that meet the requirements;
- adequacy of audit scope and plan to address the accounting risks, audit risk and financial reporting risks faced by the Company and the Group;
- quality and effectiveness of the audit services provided by the External Auditors;
- the External Auditors met their performance targets as expected of them; and
- the information presented in the External Auditors' Annual Transparency Report.

Based on the results of the Annual Assessment of External Auditors carried out during the financial year under review, the AC was satisfied with the independence and suitability of the External Auditors and hence had recommended the re-appointment of the External Auditors for the Board's consideration.

The Board, upon the recommendation of the AC, concurred on the suitability and independence of the External Auditors and had therefore agreed to table the resolution for the re-appointment of the External Auditors to the Shareholders at the forthcoming Twenty-Fifth AGM for their approval.

Further information on the role of the AC with the External Auditors is stated in the AC Report on pages 126 to 131 of this Annual Report.

#### 5.8 Internal Audit Function

The internal audit engagements are performed by the Group Internal Audit ("GIA"), where their primary responsibility is to provide independent and objective assurance in assisting the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance. The Head of GIA reports functionally to the AC and administratively to the Managing Director/ Group CEO. All the internal audit activities and processes are performed as guided by the Internal Audit Charter and the GIA Standard Operating Procedure. The GIA is in conformance with the International Standards for the Professional Practice of Internal Auditing.

The Board ensures that the Group has an effective governance, risk management and internal control framework.

For more information pertaining to the internal audit activities, please refer to the AC Report on pages 126 to 131 of this Annual Report.

#### 6. CORPORATE RESPONSIBILITY

Throughout 2024, the Group has undertaken various initiatives to create a positive and momentous impact on the lives of others, within the community and the environment in which it operates, as set out in the Sustainability Report on pages 44 to 110 of this Annual Report.

#### 7. SUSTAINABILITY

The Company has come a long way from a medium sized Malaysian enterprise to where the Group is today. It is through resilience and fortitude that the Group has been growing from strength to strength, meeting challenges along the way and succeeding in branching further aloft. As at today, the Group is a significant player in its core businesses and is sustaining growth on the global business landscape.

The Group develops, implements and maintains sound management systems for sustainable development and growth that drive continuous improvement for the Group. While maintaining sustainable growth, the Group is committed to create an open, diverse, friendly and safe workplace which is part of the Group's core values. Besides, the Group places utmost priority and is fully committed to its Health, Safety and Environment Policy and objectives with the aim of ensuring health and safety of our people as well as protection of the environment that the Group operates in by promoting and improving the health and welfare of the workforce, maintaining an accident-free work environment, eliminating occupational injuries, preventing pollutions by reducing carbon footprint, preventing wastages by promoting the efficient use of resources, recycling initiatives, optimising the use of natural resources and conserving energy. The Health, Safety and Environment Policy is available on the Company's website at www.wascoenergy.com.

The Group is dedicated to support the local communities within which it operates and through its corporate responsibility programmes, the Company will continue to implement initiatives to contribute back to the society and local communities.

The Company is committed to its shareholders and stakeholders in respect of its short term and long term initiatives to integrate the economic, environmental, social and governance elements into the Group's business strategies and considerations. The Sustainability Policy was established on 1 January 2024 and is made available on the Company's website at www.wascoenergy.com.

A separate Report on Sustainability is as set out on pages 44 to 110.

#### 8. CORPORATE DISCLOSURE POLICIES AND PROCEDURES

The Board has established a Corporate Disclosure Policies and Procedures aiming at effectively handling and disseminating the corporate information timely and accurately to its shareholders, stakeholders, potential investors and the public in general as required by Bursa Malaysia.

The Corporate Disclosure Policies and Procedures are available on the Company's website at www.wascoenergy.com.

#### 9. GOVERNANCE MODEL DOCUMENT

The Governance Model Document is established and approved by the Board of Directors on 23 February 2021 as part of the Group wide framework for co-operation and communication between the Company and its subsidiaries, in compliance with the Group Governance under Chapter 5 of the SC Guidelines on Conduct of Directors.

The Governance Model Document was last reviewed by the Board on 23 May 2023. The Governance Model Document is available on the Company's website at www.wascoenergy.com.

#### 10. ANTI-CORRUPTION MEASURES

The Company published the ABC Policy on the Company's website in compliance with the MMLR which took effect from 1 June 2020. The Group's ABMS Manual and its twenty-four (24) SOPs were established on 1 December 2020 in accordance with SIRIM ISO 37001:2016 and Section 17A of the MACC Act. The ABMS Manual together with its 24 SOPs serve to provide guidance to the Directors, employees and business associates of the WB Group about the Group's core values, principles and expectations, as well as the policies and procedures pertaining to the prevention and handling of bribery and corruption matters.

The ABMS Manual together with the 24 SOPs serve as a comprehensive preventive tool and guidance to assist the Directors, employees and business associates of the WB Group in recognising, preventing and detecting potential corrupt practices.

The Board of Directors is committed to ensuring that the policies and procedures on anti-bribery and corruption are reviewed periodically, at least once every 3 years to assess their effectiveness in addressing and mitigating corruption risks.

The Board of Directors is assisted by the BSC and its Sub-Committee, the Integrity Committee in the oversight of policy-making, implementation of an effective regulatory framework, practices and procedures to ensure that the approach of the Group on anti-bribery and anti-corruption is in compliance with the SIRIM ISO 37001:2016 and Section 17A of the MACC Act while the Risk Manager captures such risks in the risk register and in the annual risk assessment of the WB Group for the review by the Risk Management Committee. In addition, the Internal Auditors have embedded bribery risks and anti-bribery and corruption in their scope of audit.

The Group is also committed to combat money laundering and terrorism financing within the WB Group and will remain vigilant in mitigating and preventing the risk of money laundering and terrorism financing in its business operations. The Board of Directors has established the Anti-Money Laundering Policy on 28 November 2024 and published it on the Company's website at www.wascoenergy.com.

#### 11. CORPORATE GOVERNANCE REPORT

Please refer to the Company's Corporate Governance Report on the extent of the Company and its Group's application and compliance with the MCCG 2021 and the relevant explanations for the deviations which can be downloaded from the Company's website at www.wascoenergy.com.

# ADDITIONAL COMPLIANCE INFORMATION

#### 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There are no proceeds raised from corporate proposals during the financial year ended 31 December 2024.

# 2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROVISION OF FINANCIAL ASSISTANCE

The details of significant recurrent related party transactions conducted during the financial year ended 31 December 2024 pursuant to the shareholders' mandate are disclosed in the Summary of Significant Recurrent Related Party Transactions as set out on page 301 of this Annual Report.

#### 3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business), entered into by the Company and its subsidiaries, involving the interests of the Directors, Chief Executive who is not a Director or major shareholders during the financial year ended 31 December 2024.

#### 4. AUDIT AND NON-AUDIT FEES

- (a) The amount of audit fees paid and payable to the Company's External Auditors i.e. PricewaterhouseCoopers PLT Malaysia ("PwC") for the services rendered to the Company and the Group for the financial year under review are RM93,000 and RM968,000 respectively. While the amount of audit fees paid and payable to PwC's affiliates for services rendered to the Group for the financial year under review are RM1,009,000.
- (b) The amount of non-audit fees paid and payable to PwC and its affiliates for the services rendered to the Company and the Group for the financial year under review are RM13,000 and RM1,104,000 respectively.
- (c) The summary of the aforesaid audit and non-audit fees for the services rendered to the Company and the Group paid and payable to PwC and its affiliates for the financial year under review are as follows:-

	Company RM	Group RM
Audit Fees	93,000	1,977,000
Non-Audit Fees*	13,000	1,104,000
Total	106,000	3,081,000

- \* Included in fees for non-audit services are fees payable to PwC for the Company and the Group of RM13,000 and RM620,000 respectively.
- \* The non-audit fees incurred for the Company and the Group during the financial year under review amounted to RM1,104,000, constituting approximately 36% of the total amount of audit and non-audit fees of RM3,081,000 paid and payable to PwC and its affiliates for the services rendered to the Company and the Group. The non-audit services are mainly related to statutory tax compliance/advisory and project advisory.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

#### **BOARD'S RESPONSIBILITIES**

The Board of Directors ("Board") recognizes the importance of sound risk management and internal control practices for good corporate governance.

The Board plays a crucial role in providing direction and oversight of risk management across the organization. The Group is guided by ISO 31000:2018 to support the organization at different stages of risk maturity. This involves a regular review of the adequacy of processes for identifying, evaluating, and managing significant risks through a risk management process, which includes a reporting structure.

The Group's system of internal control is designed to manage and mitigate risks appropriately, rather than eliminate the risk of failure in achieving business objectives. Given the inherent limitations of all control systems, they can only provide reasonable assurance, not absolute certainty.

The Board, through the Board Sustainability Committee ("BSC"), has received reports from the Risk Management Committee ("RMC") confirming that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based on the existing frameworks in place for the financial year 2024 ("FY 2024").

Based on the reports received from the RMC through the BSC and the reports from various sources (including both internal and external auditors), the Board is of the view that the risk management and internal control system in place for FY 2024 and up to the date of approval of this statement is adequate and effective in safeguarding the Group's assets, interests of shareholders, customers, regulators and employees.

In evaluating the adequacy of risk management, the Board is supported by the BSC and RMC to ensure that the risk management framework functions effectively.

#### **RISK MANAGEMENT COMMITTEE**

The RMC, a sub-committee of the BSC, was established by the Board to ensure that a robust risk management framework is embedded in the Group's culture, processes, and structures. The RMC oversees the effectiveness of the Group's policies and processes for identifying, evaluating, and managing risks.

To support this, the RMC meets quarterly to review identified risks and ensure they are managed within acceptable levels.

The RMC is chaired by the Chief Financial Officer and comprises members of the Senior Management Team from the Group's major business segments.

The RMC key management responsibilities includes amongst others;

- Reviewing the Group Risk Management Framework, as needed, for approval by the BSC and Board;
- Ensuring that the processes for identifying, assessing, treating, monitoring and reporting of all material business risks are operating as intended;
- Maintaining and reviewing the Group's top risks and segmental/business unit risk profiles with support from the Group Risk Management;
- Providing guidance and direction to the Business Units on the adequacy and effectiveness of the internal control system in identifying and mitigating material business risks; and
- Undertaking any other risk management tasks delegated to the committee by the BSC/Board.

#### KEY ELEMENTS AND PROCESSES ON RISK MANAGEMENT AND INTERNAL CONTROLS

The key elements and processes established for reviewing the adequacy and effectiveness of the risk management and internal control system include the following:-

#### **RISK MANAGEMENT**

The Group Risk Management Framework, which is embedded in the management system of the Group, clearly defines the authority and accountability in implementing the risk management process and internal control system. The Management via RMC assists the Board in implementing the process of identifying, evaluating, and managing significant risks applicable to their respective areas of business and in formulating suitable internal controls to mitigate and control these risks.

The Management also provides reasonable assurance that the Group's risks and internal control systems are effective.

All business segments and major departments within the Group conducted risk assessments to identify risks relevant to their areas of responsibility. They analyzed the likelihood of these risks occurring, assessed their potential impact, evaluated the risk levels, and identified existing controls and actions needed to manage these risks to an acceptable level. The resulting risk profiles are documented in risk registers, with each business or operational area maintaining its own register. This process is facilitated by the Group Risk Management.

The risk assessment report is submitted to the RMC on a quarterly basis. During the quarterly RMC meetings, the significant risk identified by the business units are presented for deliberation. The RMC reports to the BSC on the significant risk affecting the Group as well as any substantial changes in the business and external environment that may impact the key risks identified.

Through the BSC, the Board has approved the Risk Management Framework, which outlines the governance structure and assigns responsibilities across various levels of management and operations. The ultimate responsibility for implementing the framework rests with top management and members of the Wasco Berhad Group Management. This implementation is evidenced by the integration of effective risk management practices into relevant business processes, supporting decision making to achieve the Group's objectives.

# **RISK MANAGEMENT FRAMEWORK**

The RMC primarily develops, executes, and manages the risk management system to ensure that the Group's corporate objectives and strategies are achieved within its acceptable risk appetite. It reviews, addresses, and responses to significant identified risks, including non-compliance with applicable laws, regulations, rules, and guidelines, as well as changes to internal controls and management information systems. Additionally, the reviews encompass outputs from monitoring processes and ongoing evaluations of identified risks and the effectiveness of mitigation strategies and controls.



#### INTERNAL AUDIT FUNCTION

The internal audit engagements are performed by the Group Internal Audit ("GIA"), where their primary responsibility is to provide independent and objective assurance in assisting the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance. The Head of GIA reports functionally to the AC and administratively to the Managing Director/Group Chief Executive Officer.

The audit engagements were carried out based on the approved annual Internal Audit Plan. In FY 2024, the GIA had completed 5 risk-based audit reviews which were presented to the AC. The audit scope included project management and performance review, Environmental, Social and Governance ("ESG"), business strategies, human rights, and foreign subcontract workers management at entities level. High impact audit findings pertaining to risk, control, compliance and governance with recommendation for further improvements were escalated to the attention and scrutiny of the senior management and subsequently tabled to the AC quarterly. Follow-up reviews of audit engagements were also conducted every quarter to ensure proper and effective remedial actions have been taken by the management to close control gaps highlighted by the GIA. All the internal audit activities and processes performed in FY 2024 were guided by the Internal Audit Charter and the GIA Standard Operating Procedure. The GIA is in conformance with the International Standards for the Professional Practice of Internal Auditing.

#### OTHER KEY ELEMENT ON INTERNAL CONTROL SYSTEM

Internal control processes, which are embedded for effective Group's operations include:-

- A clearly defined organisational structure and financial authorisation limits;
- Group policies, including Principles of Business Conduct and Whistleblowing Policy and Standard Operating Procedures to ensure compliance with internal controls, relevant laws, and regulations;
- Annual business plans of all Business Units are reviewed and approved by the Group Senior Management Team;
- Group budgets are reviewed and approved by the Board;
- Regular operational meetings at Business Units are held to review the operational and key performance indicators against the approved budget;
- · Utilisation of contract tendering and evaluation process for large projects; and
- Weekly report on Group's cash position is monitored by Group Treasury.

Periodic site visits to operating units are undertaken by Group Senior Management Team and/or the members of the Board whenever deemed appropriate.

The Group's system of risk management and internal control applies principally to Wasco Berhad and its subsidiaries. Associate companies and joint ventures are excluded because the Group does not have full management control and/or majority Board representation.

This statement is duly approved by the Board at the Board of Directors' meeting held on 28 February 2025.

# **REVIEW OF THIS STATEMENT**

As required by Paragraph 15.23, Chapter 15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guides ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

# STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual audited financial statements of the Company and the Group are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Malaysian Companies Act, 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Company and the Group are prepared with reasonable accuracy from the accounting records of the Company and the Group so as to give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2024, and of the results of their operations and cash flows for the financial year ended on that date.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgements and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group to prevent and detect fraud and other irregularities.